



**Pacific Gas and  
Electric Company**

ORIGINAL

FILED  
OFFICE OF THE SECRETARY  
02 NOV 25 AM 9:15  
FEDERAL ENERGY  
REGULATORY COMMISSION

Shir Kochavi  
Attorney at Law

2 of 3

77 Beale Street, Room 3082  
San Francisco, CA 94105

Mailing Address  
P.O. Box 7442  
San Francisco, CA 94120

415.973.2777  
Fax: 415.973.5520

November 22, 2002

Ms. Magalie Roman Salas, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E., Room 1A  
Washington, DC 20426

ECO3-21-000

Re: Section 203 Application for the Sale of Facilities by Pacific Gas and Electric  
Company to Turlock Irrigation District

Dear Ms. Salas:

Pacific Gas and Electric Company ("PG&E"), on behalf of itself and the California Independent System Operator Corporation ("ISO"), hereby submits for filing and acceptance in accordance with Section 203 of the Federal Power Act, 16 U.S.C. § 824b, and Part 33 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") rules and regulations, 18 CFR § 33, an original and eight copies of a Joint Application of Pacific Gas and Electric Company and the California Independent System Operator Corporation Under Section 203 of the Federal Power Act Seeking Authorization for the Sale of Certain Transmission Facilities to Turlock Irrigation District ("Application"), seeking FERC approval of a proposed sale by PG&E of FERC-jurisdictional assets to Turlock Irrigation District ("TID").

### Service

Copies of this filing have been served on TID, the California Public Utilities Commission, and the ISO. In addition, copies are available for public inspection in a convenient form and place during normal business hours at PG&E's General Office, located at 77 Beale Street, in San Francisco, California.

### Enclosures

Enclosed for filing an original plus eight copies of the following documents:

1. A Certificate of Service;
2. A form of notice suitable for publication in the Federal Register (See Attachment 1 to the Application), along with a 3.5" diskette version of the notice in WordPerfect 8.0; and
3. An application entitled "Joint Application of Pacific Gas and Electric Company and the California Independent System Operator Corporation Under Section 203 of the Federal Power Act Seeking Authorization for the Sale of Certain Transmission Facilities to Turlock Irrigation District", as required pursuant to Sections 33.2 and 33.3 of the Commission's Regulations (18 CFR §§ 33.2 and 33.3).

Disk/0SEC

Ms. Magalie Roman Salas  
Page 2  
November 22, 2002

### **Correspondence**

PG&E requests that all correspondence, pleadings, and other communications concerning this filing be served upon:

Shiran Kochavi  
Attorney  
Pacific Gas and Electric Company  
Law Department, Mail Code B30A  
Post Office Box 7442  
San Francisco, California 94120  
Telephone: (415) 973-2777  
Facsimile: (415) 973-5520

PG&E also requests that an additional copy of any correspondence and orders be sent to:

Robert J. Doran  
Director, FERC Rates and Regulation  
Pacific Gas and Electric Company  
77 Beale Street, Room 1345, B13L  
Post Office Box 770000  
San Francisco, California 94177

PG&E hereby submits an additional copy of the first page of this transmittal letter and respectfully requests that the Commission acknowledge receipt of this document by returning this copy endorsed as filed in the enclosed stamped, pre-addressed envelope.

Respectfully submitted,

SHIRAN KOCHAVI  
MARK D. PATRIZIO

By: 

Shiran Kochavi

Attorney for

Pacific Gas and Electric Company  
Post Office Box 7442  
San Francisco, California 94120  
Telephone: (415) 973-2777  
Facsimile: (415) 973-5520

Attachments and Enclosures

**Pacific Gas and Electric Company**

**MAILING ADDRESS**

P.O. Box 7442  
San Francisco, CA 94120

**STREET/COURIER ADDRESS**

Law Department  
77 Beale Street, B30A  
San Francisco, CA 94105  
Fax 415/973-5520

**Hand Delivery**

January 4, 2002

FILED

OF THE SECRETARY

02 NOV 25 AM 9:15

FEDERAL ENERGY  
REGULATORY COMMISSION



Docket Clerk  
California Public Utilities Commission  
505 Van Ness Avenue, Room 2001  
San Francisco, CA 94102

Re: Application of PACIFIC GAS AND ELECTRIC COMPANY for Authorization to Sell Electric Distribution and Certain Related Transmission Facilities Serving the City of Patterson, the Community of Crows Landing, and Certain Adjacent Rural Areas to the Turlock Irrigation District Pursuant to Public Utilities Code Section 851 and for Approval of Service Area Agreement Under Public Utilities Code Section 8101 (U 39 E)

Dear Sir/Madam:

Enclosed herewith for filing are an original and eight (8) copies of Application of Pacific Gas and Electric Company in the above-referenced proceeding.

Please file the original and return a stamped filed copy in the envelope provided. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script that reads 'Margaret Deb. Brown'. The signature is written in dark ink and is positioned above the typed name.

MARGARET DEB. BROWN

MDB:bb

Enclosures

cc: Andrew Barnsdale, Energy Division (courtesy copies (2))  
Pamela Nataloni, Legal Department (courtesy copies (2))  
Brian Schumaker, Energy Division (courtesy copies (2))  
Donald Lafrenz, Energy Division (courtesy copies (2))  
Terry Mowrey, ORA (courtesy copy)  
David Morse, ORA (courtesy copy)

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

FILED  
SECRETARY  
02 NOV 25 AM 9:15  
FEDERAL ENERGY  
REGULATORY COMMISSION

Application of PACIFIC GAS AND  
ELECTRIC COMPANY for Authorization  
to Sell Electric Distribution and Certain Related  
Transmission Facilities Serving the City of  
Patterson, the Community of Crows Landing,  
and Certain Adjacent Rural Areas to the  
Turlock Irrigation District Pursuant to Public  
Utilities Code Section 851 and  
for Approval of Service Area Agreement  
Under Public Utilities Code Section 8101

(U 39 E)

**APPLICATION**

ROGER J. PETERS  
LINDA L. AGERTER  
JACK F. FALLIN  
MARGARET DEB. BROWN

Pacific Gas and Electric Company  
Post Office Box 7442  
San Francisco, CA 94120  
Telephone: (415) 972-5365  
Facsimile: (415) 973-0516  
E-mail: mdbk@pge.com

January 4, 2002

Attorneys for  
PACIFIC GAS AND ELECTRIC COMPANY



**TABLE OF CONTENT**

**I. INTRODUCTION.....1**

**II. SUMMARY OF APPROVALS SOUGHT IN THIS APPLICATION.....3**

**III. BACKGROUND.....5**

**IV. OVERVIEW OF THE AGREEMENTS .....8**

**1. Asset Sale Agreement .....8**

**2. New Service Area Agreement .....9**

**3. Installment Sales Agreement.....12**

**4. Closing Agreement.....12**

**5. Tolling and Mutual Release Agreement .....13**

**6. Lease Agreements .....13**

**7. Private Electrical Lines Assignment and Assumption Agreement .....13**

**V. THE ASSET SALE AGREEMENT, NEW SERVICE AREA AGREEMENT, LEASE AGREEMENTS AND OTHER RELATED AGREEMENTS ARE IN THE PUBLIC INTEREST, ARE IN ACCORD WITH THE PUBLIC UTILITIES CODE, AND BENEFIT RATEPAYERS. ....13**

**1. The Company Will Obtain a Fair Price Based on RCNLD for the Assets to be Sold.....13**

**2. Protection of The Company’s Remaining Customers .....14**

**3. The Interests of Westside Zone Customers Are Protected .....14**

**4. The Agreements Between the Parties Resolve The Serious Disputes and Related Risks Concerning The 1953 Service Agreement In a Manner Consistent With the Enactment of AB 2638.....14**

**5. The Agreements Are Consistent With The Code Sections Added by Assembly Bill 2638 .....16**

**6. The Boundaries of the Westside Zone Were Negotiated to Avoid Leaving PG&E With Isolated, Sparsely Populated Areas That Are Costly to Serve.....17**

**7. Adoption of the New Service Area Agreement Will Create an Opportunity for Both TID and the Company to Provide Direct Access and Other Unbundled Services to Each Other’s Customers .....17**

**8. TID Will Assume Responsibility for the Non-Bypassable Charges Owed by Consumers in the Westside Zone. ....18**

**VI. THE GAIN ON SALE SHOULD BE ALLOCATED TO SHAREHOLDERS UNDER THE REDDING II DECISION .....18**

**VII. OTHER ISSUES .....20**

**1. Energy Efficiency Contracts .....20**

2.	Facility Termination Charges under Rule 2 Special Facility Agreements.....	21
3.	Line Extension Deposits.....	21
4.	Sale of Replacement Parts.....	22
5.	Installment Sales Agreement.....	22
6.	Private Electrical Lines Assignment and Assumption Agreement.....	23
7.	Final Customer Meter Reads.....	23
VIII.	RELATED FEDERAL ENERGY REGULATORY COMMISSION (FERC) APPLICATION.....	23
IX.	APPROVAL OF THE TRANSACTION BY THE FEDERAL BANKRUPTCY COURT.....	23
X.	ENVIRONMENTAL ISSUES.....	24
XI.	PACIFIC GAS AND ELECTRIC COMPANY.....	25
XII.	TURLOCK IRRIGATION DISTRICT.....	25
XIII.	PATTERSON IRRIGATION DISTRICT.....	26
XIV.	WESTSIDE POWER AUTHORITY.....	26
XV.	ORIGINAL COST, BOOK VALUE AND PURCHASE PRICE.....	26
XVI.	PROPOSED RATEMAKING.....	26
XVII.	INFORMATION REQUESTED BY THE OFFICE OF RATEPAYER ADVOCATES.....	26
	a. Table Showing Sales Price, Expenses, Tax Effects.....	27
	b. Decrease In Rate Base Resulting From The Sale.....	27
	c. Explanation Of Other Accounting/Ratemaking Features.....	27
	d. Copies Of Any Easements Or Other Agreements Pertinent To The Sale.....	27
	e. Impact Of Proposed Sale On Electric Restructuring, Renewables And Air Emissions.....	27
	f. Copies Of Environmental/Hazardous Waste Report.....	27
	g. Detailed Labeling of Analyses and Computations.....	28
XVIII.	COMPLIANCE WITH ARTICLE 2.5 AND REQUEST FOR EXPEDITED EX PARTE ORDER.....	28
XIX.	SERVICE OF APPLICATION.....	29
XX.	EXHIBITS.....	29
XXI.	CONCLUSION.....	29

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**Application of PACIFIC GAS AND  
ELECTRIC COMPANY for Authorization  
to Sell Electric Distribution and Certain Related  
Transmission Facilities Serving the City of  
Patterson, the Community of Crows Landing,  
and Certain Adjacent Rural Areas to the  
Turlock Irrigation District Pursuant to Public  
Utilities Code Section 851 and  
for Approval of Service Area Agreement  
Under Public Utilities Code Section 8101**

**(U 39 E)**

**APPLICATION**

**I. INTRODUCTION**

Pacific Gas and Electric Company (“the Company” or “PG&E”) and the Turlock Irrigation District (“TID”) have agreed, subject to regulatory approval, to the sale by the Company to TID of electric distribution facilities, and a few related transmission facilities, in a portion of the west side of Stanislaus County, including the City of Patterson, the community of Crows Landing and certain adjacent rural areas (the “Westside Zone”).<sup>1</sup> The Westside Zone covers roughly 225 square miles and includes approximately 5,450 electric customer accounts. This agreement is memorialized in an Asset Sale Agreement between the Company and TID (attached as Exhibit A). The Company, TID, the Patterson Irrigation District (“PID”) and the Westside Power Authority (“WPA”), a joint powers agency consisting of TID and PID, have also

---

<sup>1</sup> The Westside Zone includes the general geographic area of Patterson and Crows Landing. It is more specifically described as the area south of Del Puerto Creek, north of Fink Road, west of the San Joaquin River, and east of Interstate Highway 5, together with certain territory between Interstate Highway 5 and the western Stanislaus County line, and is described with particularity in Exhibit A to the Asset Sale Agreement between PG&E and TID.

agreed to enter into a new 25-year Service Area Agreement (attached as Exhibit B) under Public Utilities Code Section 8101,<sup>2</sup> replacing the indeterminate 1953 Service Area Agreement between the Company and TID.<sup>3</sup> The parties have also resolved a number of disputes concerning TID's, PID's and WPA's efforts to serve the Company's retail electric customers. This Application seeks Commission approval, under Code Sections 851, 8101 through 8109, and 9608, of the Asset Sale Agreement, Service Area Agreement, and related agreements. The Company also requests that the Commission order that proceeds of the gain on sale of these assets be allocated to the Company's shareholders, in accordance with relevant Commission precedents.

The Company demonstrates in this Application and attached Prepared Testimony that the Company will receive a fair price for the assets and that the sale and overall resolution of the disputes between the parties benefit the Company's ratepayers, are in the public interest, and should be approved. In broad overview, the agreements among the Company, TID, PID and WPA protect the interests of electric distribution customers, both those who will remain customers of the Company and those in the Westside Zone who will be transferred to TID/WPA, as follows: (1) They settle potential litigation between the parties arising from TID's retail power marketing efforts; (2) They provide that TID will pay PG&E the Competition Transition Charges and other non-bypassable charges attributable to former Company loads that will be served by TID/WPA; (3) They avoid the construction of wasteful duplicative distribution systems; (4) They avoid the likely stranding of the Company's distribution facilities and associated cost-shifting to other customers; (5) In addition to the City of Patterson and the community of Crows Landing, they transfer to TID and WPA the higher cost adjacent rural areas; and (6) They replace a disputed 1953 Service Area Agreement with a new agreement that establishes clear, separate service territories for the Company and for TID, PID and WPA, and allows for distribution

---

<sup>2</sup> All references herein are to the Public Utilities Code unless otherwise noted.

<sup>3</sup> After the sale has been approved and has closed, the Westside Zone customers will be served by WPA, but TID will operate the electric distribution system on behalf of WPA. See Prepared Testimony of TID, Chapter 5.

unbundling (except ownership of duplicative wires). This positive resolution of disputes between the Company and TID, PID and WPA benefits the Company, its remaining customers, TID, PID, WPA, and the customers in the Westside Zone.

## **II. SUMMARY OF APPROVALS SOUGHT IN THIS APPLICATION**

In this Application, the Company requests that the Commission issue an order:

- (1) Approving the sale of the Company's distribution facilities and a few transmission facilities in the Westside Zone to TID and the lease to TID of certain real property;<sup>4</sup>
- (2) Approving, pursuant to Code Sections 8101 *et seq.*<sup>5</sup> and 9608, a new 25-year Service Area Agreement defining exclusive geographic zones within which the Company or TID/PID/WPA will own or control electric distribution facilities and provide electric distribution services to customers, holding that such Service Area Agreement is in the public interest and consistent with state policy; and authorizing the termination of the 1953 Service Area Agreement;
- (3) Providing for the Commission's continuing oversight of the new Service Area Agreement by ordering that any dispute concerning it be resolved by the Commission (or by any other regulatory agency to which the Legislature might in the future grant authority over such service area agreements) on the filing of a complaint by any allegedly aggrieved party;
- (4) Holding that the Company's obligation to serve customers in the Westside Zone and in an area near Don Pedro Reservoir which will become part of TID's service area<sup>6</sup> ceases with the closing of the sale (Code Sec. 9608(c));

---

<sup>4</sup> The transaction includes the lease of land at the Company's Salado and Patterson substations to TID. *See* Salado Lease Agreement and Patterson Lease Agreement, attached hereto as Exhibits D and E.

<sup>5</sup> Code Section 8101 states:  
Under certain conditions the sale and distribution of electric power and energy in the same geographical area both by an electrical utility and by an irrigation district, results in duplication of service, waste of materials, increase in costs, waste of manpower and economic loss, and is detrimental to the efficiency and best interests of such districts. It is the policy of this state to induce such utilities and irrigation districts to prevent or remove such economic waste and to adopt more efficient and economic methods of distribution of electrical power and energy, and to that end to encourage the definition of areas to be served or not to be served by each.

<sup>6</sup> The Company does not have any electric facilities in this area at the present time.

(5) Holding that the non-bypassable charge (“NBC”) responsibility of consumers in the Westside Zone is fully satisfied by TID’s making certain NBC payments to the Company, and is not subject to further review or true-up, and that the Company and its shareholders are not required to assume any liability or responsibility in respect to any NBC obligation associated with such customers;

(6) Authorizing or approving certain other aspects of the transaction:

- The proposed release of Westside Zone customers from any obligation to repay electric energy efficiency grants or rebates that may arise solely as a result of the sale;
- The decision not to seek facility termination charges from Westside Zone customers whose Rule 2 Special Facility Agreements are terminated (or assigned to TID) solely as a result of the sale;
- The proposed refunding of line extension deposits set forth in Section 4.1(e) of the Asset Sale Agreement;
- The proposed sale by PG&E to TID of replacement parts at PG&E’s fully-loaded cost in the ninety-day period after the closing of the sale, if TID is unable to locate the needed part elsewhere and if PG&E has the part in stock;
- The proposed Installment Sales Agreement between PG&E and TID, which sells a customer-specific transmission tap line to TID on an installment sales basis;<sup>1</sup>
- The proposed assignment to TID of certain Private Electrical Line Agreements with customers in the Westside Zone; and,
- The proposed procedure for estimating closing meter reads set forth in Section 4.1(f) of the Asset Sale Agreement;

(7) Approving a Notice of Determination to be prepared by the Commission staff stating that the Commission, in approving this Application, has reviewed and considered the information

---

<sup>1</sup> A copy of the Tap Line Installment Sales Agreement is attached as Exhibit G.

contained in the Mitigated Negative Declaration prepared by TID;

(8) Approving the Company's proposed accounting and ratemaking treatment of the sale, including holding that the requirements in D. 89-07-016 (*Redding II*)<sup>8</sup> are satisfied, and thus that the gain on sale accrues to the Company's shareholders.

(9) The parties also respectfully request that the Commission approve the Application on written submittals and on an expedited basis by June 30, 2002, so that they can commence the work necessary for TID/WPA to begin serving the Westside Zone customers by January 1, 2003.<sup>2</sup>

### III. BACKGROUND

This Application seeks approval of a number of agreements between TID and the Company, all of which are the result of the parties' comprehensive settlement of various disputes. The following brief history of the disputes will help explain the significance of the parties' settlement and will show why the various agreements should be approved.

Prior to 2001, California Irrigation District Law authorized irrigation districts to sell and distribute electric power both inside and outside their boundaries, without any Commission or external environmental oversight. *See* Water Code, §§ 22115, 22120. Without such oversight, some irrigation districts built substantial amounts of duplicative distribution and transmission facilities and sought to serve former Company customers, resulting in uneconomic duplication of service, waste of materials, and cost-shifting to those customers left behind. Such activities are often termed "distribution bypass".

TID is an irrigation district organized under California law that owns and operates an electric distribution system in portions of Merced, Stanislaus and Tuolumne Counties. Over 60 years ago, on October 23, 1941, the Company and TID requested Commission approval of an

---

<sup>8</sup> *Re Rate-making Treatment of Capital Gains Derived from the Sale of a Public Utility Distribution System Serving an Area Annexed by a Municipality or Public Utility* (1989) 32 Cal.P.U.C.2d 233, D.89-07-016 (*Redding II*).

<sup>2</sup> The parties have provided for a period of 120 days within which to complete the necessary severance work; this work will begin once the Commission's approval of this Application is final. *See* Asset Sale Agreement, Sec. 4.2.

agreement for the purchase and sale of electricity. That agreement also provided, with certain minor exceptions, that neither the Company nor TID was to sell, deliver or otherwise dispose of electric energy for sale, use or disposal inside the other party's territorial limits through March 11, 1954. The Commission granted that application in November 1941 (Decision 34796).

On March 11, 1954, the day the 1941 service area agreement was due to expire, the Company and TID applied for approval of the December 28, 1953 indeterminate service area agreement, which slightly modified TID's service area. In Decision 49937 (1954), the Commission approved the 1953 Service Area Agreement, and barred the Company from making any changes or entering into any superseding agreements without obtaining Commission approval.

In recent years, the Company and TID disputed whether the 1953 Service Area Agreement was still valid, and still barred TID from building duplicate facilities and selling electric energy to retail customers within the Company's service territory. TID asserted that the 1953 Service Area Agreement was no longer valid or enforceable. The Company contended that TID violated the 1953 Service Area Agreement by offering to distribute electric energy within the Company's service area. In particular, TID, along with Modesto Irrigation District, began actively soliciting four communities in the Company's service territory (the Cities of Gustine, Los Banos, Newman and Patterson) to become the electric distribution provider for those communities.

The Company and TID also disputed whether the formation of the WPA by PID and TID had breached the 1953 Service Area Agreement. In early 1999, the Patterson Water District (PWD) reorganized itself into the PID. The express purpose behind the reorganization effort was to enable PID to provide electric distribution service within its boundaries. (These boundaries are included in the Westside Zone.) In February 2000, PID and TID entered into a Joint Powers Agreement for the formation of WPA, with the goal of providing retail electric distribution and commodity service within certain portions of Stanislaus County. Chapter 1 of the attached Prepared Testimony provides more detail concerning TID's assertions and the actions of TID,



PID and WPA. The Company contends that these activities on the part of TID breached the 1953 Service Area Agreement.

In August 1999, the Company filed an application with this Commission requesting that the Commission clarify its position regarding the continued validity of the 1953 Service Area Agreement. (A.99-08-018). In June 2000, the Commission concluded that A. 99-08-018 sought an improper advisory opinion and dismissed it (D.00-06-002). In so holding, the Commission noted, among other things, that the state Legislature was considering Assembly Bill (AB) 2638 which might provide legislative guidance concerning the parties' disputes. D.00-06-002 at p. 6.

In 2000 the Legislature considered, and ultimately enacted, AB 2638, which dealt with electric service by irrigation districts within the service territory of investor owned utilities.<sup>10</sup> During the legislative deliberations over AB 2638, Assemblymembers Dennis Cardoza and Thomas Calderon (the co-authors of AB 2638) asked stakeholders, including the Company and TID, to discuss the issues that gave rise to AB 2638 and see if they could resolve then pending disputes. A Memorandum of Understanding (MOU) for the sale by the Company to TID of the facilities in the Westside Zone, contingent on passage of AB 2638, arose out of those discussions. The MOU is the basis for the various agreements covered by this Application.

Among other things, AB 2638: 1) allows Commission review of the public interest associated with the future expansion of distribution facilities by "existing" irrigation districts (including Modesto, Merced and Turlock IDs) to serve retail customers in the service territory of an IOU (Code Sec. 9607), and 2) in anticipation of this type of voluntary sale, reaffirms a legislative preference, as expressed in Code Section 8101,<sup>11</sup> for the execution and approval of service area agreements defining exclusive service territories between IOUs and irrigation districts (Code Sec. 9608 and 9610(b)(2)). Thus, the parties' settlement and the agreements covered in

---

<sup>10</sup> AB 2638 was effective January 1, 2001.

<sup>11</sup> See note 5, supra. Section 8101 states that it is the specific policy of the state to avoid unnecessary duplication of distribution facilities and authorizes irrigation districts and utilities to enter into Service Area Agreements to avoid such duplication.

this Application are consistent with the provisions of AB 2638; they avoid the economic and environmental waste that would have resulted from the installation of dual sets of distribution facilities throughout the Westside Zone Area, including the City of Patterson and the community of Crows Landing, and other portions of Stanislaus County.

#### **IV. OVERVIEW OF THE AGREEMENTS**

The Company, TID, PID and WPA have entered into several agreements comprising the transactions for which approval is sought in this Application.

##### **1. Asset Sale Agreement**

The terms and conditions of the proposed sale are contained in the Asset Sale Agreement between the Company and TID (attached as Exhibit A). As described in Chapter 3 of the Prepared Testimony, "Valuation," the facilities the Company is selling include all electric distribution circuits and associated distribution facilities, meters, streetlights, and control and protective devices in the Westside Zone, associated easements and rights of way, the Patterson substation facilities, a portion of the Salado substation facilities, a portion of transmission poles with distribution underbuild, and a few associated transmission poles that would otherwise be stranded. Specific descriptions of the land rights and facilities to be sold are contained in Section 2.1 and Schedules 2.1(a)(i), 2.1(a)(ii), 2.1(b), 2.1(c), and 2.1(d) of the Asset Sale Agreement. The vast majority of the transmission facilities in the Westside Zone are necessary for the Company's overall system reliability and are therefore being retained by the Company. (See Sec. 2.2 and Schedule 2.2 of the Asset Sale Agreement). No gas distribution facilities are included in the sale; the Company will remain the gas distribution utility in the Westside Zone.

The sale price for the described assets in the Asset Sale Agreement is \$15,111,825, based on the Replacement Cost New Less Depreciation (RCNLD) method. (The total of all sale proceeds is \$15,179,054; this total includes the proceeds from the Installment Sales Agreement described below.) The book value of all assets is approximately \$8.7 million. The before-tax gain on sale is approximately \$6.4 million, and the net after-tax gain will be approximately \$2.9 million.

See Chapters 3 and 4 of the Prepared Testimony.

There are approximately 5,450 customer accounts being served by the facilities that are the subject of this transaction, including 4,428 residential, 525 commercial, 13 industrial, 332 agricultural, and 152 other (streetlighting and traffic control) customer accounts. Annual usage is approximately 110 million kWh, producing approximately \$9.2 million in annual bundled electric revenue. See Chapter 2 of the Prepared Testimony, page 2-4.

The Asset Sale Agreement further provides, in Section 4.3, that TID will pay all authorized NBCs for Westside Zone consumers subsequent to the closing, in the amounts set in the Company's tariffs. Payment of NBCs is discussed more fully in Chapter 2 of the Prepared Testimony and in Section V.7 below.

Another component of the Asset Sale Agreement provides that TID, which does not presently offer direct access service to customers in its service territory, will either offer direct access service to Westside Zone customers receiving direct access as of the Closing Date or will make other arrangements acceptable to those customers. (See Sec. 4.4).

The Asset Sale Agreement also covers a variety of other issues, including delivery of customer information (Sec. 4.1(c) and Schedule 1.1(a)), delivery of facilities information (Sec. 2.12 and Schedule 1.1(b)), sales of replacement parts if necessary (Sec. 2.11), joint pole arrangements (Sec. 2.10), rebates of energy efficiency grants or payments (Sec. 4.1(d)), final customer meter reads (Sec. 4.1(f)), disconnecting the facilities from the Company's system (Sec.4.2), and numerous other matters. In those instances where explicit Commission approval of an item is required, it is discussed in more detail below, in Section V.

## 2. New Service Area Agreement

Under the new Service Area Agreement (attached as Exhibit B), TID and the Company have agreed to terminate the existing 1953 Service Area Agreement and enter into a new 25-year Service Area Agreement. This Application requests approval of the new Service Area Agreement in accordance with Code Sec. 9608 and 8101 *et seq.* PID and WPA are also parties to the new

## Service Area Agreement.

Sections 2, 3 and 4 of the new Service Area Agreement define exclusive geographic zones within which TID, PID and WPA on the one side and the Company on the other side would sell or distribute electric power or energy, directly or indirectly. There are three changes to the existing service territory boundaries. First, only TID, PID and WPA are allowed to serve in the Westside Zone (*See* pp. 8, 10).<sup>12</sup> Second, an area on the eastern portion of TID's existing territory where PG&E does not presently have any customers or any facilities, the so-called Don Pedro South Shore Zone, becomes part of TID's exclusive service territory (*See* pp. 5, 8, 10). Third, the definition of "Existing TID Electric Service Area" includes minor adjustments to the northern boundary of the TID service area as defined in the 1953 Service Area Agreement.<sup>13</sup> (*See* p. 6 and Exhibit A).

Under Sections 3, 4 and 5a of the new Service Area Agreement, the parties agree, with certain limited exceptions, not to own or control distribution or transmission facilities for the purpose of serving each other's retail customers for 25 years. In light of changes in the electric industry in recent years and the "unbundling" of various services, the Agreement explicitly sets forth various unbundled services that are permitted or not permitted. For example, Sections 6d and 7f permit each side to provide revenue cycle services, demand side management services, services on the customer's side of the point of delivery, scheduling coordinator and power control services, and risk management for power supply purposes in the other side's service territory. Unlike the 1953 Service Area Agreement, the new Agreement does not prohibit a party from engaging in direct access transactions in the other party's service territory, to the extent that such services are authorized by the Commission, and subject to satisfying certain conditions precedent

---

<sup>12</sup> For the sake of simplicity, we will refer to the service territory allocated to TID, PID and WPA as "the TID service territory." The new Service Area Agreement is actually more complex; it draws distinctions between the areas to be served by TID (the existing TID service territory plus the Don Pedro area), and the area in which TID/PID/WPA can provide service (the Westside Zone).

<sup>13</sup> In addition, Section 8 of the Service Area Agreement provides for "grandfathering" existing minor cross-border service by TID into PG&E's territory, as previously agreed by PG&E and TID.

(see Sec. 6a, 7a, 7b and 7c). The new Agreement also permits power sales to wholesale customers (Sec. 6e and 7g), and permits each party to extend facilities to interconnect generators in the other party's service territory (Sec. 6c and 7e)<sup>14</sup>.

The new Service Area Agreement also explicitly prohibits conducting activities through a joint powers agency or other joint venture or affiliate that the party cannot do itself. (Sec. 5a; see also Sec. 29) These provisions resolve the dispute between PG&E and TID over whether a joint powers arrangement such as WPA is barred by the 1953 Service Area Agreement.

Another critical feature of the new Service Area Agreement involves Merced Irrigation District (Merced ID). TID is presently providing various services to Merced ID under agreements entered into over the past few years. Section 10 of the Service Area Agreement allows TID to continue to provide those services, notwithstanding other provisions of the Agreement. Because an existing Power Sales Agreement between Merced ID and TID grants TID the right, under certain circumstances, to acquire Merced ID's facilities and/or lease those facilities, which actions would otherwise violate the strict service area boundaries, Section 10 of the new Service Area Agreement permits TID to exercise its rights under this Power Sales Agreement. However, Sec. 10 contains detailed restrictions on TID's ability to build duplicate electric facilities or otherwise engage in activity which would be barred by the Agreement, and further provides that, if TID acquires any facilities owned by Merced ID in PG&E's territory, PG&E has an option to acquire these facilities from TID at essentially the same price.

Finally, the parties request continuing Commission supervision of the new Service Area

---

<sup>14</sup> The Service Area Agreement provides that a party cannot indirectly provide the various services that comprise the essential functions of a distribution utility, and thus defeat the intent of the Agreement. These provisions were included to alleviate concerns that a party could evade the territorial restrictions of the Agreement by contracting with a city or district in the other's territory and agreeing to provide essentially turnkey electric distribution services as a contractor to that the city or district (while the city or district would merely own the distribution assets). See Sec. 5(b). However, where there is an established, independent electric utility in the other party's service territory which is already serving all or a substantial portion of the electric customers within its boundaries, such as Lodi or Modesto Irrigation District, this concern does not apply. Thus, the Service Area Agreement permits each side to provide additional, unbundled services to an established, independent electric utility in the other party's service territory. (See Sec. 6f, 6g, 6h, 6i, 7h, 7i, 7j, 7k.)

Agreement. Section 26 of the new Agreement provides that any dispute over its interpretation or performance shall be resolved by the Commission or by any other regulatory agency to which the Legislature grants authority over service area agreements between irrigation districts and investor owned utilities, on the filing of a complaint by any allegedly aggrieved party.

3. Installment Sales Agreement

The parties also request approval of the Installment Sales Agreement between the Company and TID, Exhibit G hereto. The Installment Sales Agreement conveys to TID a 60 kV industrial customer tap line off of the Salado-Patterson 60 kV circuit serving Patterson Frozen Foods and the associated easements.

At TID's request, the Company agreed to transfer this asset by means of an Installment Sales Agreement. TID requested the use of an Installment Sales Agreement because it wanted to avoid being required to install new metering and protection equipment at the intersection of this tap line and the Salado-Patterson 60kV circuit, as will be required when the purchase is completed. TID anticipates building a new transmission line within the seven-year term of the Installment Sales Agreement, and hence hopes to avoid the new metering and protection expense entirely. (See Chapter 5 of Prepared Testimony.)

The Installment Sales Agreement provides for TID to pay all but one dollar of the purchase price of the tap line at closing, and to assume all risk of loss. TID further agrees not to make any connections to customers or electric generators from any point on the tap line between the point of interconnection to the Salado-Patterson 60 kV circuit and the metering point at the Patterson Frozen Foods substation without the Company's prior written consent, which may be withheld in the Company's sole discretion.

4. Closing Agreement

The Closing Agreement (attached as Exhibit C) contains the terms of closing the various transactions between the parties, and essentially acts as escrow instructions. It provides, with limited exceptions, that the transactions are dependent upon the approval of this Commission, the

Federal Energy Regulatory Commission, and the Federal Bankruptcy Court.

5. Tolling and Mutual Release Agreement

The Company and TID have entered into a Tolling and Mutual Release Agreement (attached as Exhibit F) that suspends any period limiting legal or equitable actions between the Company and TID with respect to claims involving the 1953 Service Area Agreement while this Application is pending. At closing, the Tolling and Mutual Release Agreement will act as a mutual release of disputes related to the 1953 Agreement.

6. Lease Agreements

The Company and TID also request Commission approval for multi-year leases of a portion of the land at the Salado substation (Exhibit D) and the land at the Patterson substation (Exhibit E). TID is purchasing the Patterson substation equipment, and a portion of the equipment at the Salado substation, but the Company is retaining ownership of the land in both cases. At the end of the lease terms, TID plans to serve the Westside Zone customers out of another substation. These leases will be signed at a later date in accordance with the Closing Agreement, Article 2.

7. Private Electrical Lines Assignment and Assumption Agreement

Finally, the Company has agreed to assign three private electrical line agreements dealing with private lines located in the Westside Zone to TID in the Private Electrical Lines Assignment and Assumption Agreement, attached as Exhibit H. The parties seek approval of this agreement.

**V. THE ASSET SALE AGREEMENT, NEW SERVICE AREA AGREEMENT, LEASE AGREEMENTS AND OTHER RELATED AGREEMENTS ARE IN THE PUBLIC INTEREST, ARE IN ACCORD WITH THE PUBLIC UTILITIES CODE, AND BENEFIT RATEPAYERS.**

The proposed Asset Sale Agreement, new Service Area Agreement, lease agreements and other related agreements are in the public interest for the following reasons:

1. The Company Will Obtain a Fair Price Based on RCNLD for the Assets to be Sold

The purchase price of approximately \$15.2 million is based on the RCNLD and going concern value for the assets being sold. This price reflects current value and exceeds both the

depreciated book value and historic cost of the facilities. The Company describes how it determined the value of the facilities in Chapter 3 of the Prepared Testimony.

2. **Protection of The Company's Remaining Customers**

As discussed in Chapter 2 of the Prepared Testimony, the Company's remaining customers have been protected from adverse impacts. First, the reliability of electric service to these customers will be unaffected by the transaction. PG&E is retaining the vast majority of the transmission assets in the Salado/Patterson area. The minor changes to its transmission system that will be required by the sale will not affect service; the costs of necessary reconfigurations will be paid by TID (Asset Sale Agreement, Section 4.2). Second, these customers will be better off with this transaction compared to the likely alternative of widespread TID/WPA selective service of PG&E's most attractive customers in the Westside Zone and surrounding areas.

3. **The Interests of Westside Zone Customers Are Protected**

As discussed in Chapter 5 of the Prepared Testimony, the interests of customers in the Westside Zone who will become customers of TID/WPA have been protected. TID, which will operate the electric distribution system for WPA, has a good record of providing reliable service, expects Westside Zone rates to be lower than current PG&E rates, and plans to make the change as smooth as possible. For example, although TID has considered but at this time has not generally offered direct access service to its customers, TID has agreed to offer direct access service to all current PG&E customers in the Westside Zone who receive direct access service.<sup>15</sup>

4. **The Agreements Between the Parties Resolve The Serious Disputes and Related Risks Concerning The 1953 Service Agreement In a Manner Consistent With the Enactment of AB 2638**

The electric distribution function is one of the Company's core businesses, and as a general matter the Company does not divest portions of its distribution system. Moreover, the Company has long valued its relationships with the customers and communities in the Westside Zone. However, in this particular case, the agreement to sell the facilities and settle the dispute

---

<sup>15</sup> See Sec. 4.4 of the Asset Sale Agreement. TID will offer both direct access and bundled service to these customers; the customers will be able to choose the service they prefer.



with TID was the best decision for the Company and its other customers.

First, as noted above, there is a dispute concerning the 1953 Service Area Agreement. PG&E believes the 1953 Agreement bars TID from selling or distributing electricity within PG&E's service territory, and also bars TID from doing so indirectly through the WPA. TID, however, believes that this Agreement is no longer enforceable and, even if enforceable, that it does not prevent TID from participating in the formation, management and operation of the WPA. It is in the public interest for this dispute to be settled rather than litigated. Litigation is costly and there is risk and uncertainty inherent in any lawsuit.

Second, the Company has been greatly concerned by the actions of various irrigation districts and others in building, or attempting to build, duplicative electric transmission and distribution facilities and in seeking to serve the Company's customers, particularly large commercial customers. Such actions potentially permit others to serve the lowest cost customers, typically large commercial customers, and leave the higher cost customers for the Company to serve. Since the Company would need to continue operating and maintaining its facilities in the area, its revenue reductions would not be matched by commensurate reductions in costs, and most of these costs would be shifted onto remaining ratepayers. In short, both PG&E and its remaining ratepayers would be harmed by such incursions into PG&E's service territory. Even though TID could not selectively market to PG&E's customers if PG&E prevailed in its view of the 1953 Service Area Agreement, that Agreement did not limit TID's ability to selectively pursue attractive customers in the Patterson area or elsewhere in western Stanislaus County.

In light of this situation and other recent experience, the Company supported the legislative goals embodied in AB 2638, *i.e.*, discouraging the building of duplicative infrastructure (Code Sec. 9610(b)(2)) and avoiding cost-shifting to customers of an electrical corporation resulting from the transfer of distribution service from an electrical corporation to an irrigation district (Code Sec. 9607(a)). TID, however, initially opposed the proposed legislation. As noted above, at the urging of Assemblymembers Cardoza and Calderon, the Company and TID began

negotiations and ultimately the Company agreed to sell the Patterson area assets to TID. In short, the Memorandum of Understanding (MOU) between PG&E and TID eliminated one source of opposition to AB 2638. The Company believes that AB 2638, by expanding the jurisdiction of the Commission and clarifying the circumstances under which Irrigation Districts can provide electric service within the service territories of electric utilities regulated by this Commission, greatly benefits all Californians and prevents uneconomic distribution bypass and the selective marketing to only the most desirable retail customers.

Because PID was recently formed, the restrictions of AB 2638 do not apply to it, and if TID's interpretation of the 1953 Service Area Agreement is correct, PID would be free to build duplicate facilities in the Company's service territory and selectively market to the most desirable customers. Approval of this Application will prevent such activities and thus protect the Company's remaining customers from the harmful economic effects of such uneconomic bypass and selective marketing.

5. **The Agreements Are Consistent With The Code Sections Added by Assembly Bill 2638**

Among its other provisions, AB 2638 added Section 9607 and 9608 to the Code. Sec. 9607 provides that an irrigation district cannot offer electric service to customers located in the service area of an electric corporation such as the Company without obtaining Commission approval and satisfying a number of specific requirements. However, Section 9608 provides that Section 9607 does not apply "if all of the following occur:"

(a) The irrigation district acquires substantially all the electric distribution facilities and related subtransmission facilities of any electrical corporation that has an obligation to provide electric distribution service within the area to be served by the irrigation district.

(b) The commission approves a service area agreement between the irrigation district and the electrical corporation pursuant to Sections 8101 to 8108, inclusive, which service area agreement provides that the electrical corporation may not provide electric distribution service in the area to be served by the irrigation district and that the irrigation district may not provide electric distribution

service in the remainder of the electrical corporation's service territory.

(c) The commission relieves the electrical corporation of its obligation to serve within the area to be served by the irrigation district.

As this Application shows, the Asset Sale Agreement and the Service Area Agreement comply with these conditions of Code Sec. 9608.

6. The Boundaries of the Westside Zone Were Negotiated to Avoid Leaving PG&E With Isolated, Sparsely Populated Areas That Are Costly to Serve

PG&E and TID negotiated at length to define Service Area boundaries that make both electric distribution and economic sense. The agreed-upon Westside Zone not only includes the City of Patterson and the community of Crows Landing, but also the entire area west to the Alameda/Stanislaus County line. In establishing this western boundary, TID agreed to purchase PG&E's facilities in that very sparsely populated, hilly area, including facilities north and west of the proposed Diablo Grande development, that serve a state park and a few residences, and would have been expensive for PG&E to continue to serve. Thus, the service territory being transferred as part of the sale is not simply the denser area that TID and WPA would have chosen (or initially chose) to serve, but also includes a geographic area and associated cost characteristics that are somewhat more representative of PG&E's rural areas.

7. Adoption of the New Service Area Agreement Will Create an Opportunity for Both TID and the Company to Provide Direct Access and Other Unbundled Services to Each Other's Customers

The new Service Area Agreement will supersede the disputed 1953 Service Area Agreement, which has been challenged by TID. While the 1953 Agreement bars all energy sales, including direct access, the new Service Area Agreement authorizes the parties to engage in direct access transactions, subject to Commission authorization and certain conditions precedent, and provide other, specified unbundled services in each other's service area. (See Sec. 6 and 7 of the Service Area Agreement).

8. **TID Will Assume Responsibility for the Non-Bypassable Charges Owed by Consumers in the Westside Zone.**

Under Sec. 4.3 of the Asset Sale Agreement, TID will pay the Company the non-bypassable charges owed by consumers within the Westside Zone for the period of time that they are authorized. These charges include Competition Transition Charges (CTCs), trust transfer amounts, and nuclear decommissioning amounts.<sup>16</sup> These amounts will appropriately reduce the amounts owed by other ratepayers. CTC amounts will be credited to the transition cost balancing account (TCBA, Preliminary Statement AV), while the nuclear decommissioning amounts will be credited to the Transition Revenue Account (TRA, Preliminary Statement Section N.5.f.). Section 4.3 also provides that TID will pay any other non-bypassable charges owed by Westside Zone consumers adopted by the Commission or by the Legislature prior to the Closing Date, such as any charges for Department of Water Resources costs or prior uncollected excess power purchase costs.

**VI. THE GAIN ON SALE SHOULD BE ALLOCATED TO SHAREHOLDERS UNDER THE REDDING II DECISION**

*Redding II* specifies the ratemaking treatment for the sale of a public utility distribution system to a municipality or some other public or governmental agency. To be subject to the ratemaking treatment specified in *Redding II*, four circumstances must exist:

1. A distribution system of a public utility is sold to a municipality or some other public or governmental entity;
2. The distribution system consists of part or all of the utility operating system located within a geographically defined area;
3. The components are or have been in the rate base of the selling public utility, and
4. The sale of the system is concurrent with the utility being relieved of and the government entity assuming the public utility obligations to the customers within the area being sold.

---

<sup>16</sup> Consistent with Ordering Paragraph 12(h) of the Cost Separation decision, D.97-08-056, customers served by TID or WPA will not be responsible for the Company's Public Purpose Program charges.

*Redding II* held that, if these requirements are met, gain on sale would be allocated to shareholders to the extent that ratepayers remaining on the seller's system are not adversely affected, and those ratepayers did not contribute capital to the distribution system.

In June, 2001, the Commission reaffirmed the *Redding II* decision. In Decision 01-06,007, granting an Application filed by Citizens Telecommunications and GTE California, the Commission stated (mimeo at 82):

The allocation of gains from the sale of 'distribution systems' by rate-of-return utilities is a well-settled issue. The seminal decision was D.89-07-016 wherein the Commission held that the entire gain from the sale of a utility distribution system accrues to shareholders if all of the following conditions are met. . . .

The Commission then listed the *Redding II* factors<sup>17</sup> and concluded that the Citizens and GTE sales at issue satisfied those factors and that therefore, in keeping with *Redding II* and a host of other precedents, cited in footnote 142 of D.01-06-007, the gain on sale should accrue to shareholders (Id. at 83). The Commission specifically rejected arguments that the entire gain on sale should be allocated to ratepayers or should be allocated between ratepayers and shareholders.

This proposed sale to TID meets all the *Redding II* requirements:

1. PG&E's electric distribution system will be transferred to TID, a governmental entity;
2. The distribution system consists of part or all of the utility operating system located within a geographically defined area;
3. The components are or have been in PG&E's rate base; and
4. The transfer of the system will be concurrent with PG&E's being relieved of its public utility obligations to the customers in the area served by the facilities, and with WPA's undertaking public utility service to those customers.

Under *Redding II*, the gain on sale accrues to the Company's shareholders to the extent

---

<sup>17</sup> The Commission listed five factors, but the list is basically the same as that given above. The list in D. 01-06-007 included the factors that ratepayers are not adversely affected by the sale, and ratepayers had not contributed capital to the distribution system, and did not specifically mention the factor that the assets being sold were in the seller's rate base. Id. at 83.

that: (1) the ratepayers remaining on the Company's system are not adversely affected, and (2) those ratepayers have not contributed capital to the distribution system. *Redding II* similarly provides that shareholders are at-risk for any loss from the transaction.

The Company's remaining ratepayers are not adversely affected by this sale. As described above and in Chapter 2 of the Prepared Testimony, the conditions of sale protect remaining ratepayers from harm. The sale is consistent with the provisions of the Code, including those enacted in AB 2638. The proposed sale of this geographically discrete system will not affect the reliability of the service to be received by the Company's remaining customers. TID will pay the Company the non-bypassable charge obligations associated with the customers that, as a result of the sale, will have departed PG&E service, as long as these charges are authorized.

Finally, the Company's remaining ratepayers have not contributed capital to the distribution system being sold to TID, and are therefore not entitled to any portion of the profits associated with the sale of these facilities.

In recent Commission decisions, the Company has stipulated that the gain on sale associated with sales of certain utility facilities may be used to offset CTCs. Such treatment is not appropriate here. The Company is already collecting full CTCs for customers in the Westside Zone as part of this transaction. No additional crediting of CTCs is called for or warranted based on a sale of these distribution facilities; distribution is a utility function that has nothing to do with generation. The Commission's ruling in *Redding II* directly addresses the appropriate treatment for sales of distribution systems to government entities and there is no valid policy reason for departing from this precedent in this transaction.

## **VII. OTHER ISSUES**

### **1. Energy Efficiency Contracts**

Certain customers in the Westside Zone have executed contracts under various Customer Energy Management or Energy Efficiency programs approved by the Commission to encourage installation of energy efficient measures. These contracts provide for payments to the customers

based on energy savings over a period of time, but since the programs are financed by the Public Goods Charge paid by all customers, the contracts also require these customers to remain customers of the Company for the contract period. If the customer terminates service from the Company, and ceases to pay the Public Goods Charge, some of these contracts specify that the customer must refund a pro rata portion of the payments already received. Because the decision to transfer the customers in the Westside Zone was not made by the customers themselves, it would not be fair to require them to repay portions of grants that have already been paid under their energy efficiency agreements solely as a result of the sale of the distribution facilities to TID. While these customers will be expected to comply with all other requirements in the contracts, the Company requests the Commission to issue an order authorizing the Company's release of customers in the Westside Zone from any obligations to repay electric energy efficiency grants or rebates that may arise solely as a result of the sale to TID.<sup>18</sup>

2. Facility Termination Charges under Rule 2 Special Facility Agreements

The parties seek Commission approval for their decision not to seek facility termination charges from Westside Zone customers whose Rule 2 Special Facility Agreements are terminated solely as a result of the sale; as in the case of the Energy Efficiency contracts, it would be unfair to impose any charges since (a) the Company is selling the special facilities for RCNLD and (b) the customers did not make an affirmative decision to terminate service, which is the usual circumstance in which such charges would apply.

3. Line Extension Deposits

The parties also request approval of the proposed treatment of line extension deposits set forth in Section 4.1(e) of the Asset Sale Agreement. In particular, the parties propose that

---

<sup>18</sup> On the other hand, after these customers are no longer customers of PG&E, PG&E should not, and does not intend to, make additional payments under multi-year contracts. PG&E will continue making all payments required under the contracts until the customer is transferred from PG&E to TID/WPA. At that time, since the customer will no longer be served by PG&E, PG&E will not make any remaining contract payments. At present, there is only one customer who might be impacted by PG&E's decision not to make any remaining payments, and PG&E has explained this issue to that customer and its vendor.

within ninety days of closing, the Company will refund any remaining mainline extension account deposit amounts. Normally, mainline extension account deposits are refunded only when the anticipated load has materialized. In this circumstance, however, the Company is being made whole through the sale of the facilities. Furthermore, it is unnecessary, and would be impractical, for the Company to continue to administer the accounts after closing.

4. Sale of Replacement Parts

Commission approval is also sought of the proposed sale by PG&E to TID of replacement parts at PG&E's fully-loaded cost in the ninety-day period after the closing of the sale, if TID is unable to locate the needed part elsewhere and if PG&E has the part in stock. This provision, in Section 2.11 of the Asset Sale Agreement, provides TID with a reasonable opportunity to develop an inventory of replacement parts. (See Chapter 5 of Prepared Testimony.) The Company is protected because the Company's internal needs for any replacement part will take precedence and because the Company will only be required to sell the part if it is the part in stock. The Company's obligation to sell such parts is limited to the cumulative total of \$75,000. Any revenues from such sales will be considered part of Other Operating Revenues.

5. Installment Sales Agreement

The parties also have entered into an Installment Sales Agreement (Exhibit G), which sells a customer-specific transmission tap line to TID on an installment basis; they seek Commission approval of Exhibit G. The 60 kV tap line serves Patterson Frozen Foods, an industrial customer that processes frozen foods. Virtually the entire purchase price is paid up front, with only \$1 paid at a later date. As explained above, the reason for structuring this sale as an installment sale was so that TID would not be required to install new metering and protection equipment at the intersection of this tap line and the Salado-Patterson 60 kV circuit, since TID is planning to build a new transmission line and hopes to avoid the new metering and protection expense for the existing line. (See Chapter 5 of Prepared Testimony.)



6. Private Electrical Lines Assignment and Assumption Agreement

There are three private electrical lines located in whole or in part in the Westside Zone. These private lines are the subject of three private electrical line agreements between PG&E and other parties. The lines entirely within the Westside Zone are the Crows Landing Private Line, and the Adobe Creek Road Private Line. A portion of the Del Puerto Road Private Line is also located in the Westside Zone. The parties have agreed to assign the private electrical line agreements dealing with these lines (in the case of the Del Puerto Road Private Line, the assignment applies only to the portion of the private line located within the Westside Zone). The parties request that the Private Electrical Lines Assignment and Assumption Agreement (Exhibit H) be approved.

7. Final Customer Meter Reads

Section 4.1(f) of the Asset Sale Agreement establishes a practical approach for reading the more than four thousand meters for the Company's final meter reads and TID's initial meter reads. In brief, most meters will be read over the weekend, with the largest accounts to be read on Monday, the day of the closing, with a provision for a payment by TID for an estimate of the electrical usage after the meters are read. The Company requests that this approach be approved.

**VIII. RELATED FEDERAL ENERGY REGULATORY COMMISSION (FERC) APPLICATION**

Among the facilities being sold under the Asset Sale Agreement are transmission assets with an historic cost of approximately \$64,000 which are subject to FERC jurisdiction. The Company plans to make the necessary FERC filings by March 1, 2002. The FERC is expected to process the applications by May 1, 2002.

**IX. APPROVAL OF THE TRANSACTION BY THE FEDERAL BANKRUPTCY COURT**

The Company is currently a debtor in possession under the Federal Bankruptcy Code. If Bankruptcy Court approval is required at the time the Commission approves this Application, the Company will file a Motion in the Bankruptcy Court for approval. See Closing Agreement,

Section 3.3.

## **X. ENVIRONMENTAL ISSUES**

The requirements of the California Environmental Quality Act (CEQA) for these transactions have been satisfied and a Negative Declaration has been issued. TID acted as the Lead Agency for the proposed sale because it will participate in and carry out the sale.<sup>19</sup> After its preliminary review and completion of an Initial Study of the Westside Acquisition Project, in consultation with the Commission and other responsible agencies, TID determined that there was no substantial evidence that the proposed sale may have a significant effect on the environment, if certain mitigation measures were implemented.<sup>20</sup> Accordingly, TID prepared a proposed Mitigated Negative Declaration dated June 19, 2001 (including a Mitigation Monitoring Plan),<sup>21</sup> provided the requisite notices, and circulated the proposed Mitigated Negative Declaration for public and agency review.

Following the 30-day public and agency review period, TID held a public hearing on July 31, 2001 to determine whether the proposed Mitigated Negative Declaration should be adopted. After considering the proposed Mitigated Negative Declaration, the Initial Study, and public and agency comments, TID determined that there was no substantial evidence that the proposed sale might have a significant effect on the environment and approved the proposed Mitigated Negative Declaration and the Mitigation Monitoring Plan. TID adopted three Notices of Determination (one for each of the Counties of Stanislaus, Tuolumne, and Mariposa) on August 2, 2001. WPA also adopted the Mitigated Negative Declaration, by Resolution dated August 8, 2001. A copy of the Proponent's Mitigated Negative Declaration, Mitigation Monitoring Plan, Resolutions by TID and WPA adopting the Mitigated Negative Declaration, and the three Notices of Determination

---

<sup>19</sup> See Cal. Code Regs. Tit. 14, section 15051(a).

<sup>20</sup> See Cal. Code Regs. Tit. 14, sections 15063(b)(2), 15064(g)(2), 15070(a).

<sup>21</sup> *Id.* and Sec. 21081.6 of the Public Resources Code.

are attached as Exhibit I. As a responsible agency with discretionary approval over certain aspects of the project, the Commission must comply with CEQA by certifying that it has considered the Negative Declaration adopted by TID prior to approving the project. *See* Cal. Code Regs. Tit. 14, Sec. 15095(f) and (g).

#### **XI. PACIFIC GAS AND ELECTRIC COMPANY**

The Company is, and has been since October 10, 1905, an operating public utility corporation, organized under the laws of the State of California. The Company is engaged principally in the business of furnishing electric and gas service in California. The Company's principal place of business is located at 77 Beale Street, San Francisco, California.

Communications with the Company regarding this Application should be directed to:

Margaret deB. Brown  
Law Department  
Pacific Gas and Electric Company  
P.O. Box 7442  
San Francisco, CA 94120  
Telephone: (415) 972-5365

Pursuant to Rule 16(a) of the Commission's Rules of Practice and Procedure, incorporated herein by reference is a certified copy of the Company's most recent Articles of Incorporation effective May 6, 1998, which the Company filed with the Commission as part of Application No. 98-06-001 on June 1, 1998.

Pursuant to Rule 36(a) of the Commission's Rules of Practice and Procedure, included in this Application as Exhibit J are copies of PG&E's most recent balance sheet and an income statement.

#### **XII. TURLOCK IRRIGATION DISTRICT**

TID is an irrigation district organized and existing pursuant to the Irrigation District Law set forth in the California Water Code, Sections 20500, *et seq.* Among other things, TID owns and operates facilities for generation, transmission, and distribution of electric power and energy and provides electric service at wholesale and retail to customers in Stanislaus, Merced, and Tuolumne Counties.

### **XIII. PATTERSON IRRIGATION DISTRICT**

PID is an irrigation district organized and existing pursuant to the Irrigation District Law set forth in the California Water Code, Sections 20500, *et seq.* As discussed above, Patterson Water District re-organized itself into PID in 1999 in order to be able to provide electric distribution service to customers in western Stanislaus County.

### **XIV. WESTSIDE POWER AUTHORITY**

In February, 2000, PID and TID entered into a Joint Powers Agreement and formed WPA pursuant to Government Code Sec. 6500 *et seq.* WPA was formed in order to provide retail electric distribution and commodity service within certain portions of Stanislaus County.

### **XV. ORIGINAL COST, BOOK VALUE AND PURCHASE PRICE**

As described in Chapters 3 and 4 of the Prepared Testimony, the sale price for the described assets is approximately \$15.2 million, which is based on their RCNLD and going concern value. The book value of these assets is approximately \$8.7 million. The before-tax gain on sale is approximately \$6.4 million.

### **XVI. PROPOSED RATEMAKING**

The Company requests that the gain on sale from this transaction be allocated to shareholders in accordance with Decision 89-07-016 (*Redding II*) and other Commission precedents. These precedents, and their applicability to this case, have been discussed at length above, in Section VI. Chapter 4 of the Prepared Testimony provides a detailed description of the specific accounting entries that are proposed to accomplish this ratemaking treatment. Table 4-1 shows a summary of the rate base impact of the proposed sale.

### **XVII. INFORMATION REQUESTED BY THE OFFICE OF RATEPAYER ADVOCATES**

The Company has agreed with the Office of Ratepayer Advocates (ORA) that in any 851 application for the sale of utility property, the Company would provide the following information:

- A table showing the sale price less the original cost (less depreciation), less expenses associated with the sale, and tax effects associated with the sale;

- A calculation of the decrease in rate base resulting from the sale;
- As needed, an explanation of other accounting/ratemaking features such as depreciation methodologies and deferred credits;
- A copy of any easement or other agreement pertinent to the sale;
- A brief description of the impacts (if any) of the proposed sale on electric restructuring, renewables, and air emission;
- As needed, a copy of environmental/hazardous waste reports; and
- Detailed labeling of analyses and computations.

This Application satisfies these requirements as follows:

a. Table Showing Sales Price, Expenses, Tax Effects

This information is contained in Chapter 4 and Tables 4-2 and 4-3.

b. Decrease In Rate Base Resulting From The Sale

The rate base will decrease by approximately \$8.7 million, the historical cost less depreciation of the assets being sold. The decrease in rate base is described in Chapter 4 and in Table 4-1.

c. Explanation Of Other Accounting/Ratemaking Features

This information is provided in Chapter 4 of the Prepared Testimony.

d. Copies Of Any Easements Or Other Agreements Pertinent To The Sale

All agreements pertinent to this sale are included as Exhibits to this Application. Over two hundred easements are being conveyed. They are listed in Schedule 2.1(a)(i) to the Asset Sale Agreement and Exhibit B to the Installment Sales Agreement.

e. Impact Of Proposed Sale On Electric Restructuring, Renewables And Air Emissions

This sale will have no impact on electric restructuring, renewables or air emissions.

f. Copies Of Environmental/Hazardous Waste Report

As described above, Section X, this sale meets CEQA requirements. Copies of the relevant documents are attached as Exhibit I.

**g. Detailed Labeling of Analyses and Computations**

Detailed labeling of analyses and computations is included in the Exhibits to this Application and in the supporting Chapters of Prepared Testimony and workpapers.

**XVIII. COMPLIANCE WITH ARTICLE 2.5 AND REQUEST FOR EXPEDITED *EX PARTE* ORDER**

Pursuant to Code Sec. 1701.1 and Rule 6, Article 2.5, of the Commission's Rules of Practice and Procedure, PG&E proposes that this Application be categorized as a Ratesetting Proceeding pursuant to Rule 5(c) and 6.1(c). If the transactions are approved, PG&E's rate base will be reduced and PG&E will obtain revenues from the leases, which will be recognized for ratemaking purposes. The determination of whether the requirements of *Redding II* are satisfied is also similar to the types of determinations made in rate cases.

Because this Application does not raise contested issues of fact, no hearing is required and the Commission should rule on the Application on an *ex parte* basis, pursuant to Rule 15(d) of the Rules of Practice and Procedure. The Company has included in the Application or incorporated by reference all the supporting information that it believes is required by the Commission to evaluate this Application. The Company is prepared to provide in writing such other information as the Commission may require to act on the Application. The parties believe that if the Commission issues its decision by June 30, 2002, the schedule set in Sec. 2.2 of the Closing Agreement will permit service by TID to the Westside Zone customers to commence by January 1, 2003. Accordingly, the parties propose the following procedural schedule:

January 4, 2002:	Filing of Application
By January 11, 2002:	Commission publishes Notice of Application
February 11, 2002:	Protests Due
February 21, 2002:	Reply to Protests Due
March 18, 2002:	Pre-hearing Conference; ALJ Ruling on requests for hearing, if any
By April 15, 2002:	Parties respond to data requests, if any

June 30, 2002:

Commission Decision (assuming no hearings)

**XIX. SERVICE OF APPLICATION**

A copy of this Application, including exhibits and supporting testimony, is being mailed as of this date to the Office of Ratepayer Advocates, the Energy Division, TID, PID, WPA, Modesto Irrigation District and Merced Irrigation District.

**XX. EXHIBITS**

The following exhibits are attached and incorporated by reference to this Application:

Exhibit A - Asset Sale Agreement

Exhibit B - Service Area Agreement

Exhibit C -Closing Agreement

Exhibit D - Salado Lease Agreement

Exhibit E - Patterson Lease Agreement

Exhibit F - Tolling and Mutual Release Agreement

Exhibit G - Installment Sales Agreement

Exhibit H - Private Electrical Lines Assignment and Assumption Agreement

Exhibit I - Proponent's Mitigated Negative Declaration and Related Documents

Exhibit J - Balance Sheet and Income Statement

Exhibit K - Certificate of Service

**XXI. CONCLUSION**

The proposed sale between the Company and TID is in the public interest and the relief requested by the Company should be approved because it: (i) provides a fair price to the Company for the assets; (ii) protects the reliability of the transmission system and otherwise protects the interests of the Company's remaining ratepayers; (iii) protects the interests of the customers within the Westside Zone; (iv) avoids costly and disruptive litigation by settling a dispute between the Company and TID; (v) removed a potential obstacle to the passage of AB 2638, and is consistent with the provisions of the Code added by AB 2638; (vi) collects fully the

authorized NBC amounts that are attributable to the former Company loads that will be served by TID; (vii) replaces an almost fifty-year-old service area agreement with a new agreement; (viii) will minimize costly and wasteful duplication of distribution and transmission facilities consistent with State policy as set forth in Code Section 8101 and in the new Code sections added by AB 2638; and (ix) will permit the Company, TID, PID and WPA to focus their resources on serving customers in their respective service areas.

The Company has included in the Application or incorporated by reference all the supporting information that it believes is required by the Commission to evaluate this Application. The Company is prepared to provide in writing such other information as the Commission may require to act on the Application. Consequently, the Company respectfully requests that the Commission use "paper hearings" to process this Application. In making this request, the Company's intention is to resolve any questions or disputes in this proceeding so that evidentiary hearings will not be needed, without in any way restricting interested parties' rights to participate and achieve the goal of completing the sale of the facilities by June 30, 2002.

**WHEREFORE**, Applicant **PACIFIC GAS AND ELECTRIC COMPANY** requests the Commission to issue an expedited *ex parte* order approving the transaction described in this Application, including the Agreements attached as Exhibits A, B, D, E, G and H, and in particular:

1. Authorizing PG&E to sell to TID electric distribution and a few transmission facilities serving the City of Patterson, the community of Crows Landing, and certain adjacent rural areas;
2. Authorizing PG&E to lease to TID the Patterson Substation and a portion of the Salado Substation;
3. Approving the new Service Area Agreement that defines geographic zones within which PG&E, TID, PID and WPA would own or control electric distribution facilities and provide electric distribution services to customers, and holding that such



authorized NBC amounts that are attributable to the former Company loads that will be served by TID; (vii) replaces an almost fifty-year-old service area agreement with a new agreement; (viii) will minimize costly and wasteful duplication of distribution and transmission facilities consistent with State policy as set forth in Code Section 8101 and in the new Code sections added by AB 2638; and (ix) will permit the Company, TID, PID and WPA to focus their resources on serving customers in their respective service areas.

The Company has included in the Application or incorporated by reference all the supporting information that it believes is required by the Commission to evaluate this Application. The Company is prepared to provide in writing such other information as the Commission may require to act on the Application. Consequently, the Company respectfully requests that the Commission use "paper hearings" to process this Application. In making this request, the Company's intention is to resolve any questions or disputes in this proceeding so that evidentiary hearings will not be needed, without in any way restricting interested parties' rights to participate and achieve the goal of completing the sale of the facilities by June 30, 2002.

///  
///  
///  
///

**WHEREFORE, Applicant PACIFIC GAS AND ELECTRIC COMPANY requests the Commission to issue an expedited ex parte order approving the transaction described in this Application, including the Agreements attached as Exhibits A, B, D, E, G and H, and in particular:**


- 1. Authorizing PG&E to sell to TID electric distribution and a few transmission facilities serving the City of Patterson, the community of Crows Landing, and certain adjacent rural areas;**
- 2. Authorizing PG&E to lease to TID the Patterson Substation and a portion of the Salado Substation;**
- 3. Approving the new Service Area Agreement that defines geographic zones within which PG&E, TID, PID and WPA would own or control electric distribution facilities and provide electric distribution services to customers, and holding that such agreement is in the public interest and consistent with state policy;**
- 4. Adopting a plan for the Commission's continuing oversight of the new Service Area Agreement;**
- 5. Approving PG&E's proposed accounting and ratemaking treatment of the sale, including holding that the gain on sale of the assets accrues to PG&E's shareholders;**
- 6. Holding that PG&E's obligation to serve customers in the Westside Zone and in the Don Pedro South Shore Zone ceases with the closing of the transactions contemplated in the Asset Sale Agreement and related agreements between PG&E and TID;**

- 7. Holding that the non-bypassable charge responsibility of PG&E and its retail customers in the Westside Zone is satisfied by the payment by TID of such NBCs, as described herein and in the Prepared Testimony;**
- 8. Authorizing PG&E's release of customers in the Westside Zone from any obligations to repay electric energy efficiency grants or rebates that may arise solely from those customers' termination of PG&E electric service as a result of the sale to TID;**
- 9. Holding that PG&E is not liable for energy efficiency rebates or facilities agreement payments associated with the customers being transferred as part of the sale;**
- 10. Approving the installment sale of the transmission tap line described in Exhibit G, and the assignment of private lines described in Exhibit H; and**
- 11. Approving a Notice of Determination to be prepared by the Commission staff stating that the Commission, in approving this Application, has reviewed and considered the information contained in the Mitigated Negative Declaration and related documents prepared by TID.**

Dated in San Francisco, California, this 3 day of January 2002.

Respectfully submitted,

PACIFIC GAS AND ELECTRIC COMPANY

By:   
BEVERLY Z. ALEXANDER  
Vice President, Rates and Account Services

ROGER J. PETERS  
LINDA L. AGERTER  
JACK F. FALLIN  
MARGARET DEB. BROWN

By:   
MARGARET DEB. BROWN

Law Department  
Pacific Gas and Electric Company  
Post Office Box 7442  
San Francisco, CA 94120  
Telephone: (415) 972-5365  
Facsimile: (415) 973-0516  
E-mail: mdbk@pge.com

Attorneys for

PACIFIC GAS AND ELECTRIC COMPANY

**Turlock Irrigation District signs this Application for the limited purpose of satisfying the requirements of Rule 35 of the Commission's Rules of Practice and Procedure.**

**THE TURLOCK IRRIGATION DISTRICT**

By   
Randy Fiorini, President

**Patterson Irrigation District signs this Application for the limited purpose of satisfying the requirements of Rule 35 of the Commission's Rules of Practice and Procedure.**

**THE PATTERSON IRRIGATION DISTRICT**

By   
John I. Sweigard, General Manager

**The Westside Power Authority signs this Application for the limited purpose of satisfying the requirements of Rule 35 of the Commission's Rules of Practice and Procedure.**

**THE WESTSIDE POWER AUTHORITY**

By   
Michael V. Crowell, President

**Date: January 2, 2002**

**VERIFICATION**

I, the undersigned, say:

I am an officer of PACIFIC GAS AND ELECTRIC COMPANY, a corporation, and am authorized to make this verification for and on behalf of PACIFIC GAS AND ELECTRIC COMPANY, and I make this verification for that reason; I have read the foregoing application, am informed and believe the matters therein are true, and, on that ground, allege that the matters stated therein are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at San Francisco, California, this 3 day of January 2002.

PACIFIC GAS AND ELECTRIC COMPANY

By B. Alexander  
BEVERLEY Z. ALEXANDER  
Vice President, Rates and Account Services

A

**ASSET SALE AGREEMENT**  
**BY AND BETWEEN**  
**PACIFIC GAS AND ELECTRIC COMPANY**  
**AND**  
**TURLOCK IRRIGATION DISTRICT**  
**DATED AS OF DECEMBER 18, 2001**



## TABLE OF CONTENTS

	Page	
1.1	Defined Terms	1
1.2	Interpretation	11
1.3	Closing Agreement	12
2.1	Transfer of Assets	12
2.2	Excluded Assets	13
2.3	Assumption of Liabilities	14
2.4	Removal of Lien of Mortgage	14
2.5	Asset Sale Closing	14
2.6	Purchase Price and Payment	14
2.7	“As Is” Sale	14
2.8	No Recourse	15
2.9	Schedule of Facilities	16
2.10	Joint Poles and Anchors	16
2.11	Replacement Parts	17
2.12	Delivery of Facilities Information to Purchaser	17
3.1	[RESERVED]	17
4.1	Customers	17
4.2	Disconnecting the Assets from PG&E’s System	20
4.3	Annual Payments for NBC	22
4.4	Direct Access	22
5.1	Access for Inspections	23
5.2	Regulatory Matters	23
5.3	Delivery of Project Information; Confidentiality	24
5.4	Maintenance of Assets Pending Closing	26
5.5	Further Assurances	26
5.6	Taxes, Prorations and Closing Costs	27
5.7	[RESERVED]	28
5.8	Environmental Matters	28
5.9	Rectifiers	29
6.1	Remedies Exclusive	30
6.2	Indemnification by PG&E	30
6.3	Indemnification by Purchaser	31
6.4	Notice of Claim	32
6.5	Defense of Third Party Claims	33
6.6	Cooperation	33
6.7	Mitigation and Limitation on Claims	34
Exhibit A – Westside Zone		36
Schedule 1.1(a) – Customer Information		40

<b>Schedule 1.1(b) – Facilities Information</b>	<b>42</b>
<b>Schedule 2.1(a)(i) – Land Rights</b>	<b>43</b>
<b>Schedule 2.1(a)(ii) – Facilities</b>	<b>74</b>
<b>Schedule 2.1(a)(iii) – Partial Assignments of Transmission Easements</b>	<b>84</b>
<b>Schedule 2.1(b) – Salado Assets</b>	<b>86</b>
<b>Schedule 2.1(c) – Patterson Substation Assets</b>	<b>88</b>
<b>Schedule 2.1(d) – Jointly-Owned Transmission Poles</b>	<b>91</b>
<b>Schedule 2.1(e) – Assigned Private Line Agreements</b>	<b>93</b>
<b>Schedule 2.2 – Excluded Assets</b>	<b>94</b>
<b>Schedule 5.2(b)(3) – Non-Transferable Rights-of-Way and Easements</b>	<b>97</b>
<b>Schedule 5.8(a)(1) – Environmental Matters</b>	<b>102</b>
<b>Schedule 5.8(a)(2) – PG&amp;E Employees</b>	<b>104</b>

## **ASSET SALE AGREEMENT**

This ASSET SALE AGREEMENT (this "Agreement") is made, as of December 18, 2001, by and between PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("PG&E"), and TURLOCK IRRIGATION DISTRICT, a California irrigation district ("Purchaser" or "TID").

### **BACKGROUND**

PG&E desires to sell to Purchaser certain assets within the area defined in Exhibit A, Description of Westside Zone, which constitute the electric distribution and some of the electric transmission facilities serving the general approximate geographic area described as south of Del Puerto Creek, north of Fink Road, west of the San Joaquin River and east of Interstate Highway 5, together with certain territory between Interstate Highway 5 and the western Stanislaus County Line, and Purchaser desires to purchase these assets from PG&E, all on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the respective representations, warranties, covenants and agreements contained in this Agreement, PG&E and Purchaser each agree as follows:

### **ARTICLE 1 DEFINITIONS**

1.1 **Defined Terms.** The following terms when used in this Agreement (or in the Schedules and Exhibits to this Agreement) with initial letters capitalized have the meanings set forth below:

- **AAA.** "AAA" means the American Arbitration Association.
- **Affiliate.** "Affiliate" of a Person means any other Person directly or indirectly controlling, controlled by or under common control with the specified Person. For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management or policies of the specified Person, directly or indirectly, whether through the ownership of voting securities, partnership or limited liability company interests, joint venture or joint powers agency interests, by contract or otherwise. With respect to Purchaser only, the term Affiliate shall be deemed to include Patterson Irrigation District and Westside Power Authority. PG&E Corporation and its unregulated subsidiaries are and shall remain affiliates of PG&E for so long as PG&E is controlled by PG&E Corporation within the meaning of this paragraph.
- **Agreement.** "Agreement" means this Asset Sale Agreement, together with the Schedules and Exhibits hereto.

- **Arbitration Rules.** “Arbitration Rules” has the meaning set forth in Section 4.9(d) “Arbitration” of the Closing Agreement.
- **Article.** “Article” means a numbered article of this Agreement. An Article includes all the numbered sections of this Agreement that begin with the same number as that Article.
- **Assets.** “Assets” has the meaning set forth in Section 2.1 “Transfer of Assets.”
- **Asset Sale Closing.** “Asset Sale Closing” has the meaning set forth in Section 2.5 “Asset Sale Closing.”
- **Assigned Contracts.** “Assigned Contracts” has the meaning set forth in Section 2.1(f) “Other Assets.”
- **Assumed Liabilities.** “Assumed Liabilities” has the meaning set forth in Section 2.3 “Assumption of Liabilities.”
- **Bankruptcy Court Approval Date.** “Bankruptcy Court Approval Date” means the date on which the decision of the Bankruptcy Court of the Northern District of California approving the transactions contemplated herein is final.
- **Business Day.** “Business Day” means a day other than Saturday, Sunday or a day on which: (i) banks are legally closed for business in the State of California; or (ii) PG&E or Purchaser is closed for business.
- **Caltrans.** “Caltrans” means California Department of Transportation.
- **Closing Agreement.** “Closing Agreement” means the Closing Agreement among the Parties, the Patterson Irrigation District and the Westside Power Authority, to be entered into as of the Effective Date.
- **Closing Date.** “Closing Date” has the meaning set forth in Section 2.2 “Closing” of the Closing Agreement.
- **Conditions Satisfaction Date.** “Conditions Satisfaction Date” has the meaning given in Section 1.1 “Defined Terms” of the Closing Agreement.
- **Confidential Information.** “Confidential Information” means (a) any information or data that the disclosing Party considers to be a trade secret or competitively sensitive and may include written, verbal or visual information or (b) any customer information or data. With respect to the information or data described in clause (a), to be considered Confidential Information, (i) written information has to be identified at the time of the disclosure with an appropriate

legend, marking, stamp or positive written identification on the face thereof as Confidential Information and (ii) verbal or visual information has to be so identified at the time of the verbal or visual disclosure and confirmed in writing by the disclosing Party within thirty (30) days of the disclosure. Magnetic tape, computer software or any other similar type of information in machine readable format will be considered as a verbal disclosure and the disclosing Party has to comply with the requirements for verbal disclosures set forth above, including the thirty (30) day notification requirement. Confidential Information does not include information or data that:

(A) was in the public domain at the time of the disclosure or is subsequently made available to the general public without restriction and without breach of this Agreement by the receiving Party;

(B) was known by the receiving Party at the time of disclosure without restrictions on its use or independently developed by the receiving Party, as shown by adequate documentation;

(C) is disclosed to the receiving Party by a third Person without restriction and without breach of any agreement or other duty to keep the information confidential; or

(D) is furnished to a third Person by the disclosing Party without a similar restriction on the recipient Person's rights.

- **Cost Sharing Letter Agreement.** "Cost Sharing Letter Agreement" means that certain letter agreement between PG&E and Purchaser entitled "PG&E/TID Westside Transition Work Cost Sharing Letter Agreement," dated January 10, 2001.
- **CPUC.** "CPUC" means the California Public Utilities Commission, or its regulatory successor, as applicable.
- **CPUC Approval.** "CPUC Approval" means a final, unconditional and unappealable decision of the CPUC (including exhaustion of all administrative and judicial remedies or the running of time periods and statutes of limitation for rehearing and judicial review without rehearing or judicial review being sought) approving this Agreement and the transactions contemplated hereby on terms and conditions acceptable to PG&E and Purchaser in their good faith discretion subject to **Section 4.12(b)** "Renegotiation Efforts" of the Closing Agreement, including (i) approval of PG&E's proposed accounting and ratemaking treatment of the sale, (ii) finding that the NBC responsibility of PG&E's retail customers in the Westside Zone is fully satisfied (with the exception of charges for public purpose programs, for which retail customers in the Westside Zone must satisfy Purchaser's charges) and is not subject to further review or true-up and that PG&E and its shareholders are not required to assume any liability or responsibility in

respect to any NBC obligations associated with such customers, (iii) finding that limiting areas in which electric power may be distributed in accordance with the Service Area Agreement is in the best interests of the State and of the utility, (iv) issuing an order limiting the area or areas within which PG&E shall have the right and authority to distribute electric power in accordance with the Service Area Agreement, (v) approving the Service Area Agreement, together with finding that such approval is not incompatible with any public interest, (vi) providing for the continuing oversight of the Service Area Agreement by providing that any dispute over the interpretation or performance of the Service Area Agreement shall be resolved by the CPUC or its successor agency (if any) or by any other regulatory agency that the Legislature grants authority over service area agreements between irrigation districts and investor owned utilities on the filing of a complaint by any allegedly aggrieved party, (vii) approving the treatment of Extension Agreements set forth herein, (viii) approving the treatment of termination of Special Facilities Agreements as set forth herein, (ix) approving, without requiring any additional applications to the CPUC, the sale of not more than Seventy-five Thousand Dollars (\$75,000) of replacement parts if available and if needed by Purchaser as set forth in Section 2.11, (x) approving the Salado Lease, (xi) approving the Patterson Lease, (xii) approving the Tap Line Agreement, and (xiii) approving the Private Lines Assignment Agreement.

- **CPUC Approval Date.** “CPUC Approval Date” means the date on which a decision of the CPUC approving this Agreement and the transactions contemplated hereby, becomes final, unconditional and unappealable if such decision has not been disapproved by any party to the Closing Agreement under Section 2.1(d) of the Closing Agreement, or, if a CPUC decision is disapproved pursuant to Section 2.1(d) of the Closing Agreement, then the later of the date when a CPUC decision is approved by PG&E and Purchaser or when such decision becomes final, unconditional and unappealable.
- **Customers.** “Customers” means, as of any date, those customers of PG&E within the Westside Zone.
- **Customer Information.** “Customer Information” means the customer account records and information described on Schedule 1.1(a) attached hereto to the extent in the possession of PG&E.
- **Effective Date.** “Effective Date” means the date on which this Asset Sale Agreement, the Service Area Agreement, the Tolling and Release Agreement, and the Closing Agreement have been executed and delivered by the Parties to each agreement.
- **Environmental Condition.** “Environmental Condition” means any Hazardous Substance in the soil or groundwater or both on or around the Rights of Way and any migration of those Hazardous Substances through soil or groundwater or both after the Closing.

- **Environmental Laws.** “Environmental Laws” means any applicable statutes, regulations or ordinances relating to air emissions, storage and use of hazardous or toxic substances, generation, treatment, storage, and disposal of hazardous wastes, wastewater discharges and similar environmental matters, including the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Oil Pollution Act (33 U.S.C. § 2701 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.), the Porter-Cologne Water Quality Control Act (Cal. Wat. Code § 13020, et seq.), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5, et seq.), the Hazardous Substance Account Act (Cal. Health & Safety Code § 25300, et seq.), and the Hazardous Waste Control Act (Cal. Health & Safety Code § 25100, et seq.).
- **Excluded Assets.** “Excluded Assets” has the meaning set forth in Section 2.2 “Excluded Assets.”
- **Excluded Taxes.** “Excluded Taxes” means (a) Taxes (other than any sales, use, gross receipts, transfer or property Taxes, or any Taxes in the nature of sales, use, gross receipts, transfer or property Taxes) imposed on PG&E that are capital gains Taxes, minimum or alternative minimum Taxes, accumulated earnings Taxes, franchise Taxes or Taxes on or measured by gross or net income, capital or net worth of PG&E and (b) property Taxes to the extent the payment is addressed in clause (ii) of Section 5.6(a) “Taxes,” and is not required to be reimbursed to PG&E by Purchaser.
- **Exhibits.** “Exhibits” means the exhibits to this Agreement.
- **Extension Agreement.** “Extension Agreement” has the meaning set forth in Section 4.1(e) “Extension Agreement.”
- **Extraordinary Maintenance Event.** “Extraordinary Maintenance Event” means an occurrence that satisfies the following conditions: (i) the work resulting from an occurrence is not included in the Maintenance Plans; and (ii) the cost of the work within the Westside Zone resulting from such an occurrence will exceed Two Hundred Fifty Thousand Dollars (\$250,000). An “occurrence” means an earthquake, flood, unusually severe weather occurring within any consecutive five (5) calendar days, equipment failure, accident or other event neither expected nor intended from the standpoint of PG&E.
- **Extraordinary Maintenance Expenditures.** “Extraordinary Maintenance Expenditures” means the costs and expenses incurred by PG&E to

the extent consistent with PG&E Utility Practices in connection with an Extraordinary Maintenance Event.

- **Facilities.** “Facilities” means PG&E’s electric distribution and designated transmission facilities in the Westside Zone and not specifically reserved or excluded in this Agreement or any Related Agreement. “Facilities” do not include any of the Land Rights, any construction equipment, or any materials or supplies.
- **Facilities Information.** “Facilities Information” means information specifically related to the Facilities, more particularly described on Schedule 1.1(b) attached hereto, to the extent in possession of PG&E.
- **FERC.** “FERC” means the Federal Energy Regulatory Commission, or its regulatory successor, as applicable.
- **FERC Approval.** “FERC Approval” means a final, unconditional and unappealable decision of FERC (including exhaustion of all administrative and judicial appeals or remedies or the running of time periods and statutes of limitation for rehearing and judicial review without rehearing or judicial review being sought) approving this Agreement and the consummation of the transactions contemplated hereby (to the extent the approval of FERC is required for such matters) on terms and conditions acceptable to PG&E and Purchaser in their good faith discretion.
- **Governmental Authority.** “Governmental Authority” means any federal, state, local or other governmental, regulatory or administrative agency, governmental commission, department, board, subdivision, court, tribunal, or other governmental arbitrator, arbitral body or other authority, but excluding Purchaser, Patterson Irrigation District and the Westside Power Authority.
- **Hazardous Substances.** “Hazardous Substances” means any chemical, material or substance that is listed or regulated under applicable Environmental Laws as a “hazardous” or “toxic” substance or waste, or as a “contaminant,” or is otherwise listed or regulated under applicable Environmental Laws because it poses a hazard to human health or the environment.
- **Indemnifiable Claim.** “Indemnifiable Claim” has the meaning set forth in Section 6.7 “Mitigation and Limitation on Claims.”
- **Indemnitee.** “Indemnitee” has the meaning set forth in Section 6.4 “Notice of Claim.”
- **Indemnitor.** “Indemnitor” has the meaning set forth in Section 6.4 “Notice of Claim.”



- **Interconnection Agreement.** “Interconnection Agreement” means an agreement relating to the interconnection of the PG&E electric facilities to the electric facilities to be transferred pursuant to this Agreement or such other action in lieu of such an agreement as described in Section 2.1(g) of the Closing Agreement.
- **Land Rights.** “Land Rights” means the easements, permits, licenses and rights-of-way associated with the Facilities and more particularly described in Schedule 2.1(a)(i) “Schedule of Land Rights.”
- **Laws.** “Laws” means all laws, statutes, orders, ordinances, rules, regulations or tariffs of any Governmental Authority with jurisdiction over PG&E and/or the Assets in existence as of the Effective Date.
- **Maintenance Plans.** “Maintenance Plans” means the maintenance plans of PG&E for the Facilities for calendar years 2001, 2002 and 2003, if prepared.
- **Mediation Rules.** “Mediation Rules” has the meaning set forth in Section 4.9(c) “Mediation” of the Closing Agreement.
- **Mortgage.** “Mortgage” means PG&E’s First and Refunding Mortgage dated December 1, 1920, as supplemented through the Closing Date.
- **NBC.** “NBC” means nonbypassable charges or rate components PG&E is authorized to recover as of the Closing Date, including without limitation the competition transition charge, nuclear decommission charge, trust transfer amount charge and any charge or rate component established or made nonbypassable prior to the Closing Date. NBC expressly excludes any charge or rate component which is bypassable as of the Closing Date and also excludes the public purpose charge.
- **NCJPA.** “NCJPA” means the Northern California Joint Pole Association.
- **NCJP Agreement.** “NCJP Agreement” means that certain Northern California Joint Pole Agreement dated January 1, 1998, together with the accompanying manual and associated bylaws, principles, practices and procedures, as the same may be amended, supplemented or superseded by the NCJPA from time to time.
- **Notice of Claim.** “Notice of Claim” has the meaning set forth in Section 6.4 “Notice of Claim.”
- **Party.** “Party” means either PG&E or Purchaser, as the context requires; “Parties” means, collectively, PG&E and Purchaser.

- **Patterson Assets.** “Patterson Assets” means the distribution substation equipment located at Patterson Substation to be purchased by Purchaser and listed on Schedule 2.1(c) “Schedule of Patterson Assets.”
- **Patterson Lease Agreement.** “Patterson Lease Agreement” means a lease to be entered into between the Parties for the premises at the Patterson Substation.
- **Patterson Substation.** “Patterson Substation” means PG&E’s Patterson substation.
- **PCBs.** “PCBs” means polychlorinated biphenyls.
- **Person.** “Person” means an individual, partnership, joint venture, corporation, limited liability company, trust, association or unincorporated organization, or any Governmental Authority.
- **PG&E.** “PG&E” has the meaning set forth in the introductory paragraph of this Agreement.
- **PG&E Claims.** “PG&E Claims” has the meaning set forth in Section 6.3(a) “PG&E Claims.”
- **PG&E Group.** “PG&E Group” has the meaning set forth in Section 6.3(a) “PG&E Claims.”
- **PG&E Utility Practices.** “PG&E Utility Practices” means those practices, methods and acts, as modified from time to time, that are at least as good as those commonly used in PG&E’s service area to operate, reliably and safely, electric power facilities to serve a utility’s own customers dependably and economically, with due regard for the conservation of natural resources and the protection of the environment.
- **Pre-Closing Right of Way Environmental Conditions.** “Pre-Closing Right of Way Environmental Conditions” means any Hazardous Substances that were released into the soil or groundwater or both on or around the Rights of Way by PG&E on or before the Closing Date, and any migration of those Hazardous Substances through soil or groundwater or both after the Asset Sale Closing. Pre-Closing Right of Way Environmental Conditions do not include any Hazardous Substances that were not actually and physically present in the soil or groundwater or both on or around the Rights of Way prior to the Closing Date.
- **Private Lines Assignment Agreement.** “Private Lines Assignment Agreement” means that certain Private Lines Assignment and Assumption Agreement entered into by the Parties contemporaneously with this Agreement.

- **Project Information.** “Project Information” means, collectively, Customer Information and Facilities Information.
- **Purchase Price.** “Purchase Price” means Fifteen Million One Hundred Eleven Thousand Eight Hundred Twenty Five Dollars (\$15,111,825).
- **Purchaser.** “Purchaser” has the meaning set forth in the introductory paragraph of this Agreement.
- **Purchaser Claims.** “Purchaser Claims” has the meaning set forth in Section 6.2(a) “Purchaser Claims.”
- **Purchaser Group.** “Purchaser Group” has the meaning set forth in Section 6.2(a) “Purchaser Claims.”
- **Purchaser System Work.** “Purchaser System Work” means all new facilities necessary or advisable under TID Utility Practices to operate the Assets independently of PG&E’s electric system, which work must be approved by PG&E in accordance with Section 4.2(a) “Purchaser System Work.”
- **Related Agreements.** “Related Agreements” means the documents and instruments executed or to be executed in connection with this Agreement, including but not limited to the following: the Service Area Agreement, the Salado Lease Agreement, the Patterson Lease Agreement, the Tolling and Release Agreement, the Private Line Assignment Agreement, the Tap Line Agreement, the Cost-Sharing Letter Agreement, and the Closing Agreement.
- **Remediation.** “Remediation” means any or all of the following activities to the extent they relate to or arise from the presence of Hazardous Substances in the soil or groundwater or both: (i) monitoring, investigation, cleanup, containment, remediation, removal, mitigation, response or restoration work; (ii) obtaining any permits, consents, approvals or authorizations of any Governmental Authority necessary to conduct any such work; (iii) preparing and implementing any plans or studies for such work; (iv) obtaining a written notice from a Governmental Authority with jurisdiction over the Assets under Environmental Laws that no material additional work is required by such Governmental Authority; and (v) any other activities reasonably necessary or appropriate or required under Environmental Laws to address the presence of Hazardous Substances in the soil or groundwater or both at a Substation or on or around the Rights of Way.
- **Rights of Way.** “Rights of Way” means Land Rights.
- **Salado Assets.** “Salado Assets” means the distribution substation equipment located at Salado Substation to be purchased by Purchaser and listed on Schedule 2.1(b) “Schedule of Salado Assets.”

- **Salado Lease Agreement.** “Salado Lease Agreement” means a lease to be entered into between the Parties for a portion of the premises at the Salado Substation.
- **Salado Substation.** “Salado Substation” means PG&E’s Salado Substation.
- **Schedules.** “Schedules” means the schedules to this Agreement.
- **Section.** “Section” means a numbered section of this Agreement included within the Article that begins with the same number as that section.
- **Service Area Agreement.** “Service Area Agreement” means the Service Area Agreement among the Parties, the Patterson Irrigation District and the Westside Power Authority, to be entered into as of the Effective Date.
- **Severance Work.** “Severance Work” means all work on PG&E’s system, including the opening of all connectors and any rearrangement work, necessary or advisable under PG&E Utility Practices to disconnect the Assets, including the Patterson and Salado Assets, from PG&E’s electric system or to maintain PG&E’s system integrity.
- **Special Facilities Agreement.** “Special Facilities Agreement” has the meaning given such term in Section 4.1(h) “Special Facilities Agreement.”
- **Substation.** “Substation” means the Patterson Substation or the Salado Substation.
- **Tap Line Agreement.** “Tap Line Agreement” means the Patterson Frozen Foods 60 kV Tap Line Installment Sales Agreement to be entered into between the Parties.
- **Taxes.** “Taxes” mean all federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Section 59A of the Internal Revenue Code of 1986, as amended), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property (including assessments, special assessments, special district assessments, escape assessments, benefit assessments and maintenance assessments, fees or other charges or surcharges of any nature based on the use or ownership of real property), personal property, sales, use, documentary transfer, registration, value added, alternative and add-on minimum, estimated taxes, and all other taxes of any kind whatsoever, including all interest, penalties, fines and additions thereto, whether disputed or not, including all items for which liability arises as a transferee or successor-in-interest.

- **Tax Claim.** “Tax Claim” has the meaning set forth in Section 5.6(a) “Taxes.”
- **Third Party Claim.** “Third Party Claim” means a claim by a Person that is not a member of the PG&E Group or Purchaser Group, including any claim for the costs of conducting Remediation or any order or demand from a Governmental Authority with jurisdiction over the Assets under Environmental Law that Purchaser undertake Remediation.
- **TID Utility Practices.** “TID Utility Practices” means those practices, methods and acts, as modified from time to time, that, in the exercise of reasonable judgment, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, expedition, prevention of adverse effects on neighboring systems and control areas, and all applicable laws and governmental rules, regulations, and orders. Such practices, methods, and acts shall consist of those (a) engaged in or approved by and (b) commonly used by utilities that: (1) are located in the State of California; (2) are members of the Western Systems Coordinating Council; (3) have at least 200 megawatts of load; (4) own or operate at least 100 megawatts of generation; and (5) schedule across an interconnection with another utility.
- **Tolling and Mutual Release Agreement.** “Tolling and Mutual Release Agreement” means that certain Tolling and Mutual Release Agreement entered into by the Parties contemporaneously with this Agreement.
- **Transaction Agreements.** “Transaction Agreements” mean this Asset Sale Agreement, the Service Area Agreement, the Tolling and Release Agreement, the Salado Lease Agreement, the Patterson Lease Agreement, the Private Lines Assignment Agreement, the Tap Line Agreement, and the Closing Agreement.
- **Westside Zone.** “Westside Zone” means the area encompassing the Assets and more particularly described on Exhibit A attached hereto.

**1.2 Interpretation.** In this Agreement, unless a clear contrary intention appears:

- (a) the singular number includes the plural number and vice versa;
- (b) reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity;
- (c) reference to any gender includes the other gender;

(d) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time;

(e) reference to any Article, Section, Schedule or Exhibit means such Article, Section, Schedule or Exhibit to this Agreement, and references in any Article, Section, Schedule, Exhibit or definition to any clause means such clause of such Article, Section, Schedule, Exhibit or definition;

(f) "hereunder," "hereof," "hereto" and words of similar import are references to this Agreement as a whole and not to any particular Section or other provision hereof;

(g) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term, and

(h) relative to the determination of any period of time, "from" means "from and including," "to" means "to but excluding" and "through" means "through and including."

**1.3 Closing Agreement.** Certain terms and conditions governing this Agreement are contained in that certain Closing Agreement entered into among PG&E, TID, Patterson Irrigation District and Westside Power Authority on even date herewith.

## ARTICLE 2 PURCHASE AND SALE OF ASSETS

**2.1 Transfer of Assets.** Subject to the terms and conditions of this Agreement, PG&E will sell, convey, assign, transfer and deliver to Purchaser and Purchaser will purchase and acquire from PG&E, all of PG&E's right, title and interest in and to the following assets (collectively, "Assets"):

(a) **Land Rights and Facilities.** The easements, permits, licenses and rights-of-way located in the Westside Zone and described in Schedule 2.1(a)(i) "Schedule of Land Rights;" the distribution circuits and all associated distribution poles, conductors, hardware, secondaries, services, meters, transformers, capacitors, switches, regulators, street lights, control and protective devices associated with the distribution circuits, and four 60 kV transmission poles and associated equipment located in the Westside Zone and described on Schedule 2.1(a)(ii) "Schedule of Facilities;" and the partial assignment of certain easements for transmission lines and described on Schedule 2.1(a)(iii) "Schedule of Partial Assignments of Transmission Easements."

(b) **Salado Assets.** The Salado Assets.

(c) **Patterson Assets.** The Patterson Assets.

(d) **Other Distribution Equipment.** A partial interest in the transmission poles listed on Schedule 2.1(d) "Schedule of Jointly-Owned Transmission Poles" with the

interest to be conveyed to Purchaser determined as described in Section 16 of the Northern California Joint Pole Operations Routine Handbook.

(e) **Private Line Agreements**. The agreements or portions thereof listed on **Schedule 2.1(e)** “Schedule of Assigned Private Line Agreements” (collectively, “Assigned Private Line Agreements”).

(f) **Other Assets**. The agreements or portions thereof described in Section 4.1(h) hereof (collectively, “Assigned Contracts”).

**2.2 Excluded Assets**. Nothing in this Agreement will constitute or be construed as conferring on Purchaser, and Purchaser is not acquiring, any right, title or interest in or to

(a) the assets listed or described in **Schedule 2.2** “Schedule of Excluded Assets,” which are located within the Westside Zone but are specifically excluded from the sale (collectively the “Excluded Assets”);

(b) all 500 kV, 230 kV, 115 kV and 60 kV transmission lines, and associated transmission poles, towers, and equipment, except certain 115 kV and 60 kV transmission poles wherein Purchaser will acquire a joint interest as set forth in Schedule 2.1(d) “Schedule of Jointly Owned Transmission Poles,” and the 60kv transmission tap line (and associated transmission portion of poles and equipment) from the Salado – Patterson 60kv line to the Patterson Frozen Food customer owned substation;

(c) the Salado Substation transmission equipment and real property except for the Salado Assets;

(d) the distribution equipment described on **Schedule 2.2** “Schedule of Excluded Assets” that PG&E needs to retain in order to maintain PG&E’s system integrity;

(e) except as set forth in **Section 2.9** “Mistake In Schedule of Facilities”, the properties, assets, business, operation, subsidiary or division of PG&E or any Affiliate, whether tangible or intangible, real, personal or mixed, not expressly set forth in **Section 2.1** “Transfer of Assets,”

(f) telecommunications equipment, radio controllers equipment, radio frequency or SCADA equipment, gas facilities, software and computer programs and licenses and computer hardware, and trademarks, service marks and trade names (whether or not registered) under which PG&E has conducted business or offered programs (and all abbreviations and variations of the foregoing),

(g) PG&E-owned electric facilities that have been abandoned by PG&E within the Westside Zone, or,

(h) Any fee simple estates, easements, permits, licenses or rights-of-way relating to gas facilities.

**2.3 Assumption of Liabilities.** Upon the Asset Sale Closing, Purchaser will assume and retain all obligations and liabilities of any kind or nature whatsoever related to, arising from or associated with any of the following (collectively, "Assumed Liabilities"):

(a) **Indemnification and Obligations.** Payment and performance of all of Purchaser's obligations under Section 6.3 "Indemnification by Purchaser" and Section 5.8(b) "Purchaser's Responsibilities."

(b) **Ownership Liabilities.** Ownership or possession of the Assets after the Asset Sale Closing, including liability for any Hazardous Substances in or incorporated in the Assets or migrating through soil or groundwater or both, from the Facilities, excepting only those obligations and liabilities expressly retained by PG&E in Section 6.2 "Indemnification by PG&E."

(c) **Use and Operation Liabilities.** The use or operation of the Assets or the business conducted with the Assets after the Asset Sale Closing, excepting only those obligations and liabilities expressly retained by PG&E in Section 6.2 "Indemnification by PG&E."

(d) **Assigned Liabilities.** Obligations of PG&E under the Assigned Contracts arising or accruing from and after the Asset Sale Closing.

(e) **Joint Poles and Anchors.** Obligations of PG&E with respect to joint poles and anchors acquired by Purchaser within the Westside Zone.

**2.4 Removal of Lien of Mortgage.** PG&E shall endeavor to take all steps necessary to remove the lien of the Mortgage from the Assets within thirty (30) days after the Closing Date. PG&E shall indemnify Purchaser's title company, if any, against any loss resulting from PG&E's failure to remove the lien of the Mortgage from the Assets.

**2.5 Asset Sale Closing.** The closing of the sale of the Assets to, and the assumption of the Assumed Liabilities by, Purchaser (the "Asset Sale Closing") will take place at the Closing, as provided in Section 2.2 of the Closing Agreement.

**2.6 Purchase Price and Payment.** The consideration for the purchase of the Assets is the Purchase Price payable by Purchaser at the Asset Sale Closing in U.S. dollars in immediately available funds. PG&E will designate the account or accounts of PG&E to which the Purchase Price will be wire transferred.

**2.7 "As-Is" Sale.**

(a) **Disclaimers Regarding Assets.** PG&E EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE OR QUALITY OF THE ASSETS OR THE PROSPECTS (FINANCIAL AND OTHERWISE), RISKS AND OTHER INCIDENTS OF THE ASSETS. PG&E SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE ASSETS, OR ANY PART THEREOF, OR AS TO THE



WORKMANSHIP THEREOF, OR THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT, OR COMPLIANCE WITH ENVIRONMENTAL REQUIREMENTS RELATING THERETO. PG&E SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY AS TO THE CONDITION OF, OR PG&E'S RIGHTS IN, OR ITS TITLE TO, THE RIGHTS OF WAY, OR ANY PART THEREOF, OR WHETHER PG&E POSSESSES SUFFICIENT REAL PROPERTY OR PERSONAL PROPERTY INTERESTS TO OWN OR OPERATE THE ASSETS OR TO CONVEY THE ASSETS. PG&E FURTHER SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY REGARDING THE ABSENCE OF HAZARDOUS SUBSTANCES OR LIABILITY OR POTENTIAL LIABILITY ARISING UNDER ENVIRONMENTAL LAWS EXCEPT AS TO PG&E'S REPRESENTATIONS UNDER SECTION 5.8(a) "ENVIRONMENTAL MATTERS/DISCLOSURE." WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PG&E EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF ANY KIND REGARDING THE CONDITION OF THE ASSETS OR THE SUITABILITY OF THE ASSETS FOR TRANSMISSION OR DISTRIBUTION OF ELECTRICITY. NO SCHEDULE OR EXHIBIT TO THIS AGREEMENT, NOR ANY OTHER MATERIAL OR INFORMATION PROVIDED BY OR COMMUNICATIONS MADE BY PG&E, WILL CAUSE OR CREATE ANY WARRANTY, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE OR QUALITY OF THE ASSETS.

(b) **"AS IS" SALE.** PURCHASER UNDERSTANDS AND AGREES THAT THE ASSETS ARE BEING ACQUIRED "AS IS, WHERE IS AND WITH ALL FAULTS" ON THE CLOSING DATE, AND IN THEIR CONDITION ON THE CLOSING DATE, EXCEPT AS TO PG&E'S REPRESENTATIONS UNDER SECTION 5.8(a) "ENVIRONMENTAL MATTERS/DISCLOSURE" AND PG&E'S OBLIGATIONS UNDER SECTION 6.2 "INDEMNIFICATION BY PG&E," AND THAT PURCHASER IS RELYING ON ITS OWN EXAMINATION OF THE ASSETS. IN MAKING ITS DECISION TO EXECUTE THIS AGREEMENT, AND TO PURCHASE THE ASSETS, PURCHASER HAS RELIED AND WILL RELY UPON THE RESULTS OF ITS OWN INDEPENDENT INVESTIGATION AND VERIFICATION. THERE ARE NO REPRESENTATIONS, WARRANTIES, COVENANTS, UNDERSTANDINGS OR AGREEMENTS BETWEEN THE PARTIES REGARDING THE ASSETS OR THEIR TRANSFER OTHER THAN THOSE INCORPORATED IN THIS AGREEMENT. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, PURCHASER DISCLAIMS RELIANCE ON ANY REPRESENTATIONS, WARRANTIES OR GUARANTEES, EITHER EXPRESS OR IMPLIED BY PG&E, ITS OFFICERS, DIRECTORS, COUNSEL, REPRESENTATIVES OR AGENTS.

**2.8 No Recourse.** To the extent the transfer, conveyance, assignment and delivery of Assets to Purchaser as provided in this Agreement is accomplished by deeds, assignments or other instruments of transfer and conveyance, whether executed at the Closing or thereafter, these instruments are made without representation or warranty by, or recourse against, PG&E, except that PG&E warrants that it has title to all Facilities transferred or conveyed under this Agreement other than Rights of Way.

**2.9 Schedule of Facilities.** Except as set forth in Schedule 2.2 “Schedule of Excluded Assets”, the Parties intend to have PG&E convey to Purchaser all of PG&E’s right, title and interest in all of the Facilities. If any of the items listed in the Schedule 2.1(a)(ii) “Schedule of Facilities” are not, in fact, located in the Westside Zone, such items will be deemed not part of the Facilities, PG&E will be deemed not to have conveyed, assigned or transferred such items, PG&E will have no liability as a result of Schedule 2.1(a)(ii) “Schedule of Facilities” not being accurate, and, if requested by PG&E, Purchaser will execute a deed quitclaiming such assets to PG&E. If PG&E owns additional electric distribution assets (including Land Rights) in the Westside Zone that are related solely to the Facilities (and not specifically reserved or excluded by PG&E in this Agreement or any Related Agreement), such electric distribution assets will be deemed part of the Facilities, PG&E will be deemed to have conveyed, assigned and transferred such assets and, if requested by Purchaser, PG&E will execute additional deeds to evidence the conveyance, transfer and assignment of such assets. The Parties agree that the Purchase Price will not be adjusted as a result of the Facilities being more or less than the items listed in Schedule 2.1(a)(ii) “Schedule of Facilities.”

**2.10 Joint Poles and Anchors.**

(a) **NCJP Agreement.** Notwithstanding anything that may be construed to the contrary in this Agreement or any Related Agreement, the Parties acknowledge and agree that PG&E’s conveyance of its right, title and interest in and to any joint poles or joint anchors in the Westside Zone is expressly subject to (i) the rights and obligations set forth in the NCJP Agreement and (ii) the consents of Evans Telephone and Pacific Telephone with respect to each of their interests therein. Without limiting the generality of the foregoing, the Parties expressly agree that the NCJP Agreement applies as of the Effective Date to (1) any joint poles or joint anchors in the Westside Zone existing immediately prior to Asset Sale Closing, and (2) any joint poles or joint anchors in the Westside Zone resulting from PG&E’s ownership of any of the Excluded Assets set forth in Section 2.2 “Excluded Assets.” Purchaser acknowledges that ownership interests in joint poles and joint anchors in the Westside Zone are held by one or more parties to the NCJP Agreement and these parties have rights and interests under the NCJP Agreement affecting PG&E’s transfer of the Assets to Purchaser.

(b) **Membership in the NCJPA.** Purchaser or its assignee agrees to join the NCJPA only with respect to joint PG&E/Purchaser transmission/distribution poles and anchors in the Westside Zone. Nothing herein is intended to require the Purchaser to join the NCJPA for any other purpose whatsoever. PG&E agrees to (i) support the application of Purchaser, or its assignee, to join the NCJPA for joint transmission/distribution poles and anchors in the Westside Zone and (ii) apply for withdrawal of the distribution joint poles and distribution joint anchors in the Westside Zone from the NCJPA subject to Asset Sale Closing and subject to Purchaser reaching arrangements acceptable to all other parties who jointly own poles or anchors with PG&E in the Westside Zone, including Evans Telephone and Pacific Telephone. Any and all costs and expenses incurred in attempting to withdraw such joint poles and joint anchors, including the cost of preparing the application to the NCJPA and obtaining the consent of Evans Telephone and Pacific Telephone, shall be borne by Purchaser.

**2.11 Replacement Parts.** For a period of ninety (90) days after the Closing Date, if Purchaser is unable to locate a particular replacement part needed to maintain the Facilities, PG&E will sell that part to Purchaser if PG&E is able to do so consistent with PG&E Utility Practices, provided that nothing in this Agreement requires PG&E to keep an inventory of replacement parts, and PG&E's internal needs for any replacement part shall take precedence over Purchaser's requests. The sale of the replacement part will be at a price reflecting PG&E's fully-loaded cost FOB the PG&E parts facilities. PG&E will designate the PG&E parts facility or facilities where such part may be available, and it will be Purchaser's responsibility to arrange and pay for delivery of all such parts to Purchaser's work site. PG&E's obligation to sell replacement parts to Purchaser shall be limited to the sale of parts with a cumulative value of no more than \$75,000.

**2.12 Delivery of Facilities Information to Purchaser.**

(a) Within thirty (30) days after the Effective Date, PG&E will deliver to Purchaser a copy of all Facilities Information described in Part I of Schedule 1.1(b) "Facilities Information."

(b) Within ninety (90) days after the Effective Date, PG&E will make available to Purchaser for inspection and copying a copy of all Facilities Information set forth in Part II of Schedule 1.1(b). Purchaser will bear the cost of making such copies, but, if this asset sale does close, then the Purchaser shall be credited against the Purchase Price at Closing with the reasonable cost incurred by Purchaser.

(c) At Asset Sale Closing, PG&E will deliver to Purchaser originals or complete copies (if the originals are needed by PG&E or are otherwise not available) of all Facilities Information (to the extent in PG&E's possession) set forth in Parts II and III of Schedule 1.1(b).

**ARTICLE 3**

**[Reserved]**

**ARTICLE 4**

**CUSTOMERS AND DISCONNECTING ASSETS**

**4.1 Customers.**

(a) **Connect New Customers.** Until the Closing, PG&E will continue to connect new customers that request electric service in the Westside Zone in accordance with PG&E's standard practices and tariffs and CPUC rules and regulations. The Purchase Price will be increased to reflect the reproduction cost new less present worth depreciation of additional services and facilities installed to connect new customers or new load of existing customers after December 5, 2000.

(b) **Time of Use Meters.** Until the Closing, PG&E will continue to install time of use meters (also referred to as real time pricing meters) as requested by existing Customers in accordance with applicable law and PG&E's standard practices and tariffs. The

Purchase Price will be increased to reflect the reproduction cost new less present worth depreciation of meters installed after December 5, 2000, less the reproduction cost new less present worth depreciation of the meters removed.

(c) **Delivery of Customer Information to Purchaser.**

(i) Within thirty (30) days of the Effective Date, PG&E will deliver to Purchaser those portions of the Customer Information described in Part I of Schedule 1.1(a) "Customer Information."

(ii) By August 31, 2002, or the CPUC Approval Date, whichever is later, PG&E will provide Purchaser with actual customer data in a computer format mutually agreed upon by the Parties so that the Purchaser can begin the process of testing software to translate PG&E's customer data into Purchaser's own customer information database. After the Effective Date, the Parties agree to meet and confer on the computer format to be used. The computer software program necessary to transfer the customer data into Purchaser's customer information system will be provided by Purchaser at no cost or expense to PG&E.

(iii) Upon CPUC Approval, PG&E will deliver to Purchaser that portion of the Customer Information described in Part II of Scheduled 1.1(a) "Customer Information."

(iv) On the Closing Date, PG&E will deliver to Purchaser that portion of the Customer Information described in Part III of Scheduled 1.1(a) "Customer Information."

(v) Purchaser agrees that the Customer Information will be used solely to assist Purchaser in a smooth transfer of the Assets from PG&E to Purchaser and for no other purposes, and the delivery of this information will be governed by Section 5.3 "Delivery of Project Information; Confidentiality."

(d) **Repayment of Grants or Rebates.** If authorized by the CPUC on terms acceptable to PG&E (in its good faith discretion), PG&E will waive its right to collect electric energy efficiency grants or rebates that become payable solely as a result of Customers' termination of PG&E electric service upon the sale of Assets to Purchaser. If the CPUC does not authorize PG&E on terms acceptable to PG&E to waive such right, Purchaser shall reimburse PG&E for the amounts of such grants or rebates that become payable solely as a result of such termination of electric service by no later than the Closing Date. Purchaser's reimbursement obligation hereunder shall not exceed \$500,000. Notwithstanding anything that could be construed to the contrary in this Agreement, Purchaser acknowledges and agrees that PG&E retains the right to (i) collect energy efficiency loan repayments from Customers (and enforce PG&E's rights and remedies arising out of any failure to do so), whether before or after the Asset Sale Closing, and (ii) enforce PG&E's rights and remedies arising out of a Customer's failure to repay electric energy efficiency grants or rebates for any other reason.

(e) **Extension Agreement.** Within 90 days of the Closing Date, PG&E will refund to parties to electric line extension agreements (the "Extension Agreements") the unrefunded mainline extension account deposit amounts, if any, related to the electric portion of those agreements.

(f) **Customer Meter Reads.** PG&E will cause all Customer meters within the Westside Zone to be read on the Saturday and Sunday prior to the Closing Date (Monday). Purchaser will notify PG&E of the actual Closing Date at least eleven (11) days in advance of the date. PG&E will notify Purchaser of the meter reading schedule and allow representatives of Purchaser to accompany PG&E meter reading representatives on Customer meter reads. The Parties agree that the meters of those Customers with electric bills in excess of One Hundred Thousand Dollars (\$100,000) for calendar year 2001 will be read by PG&E on the Closing Date. Meters read in accordance with this Section 4.1(f) "Customer Meter Reads" will be accepted by PG&E as the closing meter reading of each of the Customer accounts served by the Facilities and will be accepted by Purchaser as its first meter reading for each of those Customer accounts. PG&E agrees to provide Purchaser with the closing meter reads for all Customer meters within the Westside Zone as soon as reasonably possible but not later than seven (7) Business Days after the closing meter reads are taken. To the extent PG&E cannot read any of the Customer meters as scheduled, the Parties shall cooperate in obtaining closing meter reads (or a mutually agreeable approximation thereof) and making appropriate adjustments to Purchaser's reimbursement obligation described herein. Purchaser will reimburse PG&E in an amount equal to one-twentieth (1/20<sup>th</sup>) of the total of the electric bills for those Customers with bills of One Hundred Thousand Dollars (\$100,000) or less for calendar year 2001 for the last complete billing cycle immediately prior to the Closing Date. Purchaser shall pay to PG&E the amount of such reimbursement within 30 days of receipt of PG&E's invoice. PG&E will reasonably assist Purchaser in identifying meter locations, access requirements, and route conditions.

The beginning meter reads for the meters installed in accordance with the associated Interconnection Agreement will be read by TID on the Closing Date, as close to the actual closing time as practicable.

(g) **PG&E Customer Accounts Receivable.** Following the meter reading, in accordance with Section 4.1(f) "Customer Meter Reads," PG&E will send a closing bill to each of its former Customers to collect the revenues owed to PG&E. PG&E anticipates that it will have Customer accounts receivable (outstanding bills to Customers) for the period through PG&E's closing meter reading. Purchaser is not obligated to purchase, and PG&E is not obligated to sell, PG&E's accounts receivable. PG&E may collect these accounts receivable by whatever means it elects, including the filing of a lawsuit, and Purchaser agrees to cooperate with PG&E in such collection efforts provided such cooperation is at no material out-of-pocket expense to Purchaser.

(h) **Special Facilities Agreement.**

(1) From and after the Conditions Satisfaction Date until the Asset Sale Closing, if the consent of a Customer is required to a transfer by PG&E to Purchaser of the agreement covering the Customer's special facilities (the "Special Facilities Agreement"),

Purchaser may send to the Customer a request that the Customer agree in writing to the transfer by PG&E to Purchaser of PG&E's interests in the Special Facilities Agreement. PG&E will provide Purchaser with a list of the Special Facilities Agreements by the later of 120 days after the Effective Date or the approval of the CPUC, if required. If PG&E receives the Customer's agreement in writing at least ten (10) Business Days before the Closing Date, the Special Facilities Agreement will be included as part of the Assigned Contracts at the Asset Sale Closing. If PG&E does not receive the Customer's agreement by that date, the Special Facilities Agreement will not be an Assigned Contract, but PG&E will promptly remit to Purchaser the Customer's payments (if any) under the Special Facilities Agreement upon receipt thereof.

(2) The electric facilities and easements constituting the 60 kV tap line from PG&E's 60 kV line to the Patterson Frozen Foods shall be transferred to Purchaser by the Tap Line Agreement.

#### **4.2 Disconnecting the Assets from PG&E's System.**

##### **(a) Purchaser System Work.**

(1) Within one hundred and twenty (120) days after the Effective Date and prior to commencing the Purchaser System Work, Purchaser will deliver to PG&E for its review and approval general plans and specifications for the Purchaser System Work. Purchaser will also deliver within that time period to PG&E for its review and approval detailed plans and specifications for the 12 kV intertie to be owned by PG&E but constructed by Purchaser in the Crows Landing area. Purchaser will not materially modify its plans or specifications for the Purchaser System Work or for the Crows Landing 12 kV intertie work without PG&E's prior written consent, which consent will not be unreasonably withheld or delayed.

(2) Except as provided in Section 4.2(c), Purchaser shall commence Purchaser System Work immediately after the later of the CPUC Approval Date and the Bankruptcy Court Approval Date and shall complete all Purchaser System Work within one hundred twenty (120) days after the later Approval Date.

(3) Purchaser agrees to coordinate the performance of the Purchaser System Work with PG&E's performance of the Severance Work and Purchaser agrees to undertake the Purchaser System Work in accordance with TID Utility Practices. Purchaser will afford PG&E adequate notice and an opportunity to inspect all Purchaser System Work while such work is being performed by Purchaser.

(4) Purchaser shall complete all Purchaser System Work at Purchaser's sole cost and expense.

(5) On or before the Closing Date, Purchaser shall complete all work under the Electrical Line Severance Agreement (Matthews Property) at Purchaser's sole cost and expense.

(b) **Severance Work.**

(1) Within one hundred and twenty (120) days after the Effective Date and prior to commencing the Severance Work, PG&E will deliver to Purchaser for its review and approval general plans and specifications for the Severance Work and a good faith estimate of the cost of the Severance Work to be performed. Prior to the start of construction of the Severance Work, PG&E will deliver to Purchaser for its review and approval detailed plans and specifications for the Severance Work and an updated cost estimate.

(2) Except as provided in Section 4.2(c), PG&E shall commence Severance Work immediately after the later of the CPUC Approval Date and the Bankruptcy Court Approval Date and shall complete all Severance Work within one hundred twenty (120) days after the later Approval Date.

(3) PG&E agrees to coordinate the performance of the Severance Work with Purchaser's performance of the Purchaser System Work and to undertake the Severance Work in accordance with PG&E Utility Practices. PG&E agrees to make reasonable efforts to attempt to minimize the cost of the Severance Work. Purchaser agrees to pay for Severance Work as Severance Work is completed and billed by PG&E. PG&E will afford Purchaser adequate notice and an opportunity to inspect all Severance Work while such work is being performed by PG&E.

(4) PG&E shall complete all Severance Work at Purchaser's sole cost and expense, with the exception of the 12 kV intertie to be constructed by Purchaser in the Crows Landing area at Purchaser's sole cost and expense and in accordance with PG&E Utility Practices. PG&E will perform the work necessary to connect the 12 kV intertie to PG&E's system at Purchaser's sole cost and expense.

(5) Purchaser will be responsible for a charge to cover PG&E's resulting estimated liability for Federal and State Income Tax on any Severance Work, calculated at the tax factor approved by the CPUC for the Income Tax Component of Contributions.

(c) **Substation and Transmission Work After Closing Date.** In recognition that a de-energization and clearance of PG&E facilities to perform the necessary and contemplated Severance Work may not be possible between the months of May and October, the Parties agree to the following:

(1) Notwithstanding Sections 4.2(a)(2) and 4.2(b)(2), the following Purchaser System Work and Severance Work may be completed after the Closing Date but not later than eight (8) months after the Closing Date:

- a) removal of temporary 12 kV metering, associated devices, and line interconnection switches and devices;
- b) installation of 60 kV and 115 kV metering, associated structures and devices at Patterson and Salado Substations;

- c) reconfiguration and installation of substation protection and switching equipment, associated structures and devices at the Patterson and Salado Substations;
- d) reconfiguration of 60 kV lines in the vicinity of Patterson Substation.

(2) The work described in Section 4.2(c) will be performed by PG&E at Purchaser's sole cost and expense, but the Parties may agree to have the Purchaser perform all or any portion of such work.

(3) If the work described in Section 4.2(c)(1) is not completed by the Closing Date, then the following temporary metering shall be installed at Purchaser's sole cost and expense and in accordance with the Interconnection Agreement until the substation metering and reconfiguration work is completed:

- a) metering on the four 12 kV feeder circuits at the Patterson and Salado Substations;
- b) overhead 12 kV metering at three of the PG&E/TID distribution facility severance points, provided, however, by mutual agreement and at Purchaser's sole expense, overhead 12 kV metering may be installed at other severance point locations for operating or clearance purposes;
  - i. Medlin Road south of Fink Road, Crows Landing;
  - ii. Bell road south of Fink Road, Crows Landing;
  - iii. Cox Road and Condit Avenue, north of Patterson.

(d) **Cooperation.** The Parties shall cooperate in performing the Purchaser System Work and the Severance Work, in a reasonable, practical, coordinated and cost-efficient manner consistent with TID Utility Practices and PG&E Utility Practices.

**4.3 Annual Payments for NBC.** In consideration of PG&E foregoing the collection of NBCs from its retail customers in the Westside Zone from and after the Closing Date, TID agrees to pay PG&E monthly for the NBCs for consumers in the Westside Zone for the preceding year. PG&E agrees to provide TID with PG&E's calculation of the amount owing under this section for the prior month by the last day of the subsequent month, and TID agrees to pay PG&E within thirty (30) days thereafter. Should TID disagree with PG&E's calculation of the amount owing, the Parties shall invoke the dispute resolution provisions of Section 4.9 of the Closing Agreement.

**4.4 Direct Access.** In consideration of PG&E selling the facilities used to serve current PG&E customers receiving direct access service in the Westside Zone, and in light of the expectations of those customers, TID agrees to either (a) offer direct access to those PG&E



customers in the Westside Zone on direct access as of the Closing Date, on terms reasonably comparable to PG&E's existing direct access service or (b) obtain the written consent of each such customer receiving bundled TID service in lieu of direct access service.

## ARTICLE 5 CERTAIN AGREEMENTS

**5.1 Access for Inspections.** Purchaser has a non-exclusive right of reasonable access to the Assets (or any portion thereof) for the purpose of performing a visual inspection of the Assets (or any portion thereof). Purchaser shall provide PG&E with at least seven (7) Business Days notice of an inspection. Inspection(s) shall be during normal business hours. A qualified representative(s) of PG&E will accompany Purchaser at all times during Purchaser's inspection(s). During Purchaser's inspection(s), Purchaser will not, except as expressly provided below, (i) do anything that disrupts or disturbs the on-going operation of the Assets (or any portion thereof) or (ii) perform any testing, whether structural, environmental or otherwise. During Purchaser's inspection(s), Purchaser will comply with all Laws and all of PG&E's reasonable requests and directions relating to the Assets. If Purchaser desires to obtain samples of dielectric fluid in pad-mounted equipment at the Facilities for testing purposes, Purchaser must submit a written sampling plan to PG&E. Upon PG&E's approval of all or a portion of such sampling plan, which approval will not be unreasonably withheld, PG&E will implement the plan (or the portion of such plan approved by PG&E) at Purchaser's expense and will provide Purchaser with the samples of dielectric fluid for testing. It shall not be deemed unreasonable to withhold approval of any proposal to sample dielectric fluid if PG&E reasonably believes that doing so will damage the Assets or adversely effect the integrity of the Assets. Purchaser will be liable for any damage to the Assets caused by any testing. A representative(s) of Purchaser may accompany PG&E during PG&E's implementation of the sampling plan.

### **5.2 Regulatory Matters.**

(a) **Purchaser Responsibility.** Except for (i) Bankruptcy Court Approval, CPUC Approval FERC Approval and the consent of the California Independent System Operator, and (ii) PG&E's obligations under Section 2.4 "Removal of Lien of Mortgage," Purchaser is responsible for obtaining all authorizations, consents, licenses, permits and approvals of Governmental Authorities and third Persons required by applicable Laws or required by any such third Persons in connection with the consummation of the transactions contemplated by this Agreement and the Related Agreements and with Purchaser's operation of the Assets, including all consents to the assignment from PG&E to Purchaser of the Assets (or any portion thereof). Without limiting the generality of the foregoing, Purchaser is responsible for timely notifying appropriate Governmental Authorities of this Agreement and the Related Agreements and Purchaser's operation of the Assets for the purposes of the California Environmental Quality Act, responding to any requests for information made by such Governmental Authorities and otherwise cooperating with such Governmental Authorities in their conduct of any reviews of this Agreement and the Related Agreements and Purchaser's operation of the Assets under the California Environmental Quality Act. Purchaser shall consult with PG&E about any mitigation measures contemplated by Governmental Authorities under the California Environmental Quality Act of which Purchaser is notified in writing or otherwise.

PG&E's and Purchaser's approval of any such mitigation measures shall be a condition precedent to the Asset Sale Closing.

(b) **Rights-of-Way -- No Transfer if Consent or Approval Not Obtained.**

(1) PG&E is not obligated to assign or transfer its right, title and interest in and to a particular Right of Way (or any claim, right or benefit arising under or resulting from such Right of Way), if an assignment or transfer or an attempt to make such an assignment or transfer of that Right of Way without the consent of a third Person would breach a contractual or equitable obligation owed to a third Person (other than the holder of the Mortgage) or violate any Law.

(2) If any Right of Way listed in **Schedule 2.1(a)(i), "Schedule of Land Rights"** is determined by the Closing Date to not be assignable or transferable or to have been abandoned by PG&E, the Purchase Price will be reduced by an amount equal to the sum of the amounts calculated for each Right of Way not so assigned or transferred. The amount for each such Right of Way (other than railroad Rights of Way) not so assigned or transferred shall be: One Thousand Fifty Dollars (\$1,050) per recorded Right of Way and Seven Hundred Fifty Dollars (\$750) per unrecorded Right of Way.

(3) Purchaser acknowledges that various encroachment and other permits issued by Caltrans and the U.S. Department of the Interior are not assignable or are assignable only with the consent of the other contracting party, that Purchaser is responsible for obtaining any such permits or consents necessary or desired by Purchaser on or after the Asset Sale Closing and that the Purchase Price will not be reduced as a result of any such permits not being assignable or such consent not being granted. All such encroachments and other permits are listed in **Schedule 5.2(b)(3)**.

(4) The Parties shall jointly request each railroad company that is the grantor of a railroad Right of Way listed in **Schedule 2.1(a)(i), "Schedule of Land Rights"** to consent to the transfer of such Right of Way to Purchaser. If the railroad company refuses to consent for a reason other than Purchaser's, PID's, or WPA's failure to provide information or otherwise cooperate with commercially reasonable requests by the railroad company, the Purchase Price will be reduced by One Thousand Two Hundred Dollars (\$1,200) for each railroad Right of Way not so assigned or transferred.

**5.3 Delivery of Project Information; Confidentiality.**

(a) **Delivery of Project Information.** PG&E will deliver the Facilities Information to Purchaser upon the terms and conditions of Section 2.12 "Delivery of Facilities Information to Purchaser." PG&E will deliver the Customer Information to Purchaser upon the terms and conditions of **Section 4.1(c) "Delivery of Customer Information to Purchaser."** Nothing in this Agreement requires PG&E to deliver communications between PG&E and its counsel or other matters for which PG&E may assert a privilege, and, if Purchaser receives any such information, (A) such disclosure will not constitute a waiver, in whole or in part, of any applicable privilege, (B) Purchaser will not disclose, reveal or publish in any manner all or any

part of such information, and (C) Purchaser will promptly return to PG&E the originals and all copies of such information in the possession of Purchaser. In addition, PG&E is not obligated to prepare any Project Information, with PG&E's obligation limited to delivering the Project Information in its possession to Purchaser. If this Agreement is terminated pursuant to Section 9.12 "Termination," Purchaser will return promptly all Project Information provided to it, including all copies thereof in its possession or provided to others in accordance with this Section 5.3 "Delivery of Project Information; Confidentiality" and all copies of all documents that contain any of the Project Information.

(b) **Limited Disclosure.** Purchaser will disclose the Project Information only to members of Purchaser Group who have a "need to know" in order to accomplish the purposes set forth in Section 4.1(c) "Delivery of Customer Information to Purchaser" and Section 5.3(a) "Delivery of Project Information" and who, prior to being told of such matters or given access to Project Information, agree to comply with the obligations set forth in this Section 5.3 "Delivery of Project Information; Confidentiality." From time to time at the request of PG&E, Purchaser shall specify in writing those individuals who have received or reviewed the Project Information. Prior to the Asset Sale Closing, Purchaser will not reproduce or copy, in whole or in part, any of the Project Information, except as specifically authorized by PG&E (and, if authorized, in conformance with PG&E's instructions).

(c) **Confidentiality.** Each Party will, using the same degree of care as it takes to preserve and safeguard its own confidential information, maintain in confidence and not disclose to third Persons, any Confidential Information received from the other Party, whether before or after the date hereof, in connection with the transactions contemplated by this Agreement. Each Party may disclose Confidential Information received from the other Party (i) if and to the extent required by law, court order, subpoena or other lawful order of a Governmental Authority with jurisdiction, or (ii) with the prior written consent of the other Party. The Parties further acknowledge that any Confidential Information provided under prior confidentiality agreements between the Parties will be considered Confidential Information for purposes of this Agreement and such prior confidentiality agreements will remain in full force and effect in accordance with their terms.

(d) **Injunctive Relief.** Each Party agrees that money damages would not be a sufficient remedy for a breach of Section 5.3 "Delivery of Project Information; Confidentiality" and that the disclosing Party is entitled to injunctive relief, specific performance and/or any other appropriate equitable remedies with respect to any such breach. These remedies are not the exclusive remedy for breach of this Section 5.3 "Delivery of Project Information; Confidentiality" by the receiving Party, but are in addition to all other remedies available at law or in equity.

(e) **Survival.** The obligations of the Parties in this Section 5.3 "Delivery of Project Information; Confidentiality" will survive the termination of this Agreement, the discharge of all other obligations owed by the Parties to each other, any transfer of title to the Assets and the Asset Sale Closing of the transactions contemplated in this Agreement, provided, however, that as to Purchaser, Section 5.3 shall not apply to information the ownership of which transfers to Purchaser on the Closing Date.

#### **5.4 Maintenance of Assets Pending Closing.**

(a) **Normal Maintenance.** From the Effective Date through the Asset Sale Closing, except in the case of an Extraordinary Maintenance Event which will be governed by Section 5.4(b) "Extraordinary Maintenance," PG&E will, at its expense, operate and maintain the Facilities in a manner consistent with PG&E Utility Practices and in compliance with applicable Laws in all material respects. Without limiting the generality of the foregoing, until the Asset Sale Closing, PG&E will not defer normally-scheduled maintenance work, including pole inspection and treatment work and/or tree trimming work, as generally described in the Maintenance Plans, as may be amended from time to time. PG&E shall notify Purchaser in writing of any amendment to the Maintenance Plans and the reason or reasons for the amendment. Any dispute between the Parties over the adequacy of normal maintenance work shall be subject to the Dispute Resolution provision.

(b) **Extraordinary Maintenance.** If any Extraordinary Maintenance Event occurs for which (i) PG&E is obligated to perform such work as a result of a change arising after the Effective Date in any Law or (ii) PG&E reasonably believes in accordance with PG&E Utility Practices that performance of such work is required to protect the health and safety of individuals in the vicinity of the Facilities or to ensure continued reliable provision of electric power to Customers, Purchaser will reimburse PG&E for one-half (1/2) of the Extraordinary Maintenance Expenses incurred by PG&E as a result thereof. If any other Extraordinary Maintenance Event occurs, PG&E is not required to perform such maintenance work unless Purchaser gives its prior written approval, in which event Purchaser will reimburse PG&E for one-half (1/2) of the Extraordinary Maintenance Expenses incurred by PG&E as a result thereof. Any reimbursement for which Purchaser is obligated under this Section 5.4(b) "Extraordinary Maintenance" will be paid by Purchaser within twenty (20) Business Days after Purchaser's receipt of an invoice setting forth the Extraordinary Maintenance Expenses incurred by PG&E. The Purchase Price shall not be adjusted because of any Extraordinary Maintenance Expenses. Notwithstanding anything to the contrary in this Agreement, if this Agreement is terminated for any reason, PG&E will reimburse Purchaser, within twenty (20) Business Days after the termination of this Agreement, for all amounts paid by Purchaser pursuant to this Section 5.4(b) "Extraordinary Maintenance," without interest, which obligation of PG&E will survive the termination of this Agreement.

(c) **No Removal of Assets.** Through the Asset Sale Closing, except in the case of an Extraordinary Maintenance Event which will be governed by Section 5.4(b) "Extraordinary Maintenance," PG&E will not, without Purchaser's prior written consent, which consent will not be unreasonably withheld, remove or exchange any portion of the Assets if such removal or exchange would reduce the value or reliability of the Assets, other than Assets used, consumed or replaced in the ordinary course of business.

**5.5 Further Assurances.** At any time or from time to time after the Asset Sale Closing, each Party will, upon the reasonable request of the other Party, execute and deliver any further instruments or documents, and take all such further actions as may reasonably be required to fulfill and implement the terms of this Agreement or realize the benefits intended to be afforded hereby.

## **5.6 Taxes, Prorations and Closing Costs.**

### **(a) Taxes.**

(i) Except for any Excluded Taxes for which Purchaser will have no liability, Purchaser will pay all Taxes, including sales, use, transfer and documentary transfer Taxes, arising in connection with the sale and transfer of the Assets (or any part thereof), this Agreement or the transactions contemplated herein, or the receipt of the Purchase Price or other amounts hereunder, regardless of whether levied or imposed on or with respect to PG&E, Purchaser or all or any part of the Assets or any use thereof, and regardless of when such Taxes are levied or imposed.

(ii) State and local real and personal property Taxes relating to the Assets for the tax year (ending June 30) of the Asset Sale Closing will be prorated between Purchaser and PG&E on the following basis: PG&E is to be responsible for all such Taxes for the period up to the Asset Sale Closing; and Purchaser is responsible for all such Taxes for the period on and after the Asset Sale Closing. All Taxes assessed on an annual basis will be prorated on the assumption that an equal amount of Taxes applies to each day of the year, regardless of how any installment payments are billed or made, except that Purchaser will bear all supplemental or other state and local real and personal property Taxes which arise out of a change in ownership of the Assets. In addition, Purchaser acknowledges that the Assets are assessed by the California State Board of Equalization as of January 1 of each year, and, if the Asset Sale Closing occurs between January 1 and June 30, PG&E must pay real property taxes arising out of the ownership of the Assets for the subsequent fiscal year. If the Asset Sale Closing occurs between January 1 and June 30, Purchaser will deposit with PG&E the full amount to pay real property taxes for the tax year beginning on July 1, in addition to the prorated amount of real property taxes for the current tax year (ending June 30), and PG&E will pay the real property taxes for these tax years before they become delinquent; provided however, that PG&E may pay such taxes in installments as permitted by law. If the real property taxes for the tax year beginning on July 1 are not available as of the Asset Sale Closing, then the amount due from Purchaser to PG&E for such tax year will be estimated on the basis of the prior year's real property taxes and such amount will be subject to adjustment after the Asset Sale Closing. If the Asset Sale Closing occurs between July 1 and December 31, Purchaser will deposit with PG&E the prorated amount of real property taxes for the tax year in which the Asset Sale Closing occurs and PG&E will pay the real property taxes for such tax year before they become delinquent; provided however, PG&E may pay such taxes in installments as permitted by law. PG&E will provide commercially reasonable assistance to Purchaser on obtaining the refund of any such property taxes to which TID may be entitled.

(iii) PG&E will be entitled to any refunds or credits of Taxes relating to the Assets for the period prior to the Asset Sale Closing. Purchaser will promptly notify and forward to PG&E the amounts of any such refunds or credits to PG&E within five (5) Business Days after receipt thereof.

(iv) After the Asset Sale Closing, Purchaser will notify PG&E in writing, within five (5) Business Days after Purchaser's receipt of any correspondence, notice or other communication from a taxing authority or any representative thereof, of any pending or threatened tax audit, or any pending or threatened judicial or administrative proceeding that involves Taxes relating to the Assets for the period prior to the Asset Sale Closing, and furnish PG&E with copies of all correspondence received from any taxing authority in connection with any audit or information request with respect to any such Taxes relating to the Assets for the period prior to the Asset Sale Closing.

(v) Notwithstanding any provision of this Agreement to the contrary, with respect to any claim for refund, audit, examination, notice of deficiency or assessment or any judicial or administrative proceeding that involves Taxes relating to the Assets for the period either entirely prior to the Asset Sale Closing or both prior to and after the Asset Sale Closing (collectively, "Tax Claim"), the Parties will reasonably cooperate with each other in contesting any Tax Claim, including making available original books, records, documents and information for inspection, copying and, if necessary, introduction as evidence at any such Tax Claim contest and making employees available on a mutually convenient basis to provide additional information or explanation of any material provided hereunder with respect to such Tax Claim or to testify at proceedings relating to such Tax Claim. PG&E will control all proceedings taken in connection with any Tax Claim that pertains entirely to the period prior to the Asset Sale Closing, and PG&E and Purchaser will jointly control all proceedings taken in connection with any Tax Claim pertaining to the period both prior to and after the Asset Sale Closing. Purchaser has no right to settle or otherwise compromise any Tax Claim which pertains entirely to the period prior to the Asset Sale Closing; and neither Party has the right to settle or otherwise compromise any Tax Claim which pertains to the period both prior to and after the Asset Sale Closing without the other Party's prior written consent.

(vi) With respect to the transactions contemplated in this Agreement, PG&E and Purchaser, as applicable, shall file timely with the California State Board of Equalization a Statement of Land Changes (form BOE-551).

(b) **Closing Costs.** Except as otherwise provided herein and except as set forth in the Cost Sharing Letter Agreement, each Party is responsible for its own costs and expenses (including attorneys' and consultants' fees, costs and expenses and any brokers' fees) incurred in connection with this Agreement and the consummation of the transactions contemplated by this Agreement. Purchaser and PG&E each will pay one-half (1/2) of any document recordation costs.

5.7 **[Reserved]**

5.8 **Environmental Matters.**

(a) **Disclosure.** PG&E hereby discloses to Purchaser that Hazardous Substances, including PCBs, may be present at, in, on, under, about, contained in, or

incorporated in the Assets, or portions thereof. Except as set forth on Schedule 5.8(a)(1) "Schedule of Environmental Matters," to the current actual knowledge of the individuals on Schedule 5.8(a)(2) "Schedule of PG&E Employees," who are the individuals with direct operational oversight of the Assets as of the Effective Date, (1) there has been no release of Hazardous Substances from or affecting any Asset requiring Remediation under Environmental Laws, (2) no Remediation activity relating to or affecting any Assets is being undertaken by PG&E, and (3) PG&E has not received written notice from a Governmental Authority of any pending Hazardous Substances investigation, proceeding, or clean-up, abatement or similar order by any Governmental Authority with jurisdiction over the Assets under Environmental Laws relating to or affecting any Asset. At the Closing Date, PG&E shall confirm in writing these representations or state any changes thereto based upon the then current actual knowledge of the individuals on Schedule 5.8(a)(2) or their successors. After the Effective Date, PG&E agrees to notify Purchaser promptly in writing of any situation, activity, investigation, proceeding, clean-up, abatement or similar order (collectively, "activity") covered by the above representations and to allow Purchaser to monitor the activity reasonably. The representations made as of the Closing Date shall survive the Asset Sale Closing for a period of one year and thereafter shall terminate and be of no further force or effect.

(b) **Purchaser's Responsibilities.**

In light of PG&E's obligations under Section 6.2 "Indemnification by PG&E," Purchaser agrees to the following:

(i) Purchaser represents that it is purchasing the Assets for Purchaser's own use, and not for resale. If Purchaser sells the Assets, or any part thereof, it shall disclose, in writing, to all potential buyers, prior to the sale, that Hazardous Substances, including PCBs, may be present at, in, on, under, about, contained in, or incorporated in the Assets, or portions thereof. Further, in the event the Assets (or any portion thereof) are sold, conveyed or transferred in any manner to a Person other than PG&E, Purchaser shall incorporate language in the agreement effectuating such transfer substantially in the same form as this clause (i) and clause (ii) below.

(ii) Purchaser will continue to use the Assets substantially in the manner in which they are currently being used for electric transmission and distribution purposes.

(iii) Purchaser promptly will notify PG&E (and provide PG&E with copies, if applicable) of all material reports, correspondence, notices and communications regarding the presence or suspected presence of any Pre-Closing Right of Way Environmental Conditions sent to or received from any Person (other than PG&E).

**5.9 Rectifiers.**

Without limiting the generality of Section 2.2 "Excluded Assets," PG&E is expressly excluding from the Facilities all cathodic protection rectifiers on the poles in the Westside Zone on the Closing Date and expressly reserving an easement to maintain, use and

operate those rectifiers and to install, maintain, use and operate such additional rectifiers on poles in the Westside Zone after the Closing Date as PG&E reasonably deems necessary or advisable in connection with the operation, use or maintenance of PG&E's gas pipelines in the Westside Zone. Purchaser will not charge PG&E any pole attachment fee for any such rectifiers. Purchaser will provide electricity to PG&E for each rectifier in accordance with Purchaser's then applicable rate schedule for such non-metered accounts.

## ARTICLE 6 INDEMNIFICATION

**6.1 Remedies Exclusive.** The remedies set forth in this Article 6 "Indemnification" constitute the sole and exclusive remedy for any claims made after the Closing Date for breach of this Agreement. Each Party waives any provision of law to the extent that it would limit or restrict the agreements contained in this Article 6 "Indemnification."

### **6.2 Indemnification by PG&E.**

(a) **Purchaser Claims.** Except as otherwise provided in Section 6.2(b) "PG&E Exceptions" and Section 6.2(c) "PG&E Limitations," PG&E will indemnify, defend and hold harmless Purchaser and its Affiliates, and each of their officers, directors, employees, attorneys, agents and successors and assigns (collectively, the "**Purchaser Group**"), from and against all damages, claims, losses, liabilities and expenses, including reasonable legal, accounting and other expenses, which directly or indirectly arise out of or relate to the following (collectively, "**Purchaser Claims**"):

(1) Any breach or violation of this Agreement by PG&E.

(2) Any Third Party Claim against any member of the Purchaser Group (other than Third Party Claims arising out of any Environmental Condition) for loss or damages (but only where the alleged personal injury or property damage resulting in such loss or damage occurred before the Closing Date) resulting from or arising out of PG&E's use, ownership or operation of the Assets prior to the Asset Sale Closing, including any and all nonappealable costs, expenses or liabilities incurred in connection with any such Third Party Claim and any and all nonappealable judgments awarded against the Purchaser Group, or any of them. If any judgment or other lien is placed upon or obtained against the property of the Purchaser Group, or any of them, in or as a result of any such Purchaser Claim, PG&E shall at once cause the same to be discharged and dissolved by giving bond or otherwise.

(3) Any claim by Purchaser or any Third Party Claim for loss, damages or Remediation relating to Pre-Closing Right of Way Environmental Conditions.

(b) **PG&E Exceptions.** Purchaser Claims will not include any damages, claims, losses, liabilities and expenses to the extent (i) arising from acts or omissions of the Purchaser Group, or any of them, occurring after the Closing Date that constitute the sole negligence or willful misconduct of the Purchaser Group, or any of them, (ii) Purchaser has



agreed to provide indemnification pursuant to Section 6.3 "Indemnification by Purchaser," or (iii) Purchaser has agreed to assume such risk pursuant to this Agreement.

(c) **PG&E Limitations.** The Purchaser Group will not in any event be entitled to any punitive, incidental, indirect, special or consequential damages resulting from or arising out of any Purchaser Claims, including damages for lost revenues, income, profits or tax benefits, diminution in value of the Assets or any other damage or loss resulting from the disruption to or loss of operation of the Assets.

### **6.3 Indemnification by Purchaser.**

(a) **PG&E Claims.** Except as otherwise specifically provided in Section 6.3(b) "Purchaser Exceptions" and Section 6.3(c) "Purchaser Limitations," Purchaser will indemnify, defend and hold harmless PG&E and its Affiliates and each of their officers, directors, employees, attorneys, agents and successors and assigns (collectively, the "PG&E Group"), from and against all damages, claims, losses, liabilities and expenses, including reasonable legal, accounting and other expenses, which directly or indirectly arise out of or relate to the following (collectively, "PG&E Claims"):

(1) Any breach or violation of this Agreement by Purchaser.

(2) Any Third Party Claim against any member of the PG&E Group for loss or damages resulting from or arising out of Purchaser's use, ownership or operation of the Assets from and after the Asset Sale Closing, but only where the alleged personal injury or property damage resulting in such loss or damage occurred after the Closing Date (including any Third Party Claims against any member of the PG&E Group resulting from or arising out of any Assumed Liabilities), including any and all nonappealable costs, expenses or liabilities incurred in connection with any such Third Party Claim and any and all nonappealable judgments awarded against the PG&E Group, or any of them. If any judgment or other lien is placed upon or obtained against the property of the PG&E Group, or any of them, in or as a result of any such PG&E Claim, Purchaser shall at once cause the same to be discharged and dissolved by giving bond or otherwise.

(3) Any claim by PG&E or any Third Party Claim for loss, damages, or Remediation relating to Purchaser's release of Hazardous Substances into the soil or the groundwater or both on or around the Rights of Way on or after the Closing Date.

(b) **Purchaser Exceptions.** PG&E Claims will not include any damages, claims, losses, liabilities and expenses to the extent (i) arising from acts or omissions of the PG&E Group, or any of them, occurring after the Closing Date that constitute the sole negligence or willful misconduct of the PG&E Group, or any of them, or (ii) PG&E has agreed to provide indemnification pursuant to Section 6.2 "Indemnification by PG&E."

(c) **Purchaser Limitations.** The PG&E Group will not in any event be entitled to any punitive, incidental, indirect, special or consequential damages resulting from or

arising out of any PG&E Claim, including damages for lost revenues, income, profits or tax benefits, diminution in the value of the Assets or any other damage or loss resulting from the disruption to or loss of operation of the Assets.

(d) **PURCHASER'S RELEASE OF PG&E.** PURCHASER, FOR ITSELF AND ON BEHALF OF PURCHASER GROUP, DOES HEREBY RELEASE, HOLD HARMLESS AND FOREVER DISCHARGE EACH MEMBER OF THE PG&E GROUP FROM ANY AND ALL CLAIMS, DEMANDS, LIABILITIES (INCLUDING FINES AND CIVIL PENALTIES) OR CAUSES OF ACTION AT LAW OR IN EQUITY (INCLUDING ANY ACTIONS ARISING UNDER ENVIRONMENTAL LAWS), DESTRUCTION, LOSS OR DAMAGE OF ANY KIND OR CHARACTER, WHETHER KNOWN OR UNKNOWN, HIDDEN OR CONCEALED, TO THE PERSON OR PROPERTY OF ANY MEMBER OF THE PURCHASER GROUP RESULTING FROM OR ARISING OUT OF THE ASSETS, INCLUDING ANY HAZARDOUS SUBSTANCE AT, ON, UNDER, IN OR ABOUT THE ASSETS, EXCEPT AS TO PG&E'S REPRESENTATIONS UNDER SECTION 5.8(a) "ENVIRONMENTAL MATTERS/DISCLOSURE" AND PG&E'S OBLIGATIONS UNDER **SECTION 6.2 "INDEMNIFICATION BY PG&E."** PURCHASER HEREBY WAIVES ANY AND ALL RIGHTS AND BENEFITS THAT IT NOW HAS, OR IN THE FUTURE MAY HAVE CONFERRED UPON IT BY VIRTUE OF THE PROVISIONS OF SECTION 1542 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA (OR ANY OTHER STATUTE OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT), WHICH PROVIDES AS FOLLOWS:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.**

**IN THIS CONNECTION, THE PURCHASER HEREBY AGREES, REPRESENTS, AND WARRANTS THAT IT REALIZES AND ACKNOWLEDGES THAT FACTUAL MATTERS NOW UNKNOWN TO IT MAY HAVE GIVEN OR MAY HEREAFTER GIVE RISE TO CLAIMS THAT ARE PRESENTLY UNKNOWN, UNANTICIPATED AND UNSUSPECTED, AND IT FURTHER AGREES, REPRESENTS, AND WARRANTS THAT THIS RELEASE HAS BEEN NEGOTIATED AND AGREED UPON IN LIGHT OF THAT REALIZATION AND IT NEVERTHELESS HEREBY INTENDS TO RELEASE EACH MEMBER OF THE PG&E GROUP FROM THE CLAIMS, DEMANDS AND LIABILITIES DESCRIBED IN THE FIRST SENTENCE OF **THIS SECTION 6.3(d).****

**6.4 Notice of Claim.** Subject to the terms of this Agreement and upon obtaining actual present knowledge of a claim for which it is entitled to indemnity under this **Article 6 "Indemnification,"** the Party seeking indemnification hereunder (the "**Indemnitee**") will promptly notify the Party against whom indemnification is sought (the "**Indemnitor**") in writing of any damage, claim, loss, liability or expense which the Indemnitee has determined has given or could give rise to a claim under **Section 6.2 "Indemnification by PG&E"** or **Section 6.3**

“Indemnification by Purchaser.” (The written notice is referred to as a “**Notice of Claim.**”) A Notice of Claim will specify, in reasonable detail, the facts known to the Indemnitee regarding the claim and will include copies of any documents received in connection with the claim. Subject to the terms of this Agreement, the failure to provide (or timely provide) a Notice of Claim will not affect the Indemnitee’s rights to indemnification; provided, however, the Indemnitor is not obligated to indemnify the Indemnitee for the increased amount of any claim which would otherwise have been payable to the extent that the increase resulted from the failure to deliver timely a Notice of Claim.

**6.5 Defense of Third Party Claims.** The Indemnitor will defend, in good faith and at its expense, any claim or demand set forth in a Notice of Claim relating to a Third Party Claim and the Indemnitee, at its expense, may participate in the defense. The Indemnitor may assume the defense of the Indemnitee, while reserving in writing its right to contest the Indemnitee’s right to indemnification under this Article 6 “Indemnification.” The Indemnitee cannot settle or compromise any Third Party Claim so long as the Indemnitor is defending it in good faith. If the Indemnitor fails to assume in writing the defense within fifteen (15) days after receipt of a Notice of Claim or if the Indemnitor fails to diligently contest a Third Party Claim, the Indemnitee may undertake its defense, and the Indemnitor will reimburse Indemnitee for any expenses incurred by Indemnitee in connection therewith and will be bound by the result obtained by the Indemnitee. The Indemnitor may at any time request the Indemnitee to agree to the abandonment of the contest of the Third Party Claim or to the payment or compromise by the Indemnitor of the asserted claim or demand if such abandonment or compromise imposes no material obligations on the Indemnitee. If the Indemnitee does not object in writing within fifteen (15) days of the Indemnitor’s request, the Indemnitor may proceed with the action stated in the request. If within that fifteen (15) day period the Indemnitee notifies the Indemnitor in writing that it has determined that the contest should be continued, the Indemnitor will be liable under this Article 6 “Indemnification” only for an amount up to the amount which the third Person to the contested Third Party Claim had agreed to accept in payment or compromise as of the time the Indemnitor made its request. This Section 6.5 “Defense of Third Party Claims” is subject to the rights of any Indemnitee’s insurance carrier that is defending the Third Party Claim.

**6.6 Cooperation.** The Party defending the Third Party Claim will (a) consult with the other Party throughout the pendency of the Third Party Claim regarding the selection of counsel, the investigation, defense, settlement, trial, appeal or other resolution of the Third Party Claim; and (b) afford the other Party the opportunity to be associated in the defense of the Third Party Claim. The Parties will cooperate in the defense of the Third Party Claim. The Indemnitee will make available to the Indemnitor or its representatives all records and other materials reasonably required by them for use in contesting any Third Party Claim (subject to obtaining an agreement to maintain the confidentiality of confidential or proprietary materials in a form reasonably acceptable to the Indemnitor and the Indemnitee). If requested by the Indemnitor, the Indemnitee will cooperate with the Indemnitor and its counsel in contesting any Third Party Claim that the Indemnitor elects to contest or, if appropriate, in making any counterclaim against the Person asserting the claim or demand, or any cross-complaint against any Person. The Indemnitor will reimburse the Indemnitee for any expenses incurred by Indemnitee in cooperating with or acting at the request of the Indemnitor, including reasonable attorneys’ fees.

**6.7 Mitigation and Limitation on Claims.** As used in this Agreement, the term “Indemnifiable Claim” means any Purchaser Claims or PG&E Claims. Notwithstanding anything to the contrary contained herein:

(a) **Reasonable Steps to Mitigate.** The Indemnitee will take all reasonable steps to mitigate all losses, damages and the like relating to an Indemnifiable Claim, including availing itself of any defenses, limitations, rights of contribution, claims against third Persons and other rights at law or equity, and will provide such evidence and documentation of the nature and extent of the Indemnifiable Claim as may be reasonably requested by the Indemnitor. The Indemnitee’s reasonable steps include the reasonable expenditure of money to mitigate or otherwise reduce or eliminate any loss or expense for which indemnification would otherwise be due under this Article 6 “Indemnification,” and the Indemnitor will reimburse the Indemnitee for the Indemnitee’s reasonable expenditures in undertaking the mitigation, including reasonable attorneys’ fees.

(b) **Net of Benefits.** Any Indemnifiable Claim is limited to the amount of actual damages sustained by the Indemnitee, net of the dollar amount of any insurance proceeds received by the Indemnitee or any of its Affiliates with respect to the Indemnifiable Claim.

ARTICLE 7  
**CONDITIONS PRECEDENT TO OBLIGATIONS OF  
PURCHASER AT THE ASSET SALE CLOSING**

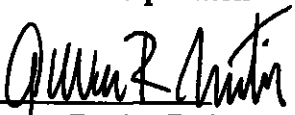
The obligations of Purchaser under this Agreement to complete the purchase of the Assets and assume the Assumed Liabilities are subject to the satisfaction or waiver, on or prior to the Asset Sale Closing, of each of the conditions precedent set forth in the Closing Agreement.

ARTICLE 8  
**CONDITIONS PRECEDENT TO OBLIGATIONS OF  
PG&E AT THE ASSET SALE CLOSING**

The obligations of PG&E under this Agreement to complete the sale of the Assets and transfer the Assets and Assumed Liabilities to Purchaser are subject to the satisfaction or waiver, on or prior to the Asset Sale Closing, of each of the conditions precedent set forth in the Closing Agreement.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the date first above written.

**PACIFIC GAS AND ELECTRIC COMPANY,**  
a California corporation

By   
Name: Gordon R. Smith  
Title: President & Chief Executive Officer

**TURLOCK IRRIGATION DISTRICT,**  
a California irrigation district

By Randy Florini  
Name: Randy Florini  
Title: President of the Board of Directors

By Barbara A. Hetrick  
Name: Barbara A. Hetrick  
Title: Secretary

## EXHIBIT A

### WESTSIDE ZONE

**Beginning** at the intersection of Del Puerto Creek and the San Joaquin River, said intersection situated in Section 32, Township 4 South, Range 8 East, Mount Diablo Base and Meridian. Thence upstream along the San Joaquin River through Section 32, Township 4 South, Range 8 East, M.D.B.&M.; thence continuing upstream along said San Joaquin River through Sections 5, 4, 9, 15, 16, 22, 23, 26, 25 and 36, Township 5 South, Range 8 East, M.D.B.&M.; thence continuing upstream along said San Joaquin River through Section 1, Township 6 South, Range 8 East, M.D.B.& M.; thence continuing upstream along said San Joaquin River through Section 31, Township 5 South, Range 9 East, M.D.B.& M.; thence continuing upstream along said San Joaquin River through Sections 6, 7, 8 and 17, Township 6 South, Range 9 East, M.D.B.& M. to a point; thence departing said San Joaquin River South 39° 30' West, along the southeasterly line of the parcel of land shown on that certain map filed for record September 28, 1967, in Book 11 of Surveys at Page 31, to a point on the westerly line of River Road; thence continuing South 39° 30' West, to the northerly most corner of Parcel B, as said parcel is shown on that certain map filed for record June 21, 1991, in Book 44 of Parcel Maps at Page 35, Stanislaus County Records; thence southwesterly along the northwesterly line of Parcel B and Parcel A, as said parcels are shown on the above described map, to the westerly most corner of said Parcel A; thence southeasterly along the southwesterly line to the southerly most corner of said Parcel A, said corner also being the easterly most corner of Stanislaus County Assessor's Parcel 12, as said parcel is shown in Book 49 of Assessor's Maps at Page 15; thence southwesterly along the southeasterly line of said parcel to the easterly line of Stanislaus County Assessor's Parcel 1, as said parcel is shown in Book 49 of Assessor's Maps at Page 15; thence continuing southwesterly along the southeasterly line of said Parcel 1 to the easterly most corner of Stanislaus County Assessor's Parcel 2, as said parcel is shown in Book 49 of Assessor's Maps at Page 14, thence continuing southwesterly along the southeasterly line of said parcel to the southerly most corner of said parcel 2; thence northwesterly a distance of 1119.36 feet more or less to the northerly most corner of Stanislaus County Assessor's Parcel 3, as said parcel is shown in Book 49 of Assessor's Maps at Page 14; thence westerly along the northerly line to the northwest corner of said Parcel 3, said corner being on a Rancho line between the Orestimba Rancho Posts 211 and 212 situated in Section 36, Township 6 South, Range 8 East, M.D.B.& M.; thence northerly along said Rancho line to the southeast corner of Stanislaus County Assessor's Parcel 55, as said parcel is shown in Book 27 of Assessor's Maps at Page 18; thence westerly along the southerly line of said parcel to the easterly line of Section 35, Township 6 South, Range 8 East, M.D.B.& M.; thence northerly along said easterly line of Section 35 to the corner common with Sections 25, 36, 35, and 26 Township 6 South, Range 8 East, M.D.B.& M.; thence westerly along the southerly line of Section 26 to the southwest corner of the southeast quarter of the southeast quarter of said Section 26; thence northerly along said quarter quarter section line to a point, said point being easterly of a line projected from the southerly line of Stanislaus County Assessor's Parcel 5, as said parcel is shown in Book 27 of Assessor's Maps at Page 34; thence westerly along said projection line to the southwest corner of said Parcel 5; thence northerly along the westerly line of said Parcel 5 to a point, said point being easterly of a line projected from the

southerly line of Stanislaus County Assessor's Parcel 35, as said parcel is shown in Book 27 of Assessor's Maps at Page 15; thence westerly along said projection line to the southeast corner of said Parcel 35, said corner located on the westerly line of the C.C.I.D. Canal 200.0 foot wide right of way; thence northerly along the easterly line of said Parcel 35 to a point, said point being easterly of a line projected from the southerly line of Stanislaus County Assessor's Parcel 34, as said parcel is shown in Book 27 of Assessor's Maps at Page 15; thence westerly along said projection line to the southwest corner of section 34; thence southerly along the westerly line of parcel 35 to the intersection of the eastern point of the northernmost parcel line of parcel 21, as said parcel is shown in Book 27 of Assessor's Maps at Page 15, thence southwesterly to the intersection of Parcel 20 and the Railroad right-of-way, thence southwesterly across State Highway 33 to the southeast corner of Parcel 4, as shown in Book 27 of Assessor's Maps at page 16; thence easterly and southerly along the westerly line of said State Highway 33 to the southeast corner of Stanislaus County Assessor's Parcel 6, as said parcel is shown in Book 27 of Assessor's Maps at Page 16; thence westerly along the southerly line of the north half of the north half of Sections 27, 28, to the southeast corner of the northwest quarter of the northwest quarter of Section 29, Township 6 South, Range 8 East, M.D.B. & M.; thence southerly along the easterly line of the west half of the west half of said Section 29, to the southeast corner of the northwest quarter of the northwest quarter of Section 32, Township 6 South, Range 8 East, M.D.B. & M.; thence westerly along the south line of said northwest quarter line to the westerly line of the California Department of Transportations Interstate 5, situated in Section 31, Township 6 South, Range 8 East, M.D.B. & M.; thence southerly along the westerly line of said Interstate 5 to the southeast corner of that 233.2 acre parcel labeled remainder as said parcel is shown on that map filed for record February 25, 1988, in Book 40 of Parcel Maps at Page 57, Stanislaus County Records; thence westerly along the southerly line of said parcel to the intersection of Crow Creek; thence upstream along said Crow Creek through Section 31, Township 6 South, Range 8 East, M.D.B. & M.; thence continuing upstream along said Crow Creek through Section 36, Township 6 South, Range 7 East, M.D.B. & M.; thence continuing upstream along said Crow Creek through Sections 1 and 2, Township 7 South, Range 7 East, M.D.B. & M.; thence continuing upstream along said Crow Creek through Sections 35, 34 and 33, Township 6 South, Range 7 East, M.D.B. & M.; thence continuing upstream along said Crow Creek through the northwest quarter of Section 4, Township 7 South, Range 7 East, M.D.B. & M., to the intersection of the west line of said Section 4; thence southerly along the westerly line to the west quarter corner of said Section 4; thence easterly to the interior quarter corner of said Section 4; thence southerly along the quarter Section line to the south quarter corner of said Section 4; thence westerly along the southerly line of said Section 4 to the corner common to Sections 4, 5, 8 and 9, Township 7 South, Range 7 East, M.D.B. & M.; thence southerly along the westerly line of Sections 9, 16, 21 and 28, Township 7 South, Range 7 East, M.D.B. & M. to the intersection of Orestimba Creek; thence upstream along Orestimba Creek through Sections 29, 32, 30 and 31, Township 7 South, Range 7 East, M.D.B. & M.; thence continuing upstream along said Orestimba Creek through Section 36, 35 and 26, Township 7 South, Range 6 East, M.D.B. & M. to the intersection of the South Fork of Orestimba Creek; thence upstream along said South Fork of Orestimba Creek through Sections 26, 27, 28 and 29, Township 7 South, Range 6 East, M.D.B. & M., to the intersection of Sheep Thief Creek; thence upstream along said Sheep Thief Creek through Sections 29, and the northeast quarter of Section 30, Township 7 South, Range 6

East, M.D.B. & M., to the northerly line of Section 30, Township 7 South, Range 6 East, M.D.B. & M.; thence westerly along said northerly Section line through Section 30, Township 7 South, Range 6 East, M.D.B. & M.; thence continuing westerly along the southerly line of Sections 25, 26 and 27, Township 7 South, Range 5 East, M.D.B. & M., to the intersection of the westerly line of Stanislaus County; thence northerly along said westerly Stanislaus County line through Sections 22, 15, 10, 3 and 4, Township 7, South, Range 5 East, M.D.B. & M.; thence continuing northerly along said westerly Stanislaus County line through Sections 34, 27, 22, 21 and 20, Township 6 South, Range 5 East, M.D.B. & M., to the easterly line of Stanislaus County Assessor's Parcel 14, as said parcel is shown in Book 25 of Assessor's Maps at Page 7; thence northerly along the easterly line of said Parcel 14 to the southeast corner of Stanislaus County Assessor's Parcel 15, as said parcel is shown in Book 25 of Assessor's Maps at Page 7; thence continuing north along the easterly line of said parcel to the southerly line of Section 17, Township 6 South, Range 5 East, M.D.B. & M.; thence easterly along said southerly Section line to the corner common to Sections 17, 16, 21 and 20, Township 6 South, Range 5 East, M.D.B. & M.; thence north along the east line of said Section 17, to the corner common to Sections 17, 8, 9 and 16, Township 6 South, Range 5 East, M.D.B. & M.; thence easterly along the northerly line of Section 16, Township 6 South, Range 5 East, M.D.B. & M. to the corner common to Sections 16, 9, 10 and 15, Township 6 South, Range 5 East, M.D.B. & M.; thence northerly along the westerly line of Section 10, Township 6 South, Range 5 East, M.D.B. & M. to the west quarter corner of said Section 10; thence easterly along the quarter Section line of said Section 10, to the west quarter corner of Section 11, Township 6 South, Range 5 East, M.D.B. & M.; thence continuing easterly along the quarter Section line of said Section 11 to the southeast corner of the southwest quarter of the northeast quarter of said Section 11, Township 6 South, Range 5 East, M.D.B. & M.; thence departing said quarter Section line, northerly along the easterly line of the west half, of the east half of said Section to the northerly line of said Section 11; thence easterly along the northerly line of said Section to the corner common Sections 11, 2, 1 and 12, Township 6 South, Range 5 East M.D.B. & M.; thence easterly along the northerly line of Section 12, Township 6 South, Range 5 East M.D.B. & M. to the corner common to Sections 12, 1, 6 and 7, Township 6 South, Range 6 East M.D.B. & M.; thence continuing easterly along the northerly line of Section 7, Township 6 South, Range 6 East M.D.B. & M. to the corner common to Sections 7, 6, 5 and 8, Township 6 South, Range 6 East M.D.B. & M.; thence northerly along the westerly line of Section 5, Township 6 South, Range 6 East M.D.B. & M. to the northwest corner of Stanislaus County Assessor's Parcel 3, as said parcel is shown in Book 25 of Assessor's Maps at Page 3; thence easterly along the northerly line of said parcel to the northwest corner of Stanislaus County Assessor's Parcel 5, as said parcel is shown in Book 25 of Assessor's Maps at Page 3; thence easterly along the northerly line of said parcel to the southwesterly most corner of Stanislaus County Assessor's Parcel 34, as said parcel is shown in Book 25 of Assessor's Maps at Page 3; thence northeasterly along the westerly line of said parcel to the northwest corner of said parcel; thence easterly along the northerly line of said Parcel 34, to the northeast corner of Section 4, Township 6 South, Range 6 East M.D.B. & M.; thence easterly along the southerly line of Section 34, Township 5 South, Range 6 East, M.D.B. & M. to the southeast corner of Section 34, Township 5 South, Range 6 East, M.D.B. & M.; thence northerly along the westerly line of Sections 35, 26 and 23, to the corner common to Sections 22, 15, 14 and 23, Township 5 South, Range 6 East, M.D.B. & M.; thence easterly along the



southerly line of Sections 14 and 13, Township 5 South, Range 6 East, M.D.B. & M. and Sections 18, 17 and 16, Township 5 South, Range 7 East, M.D.B. & M. to the intersection of Del Puerto Creek; thence downstream along said Del Puerto Creek through Sections 16 and 15, Township 5 South, Range 7 East M.D.B. & M. to the southeast corner of Stanislaus County Assessor's Parcel 14, as said parcel is shown in Book 21 of Assessor's Maps at Page 19; thence northerly along the easterly line of said Parcel 14 to the southerly line of Stanislaus County Assessor's Parcel 11, as said parcel is shown in Book 21 of Assessor's Maps at Page 19; thence easterly along the southerly line of said Parcel 11 to the intersection of the West Stanislaus Irrigation District's Lateral No. 6 South; thence northerly along said Lateral No. 6 South to the south quarter corner of Section 10, Township 5 South, Range 7 East, M.D.B & M.; thence northerly along the quarter Section line of Sections 10 and 3, Township 5 South, Range 7 East, M.D.B & M. to the intersection of the West Stanislaus Irrigation District's Lateral No. 4 South; thence northerly along said Lateral No. 4 South to the westerly line of Section 3, Township 5 South, Range 7 East, M.D.B & M.; thence northerly along the westerly line of said Section to the west quarter corner of said Section 3, Township 5 South, Range 7 East, M.D.B & M.; thence easterly along the quarter Section line of said Section 3, Township 5 South, Range 7 East, M.D.B & M., to the southerly most corner of Parcel A, as said parcel is shown on that map filed for record March 9, 1972, in Book 13 of Parcel Maps at Page 90, Stanislaus County Records; thence northeasterly along the southeasterly line of Parcel A to the southerly most corner of Parcel B, as said parcel is shown on the above described Parcel Map; thence continuing northeasterly along the southeasterly line of Parcel B to the westerly line of State Highway No. 33; thence angling northeasterly to the southerly most corner of Stanislaus County Assessor's Parcel 5, as said parcel is shown in Book 16 of Assessor's Maps at Page 31, said corner situated in Section 3, Township 5 South, Range 7 East, M.D.B. & M.; thence northeasterly along the southeasterly line of said Parcel 5 to the intersection of the West Stanislaus Irrigation District's Lateral No. 3 South, said point of intersection situated in Section 35, Township 4 South, Range 7 East, M.D.B. & M.; thence southeasterly along said Lateral 3 South through Section 35, Township 4 South, Range 7 East, M.D.B. & M.; thence continuing southeasterly along said Lateral 3 South through Sections 2 and 1, Township 5 South, Range 7 East, M.D.B. & M., to a point on the northwesterly line of Lot 2 of the Del Puerto Tract, as said lot is shown on that map filed for record October 10, 1921, in Volume 9 of Maps at Page 57, Stanislaus County Records; thence southeasterly at right angles to said northwesterly line of Lot 2, to a point on the northwesterly line of Lot 5 of that same Del Puerto Tract; thence northeasterly along said northwesterly line of said Lot 5 to the westerly most corner of Lot 6 of that same Del Puerto Tract; thence southeasterly along the southeasterly lines of Lots 6 and 7 of that same Del Puerto Tract to a point on the northwesterly line of Lot 13 of that same Del Puerto Tract; thence southeasterly along a line projected from the southeasterly line of said Lot 7, through Lot 13 to the point of intersection of Del Puerto Creek, said point of intersection being situated in Section 1, Township 5 South, Range 7 East, M.D.B. & M.; thence downstream along said Del Puerto Creek through Section 1, Township 5 South, Range 7 East, M.D.B. & M.; thence continuing downstream along said Del Puerto Creek through Section 6, Township 5 South, Range 8 East, M.D.B. & M.; thence continuing downstream along said Del Puerto Creek through Sections 31 and 32, Township 4 South, Range 8 East, M.D.B. & M., to the San Joaquin River and **Point of Beginning**, thus ending this description.

## **SCHEDULE 1.1(a)**

### **CUSTOMER INFORMATION**

The following information will be provided to TID, solely as it relates to the Customers in the Purchase Zone and to the extent in PG&E's possession.

#### **Part I. GENERAL CUSTOMER INFORMATION**

1. Provide copies of rate code explanation; classification of customer's service; i.e., residential, commercial, agriculture, industrial, etc. (copies of rate tariffs)
2. Inside/outside city limits identification codes on all accounts. TOT codes.
3. Cycle/bill date, meter reading schedule, meter reading routes, translation of meter reading codes.

#### **Part II. SPECIFIC CUSTOMER INFORMATION AFTER CPUC APPROVAL OR CUSTOMER APPROVAL**

1. Provide account information including: account/meter numbers, service address, mailing address, zip + 4, service establishment date, social security number, drivers license number, phone number, spouse's name and bankruptcy status, as available.
2. Special instructions, location, reading, read dates.
3. 10-month most current billing transaction meter read history, including estimate, and missed reads.
4. Provide the most recent past available customer credit/disconnect and payment history code.
5. SIC codes for all appropriate accounts.
6. Third party notification requirements for customers.
7. List of plastic card and post card customers that read their own meters.
8. Identify master metered accounts and locations.
9. Standing orders, no seal agreements with landlords and property management companies.
10. Identify all customers on life support
11. Identify all customers on a low income rate
12. Identify all customers that are on a balanced/payment bill program
13. List of automatic or electronically billed customers including the date for payment.
14. List of un-metered accounts
15. Summary Billed Account list
16. AMR Information
17. Identify all customer billing reference numbers
18. Identify tax exempt and surcharge exempt accounts.
19. Identify Paystation Locations in the Purchase Zone.

**Part III. CUSTOMER INFORMATION TO BE DELIVERED ON ASSET SALE  
CLOSING DATE**

1. Pending service orders on file at the time of the changeover.
2. List of inactive meters which includes address, meter number.

## **SCHEDULE 1.1(b)**

### **FACILITIES INFORMATION**

The following information will be provided to TID, solely as it relates to the Facilities in the Purchase Zone to the extent in PG&E's possession:

#### **Part I. SPECIFIC FACILITIES INFORMATION TO BE DELIVERED WITHIN 30 DAYS AFTER THE EFFECTIVE DATE**

1. Copies of distribution Feeder Calc reports.

#### **Part II. GENERAL FACILITIES INFORMATION TO BE MADE AVAILABLE FOR REVIEW AND COPYING WITHIN 90 DAYS AFTER THE EFFECTIVE DATE**

1. 2002 area planning study.
2. Equipment operating procedures, including operation settings, substation equipment maintenance records, underfrequency trip settings and locations, other relay settings and nameplate data, as applicable.
3. Applicable electric distribution equipment specifications.
4. Purchase information to support warranty claims on manufacturers, as available.
5. Current electric distribution design specifications and equipment/material specifications that is generally given to developers/customer.
6. Installation test records (substations).
7. 2000/2001 outage records-history.
8. Standards or records needed to interpret acquired PG&E documents (i.e., symbology for maps).
9. List of routine PG&E contacts, i.e., other utilities, city and county officials, etc.
10. Meter History, type, voltage time-of-use etc.
11. 2002 Maintenance Plans.
12. Patterson and the related distribution portion of the Salado substation schematics and site drawings.

#### **Part III. FACILITIES INFORMATION TO BE DELIVERED ON THE ASSET SALE CLOSING DATE**

1. Engineered jobs not constructed.
2. Current Feeder Calc. reports and coordination studies.
3. Historical construction work orders and jobs (archive files), as applicable.
4. Current overhead and underground patrol reports, annual equipment inspection reports.
5. Current operating maps.
6. Current out of normal reports.
7. Current Plat record maps, including circuit maps, plat maps, "FDRCAL and COO" data (hard copy & ASCII file).
8. Unmapped jobs.

**SCHEDULE 2.1(a)(i)**

**LAND RIGHTS**

**I. EASEMENTS TO BE ASSIGNED**

Portions of the following documents, insofar as the rights contained therein pertain to the operation, maintenance and replacement of electric distribution facilities and ingress and egress related thereto, will be assigned.

All of the following documents are in Stanislaus County

**Recorded Overhead:**

<b>Grantor</b>	<b>Document Date</b>	<b>Recording Information</b>	<b>PG&amp;E Number</b>
<b>Township 3 South, Range 5 East, MDB&amp;M</b>			
Nevin,Jack G, Nevin,Patricia K	1/11/57	B1948 or, P317	2203-05-0077
<b>Township 4 South, Range 7 East, MDB&amp;M</b>			
Houk,Ada, Houk,Bert F, Houk,Lucille Genevieve, Houk,Rubeun P, Sutter,Maria	6/14/45	B827 or, P365	2204-07-0104
Moreing,Charles, Sierra San Francisco Power Company	1/6/32	B470 or, P127	2204-07-0044
<b>Township 5 South, Range 7 East, MDB&amp;M</b>			
Avila,Ethel, Avila,Geo M, Sierra San Francisco	4/10/29	B331 or, P255	2205-07-0053
Barletta,Constance F. Barletta,Jim F		940048241	2205-07-0218
California Pacific Title Trust Company, Sierra San Francisco Power Company	11/23/34	B557 or, P68	2205-07-0054
Charles Zacharias Company	10/27/1913	B14 or, P432	2205-07-0109
Charles Zacharias Company	3/17/42	B754 or, P143	2205-07-0056
Charles Zacharias Company, county Stanislaus, Rogers, Mary	6/22/37	B627 or, P426	2205-07-0022
Dept Water Resources State California	2/5/70	B2322 or, P285	2205-07-

			0174
Dept Water Resources, State California	2/5/70	B2322 or, P271	2205-07-0175
Dihel,Ruth E, Edwards, Geraldine Elfers, Elfers,Charles Delwin, Slone,Charlene Elfers	2/14/53	B1140 or, P103	2205-07-0041
Dihel,Ruth e, Edwards,E C, Edwards,Geraldine Elfers, Elfers,Charles Delwin, Elfers,Margaret M, Slone,Charlene Elfers	7/13/64	B1967 or, P6	2205-07-0044
Dihel,Ruth E, Edwards,E C, Edwards,Geraldine, Elfers, Elfers,Charles Delwin, Elfers,Margaret, Slone,Charlene Elfers, Slone,James W	7/13/64	B1967 or, P13	2205-07-0045
Dihel,Ruth E, Edwards,E C, Edwards,Geraldine, Elfers,Charles Delwin, Elfers,Margaret M, Slone,Charlene Elfers, Slone,James W	10/8/63	B1901 or, P564	2205-07-0043
Dihel,Ruth E, Edwards,Geraldine Elfers, Elfers,Charles Delwin, Slone,Charlene Elfers, Standard Pacific Gas Line Incorporated	1/13/55	B1269 or, P10X	2205-07-0097
Elfers,C D, Sierra San Francisco Power Company	2/15/1926	B158 or, P28	2205-07-0037
Elfers,Dorothea, Elfers,J H, Estate C C, Elfers, Sierra San Francisco Power Company	9/9/1926	B135 or, P88 B155 or, P255	2205-07-0038
Farris,Howard, Farris,Pauline, Marguleas,Ardith, Marguleas,Howard P, McLaughlin,Dennis M, McLaughlin,Sandra J, Smolen,Joes R, Smolen, Judith, Thomas,John A, Thomas, Shirley C	2/20/79	B3174 or, P327	2205-07-0007
Gnesa,Henry A, Gnesa,Ruth L	8/8/91	91-086607	2205-07-0197
Hammonds,W J, Sierra San Francisco Power Company, Walthall,J M, Wolfe,Thomas H	10/22/1925	B157 or, P311	2205-07-0030
Hansen,Freda, Hansen,Niels, Hansen,Wilma	12/2/52	B1125 or, P384	2205-07-0067
Jones,Jeanie E, Peck,Alice Walthall, Wolfe,Harry R	6/15/64	B1964 or, P25	2205-07-0036

Jones,Jeanie E, Peck,Alice Walthall, Wolfe,Harry R	9/9/63	B1888 or, P114	2205-07- 0035
Jones,Jeanie Wolfe, Peck,Alice A, Walthall,Alice A, Wolfe,Harry E	6/3/47	B903 or, P488	2205-07- 0032
Jones,Jeanie Wolfe, Peck,Alice A, Wolfe,Harry R	9/9/53	B1256 or, P394	2205-07- 0033
Lucich,James Martin, Lucich,Peter John, Santos,Kristina Mary Lucich	12/2/81	B3520 or, P186	2205-07- 0013
Patterson Frozen Foods Incorporated	5/7/85	B62885 or, P6113X	2205-07- 0014
Rogers, Mary	3/27/53	B1148 or, P197	2205-07- 0072
Rogers,Manuel, Rogers,Mary, Sierra San Francisco Power Company	8/3/32	B478 or, P49	2205-07- 0028
Rogers,Manuel, Rogers,Mary, Sierra San Francisco Power Company	10/6/1925	B132 or, P487	2205-07- 0027
RRP Incorporated	1/13/98	98-001043200	2205-07- 0225
Stark,Eva S, Stark,Kenn C, Swall,Estella E	6/20/38	B658 or, P472	2205-07- 0052
<b>Township 5 South, Range 8 East, MDB&amp;M</b>			
Aalia,E E	2/24/1922	B361 D, P35	2205-08- 0040
Aalia,Edward E.	1/16/1924	B56 or, P66	2205-08- 0041
Agadoni,Clayton A, Agadoni,Goldie M, Burke,Donald M, Burke,Gerald P, Burke,Jean M, Burke,Marilyn C, Burke,Robert, Burke,Theresa M. Carpenter,Arlene J, Carpenter,Howard R, Haubert,Shirley Wade, Maffel,Donna, Ruppeschi,Pamela		94-084481	2205-08- 0196
Agadoni,Clayton A, Agadoni,Goldie M, Burke,Donald M, Burke,Gerald P, Burke,Jean M, Burke,Marilyn C, Burke,Robert M, Burke,Theresa M, Carpenter,Arlene J, Carpenter,Howard R		94-0084477	2205-08- 0195
Arickson,A P	12/10/1921	B355 D, P423	2205-08- 0024

Brown Ole	2/24/1922	B261 D, P39	2205-08-0042
Burch, Emil	4/4/75	B2697 or, P377	2205-08-0166
Carlson, C J, Sierra San Francisco Power Company	2/24/1922	B361 D, P31	2205-08-0141
Carlson, Elizabeth, Carlson, Philip	3/8/96	96-0021137-00	2205-08-0200
Denton, W T	12/10/1921	B355 or, P427	2205-08-0028
Dept Veterans Affairs, Johnson, Allen E, State California	10/1/57	B1463 or, P167	2205-08-0094
Fiske, Elizabeth C, Fiske, J S, Sierra San Francisco Power Company	10/1/1928	B299 or, P471	2205-08-0060
Follis, J G	12/10/21	B355 D, P425	2205-08-0026
Fulton, John C, Fulton, Mary J, Sierra San Francisco Power Company	7/19/1920	B311 D, P329	2205-08-0022
Johnson, Henry, Johnson, Martha S, Sierra San Francisco Power Company	10/1/1928	B303 or, P44	2205-08-0061
Keiser, C W	1/16/1924	B53 or, P481	2205-08-0046
King, Melba J	3/11/96	96-0021136	2205-08-0201
Knight, John	12/17/43	B784 or, P129	2205-08-0065
Lokka, O S, Sierra San Francisco Power Company	2/24/1922	N361 D, P33	2205-08-0038
Munson, Geo L	12/22/1923	B54 or, P372	2205-08-0045
Ohlson, Erick	12/10/1921	B355 D, P431	2205-08-0029
Parros, Dennis, Parros, Effie	5/20/42	B736 or, P383	2205-08-0044
Parros, Dennis, Parros, Effie, Sierra San	5/7/1923	B34 or, P64	2205-08-



Francisco Power Company			0142
Patterson Frozen Foods	9/11/72	94-0087356	2205-08-0193
Patterson Ranch Company	12/16/1921	B355 D, P499	2205-08-0032
Patterson Ranch Company, Sierra San Francisco Power Company	10/1/1928	B3020 or, P202	2205-08-0034
Patterson Ranch Company, Sierra San Francisco Power Company	2/27/1924	B63 or, P162	2205-08-0120
Patterson Ranch Company, Sierra San Francisco Power Company	2/27/1924	B62 or, P205	2205-08-0121
Patterson Water Company	11/4/50	B1022 or, P379	2205-08-0074
Patterson Water Company	1/9/1929	B319 or, P458	2205-08-0122
Rowley,Beverley U, Rowley,Robert E	4/25/55	B1291 or, P514	2205-08-0124
Sierra Pacific Refrigerated Services Limited Serial Number		94-0087357	2205-08-0194
Sierra San Francisco Power Company	5/10/1920	B304 D, P269	2205-08-0021
Sierra San Francisco Power Company, Thompson,John	2/24/1922	B361 or, P27	2205-08-0031
Sierra San Francisco Power Company, Turlock Garden Land Company	5/29/1920	B313 D, P365	2205-08-0023
Soares,John M, Soares,Rose A	10/1/1928	B300 or, P481	2205-08-0059
Terry,James G	2/25/55	B1291 or, P512	2205-08-0123
Thompson,John	12/10/1921	B355 D, P43X	2205-08-0030
Timpe,Charles	12/10/1921	B355 D, P429	2205-08-0027
Twin Oaks Irrigation Company	2/8/80	B3295 or, P72X	2205-08-0011

<b>Township 6 South, Range 5 East, MDB&amp;M</b>			
Christensen,Elizabeth A, Christen,Herbert E	9/25/85	BJ480 or, P856, 85-51785	2206-05- 0005
Clay McCullough Company Incorporated	12/19/95	95-0043165	2206-05- 0064
Gehri,Fred, Gehri,Myrle	5/26/54	B2934 or, P236	2206-05- 0021
Gerber,Mary	5/26/54	B2948 or, P288	2206-05- 0025
Gleason,Katherine E	6/7/54	B1234 or, P569	2206-05- 0032
Gohn,Marlin	8/8/88	BL031 or, P2126	2206-05- 0056
Johnson,Maurine E, Johnson,Robert E	7/29/85	BJ438 or, P2197	2206-05- 0004
McKinney,Kent L, Morrison,Carol L, Morrison,Roger E	3/12/89	BK891 or, P616, 89-90001151	2206-05- 0047
McKinney,Kent L, Morrison,Carol L, Morrison,Roger E	5/20/89	BL45 or, P1984, 90001152	2206-05- 0059
Stanislaus County		95-0043164	2206-05- 0075
Tripp,C Harold	5/26/54	B1234 or, P562	2206-05- 0030
Tripp,Lillian F	5/26/54	B1234 or, P56X	2206-05- 0028
Williams,Hazel Jones	6/8/54	B1234 or, P566	2206-05- 0031
<b>Township 6 South, Range 6 East, MDB&amp;M</b>			
Diable Grande Limited Partnership	11/25/96	96-0106966	2206-06- 0001
Mays, Arabella A.	9/30/36	B603 or, P228	2206-06- 0021
<b>Township 6 South, Range 7 East, MDB&amp;M</b>			
Briggs,Janet A	9/16/63	B1896 or, P262	2206-07- 0029
Cox, Charles S, Cox, James	12/11/98	98-011466000	2206-07- 0102
Cox,Ann E, Cox,Frank A, Cox,John D, Cox,Mabel J, Cox,Sadie A,	9/18/1925	B137 or, P246	2206-07- 0030

Cox, W W			
Cox, Ann S, Cox, Dorothy M, Cox, Grace E, Cox, John S, Cox, Katherine R, Cox, William S.	8/27/64	B1978 or, P64	2206-07-0036
Cox, Ann S, Cox, Dorothy M, Cox, Grace F, Cox, Johns, Cox, Katherin R, Cox, William S	8/27/64	X1978 or, P68	2206-07-0035
Cox, Ann S, Cox, Dorothy M, Cox, Mabel J, Cox, Sadie A, Cox, W W	12/16/52	B1127 or, P323	2206-07-0033
Cox, Ann S, Cox, Dorothy M, Cox, Mabel J, Cox, Sadie A, Cox, W W	12/16/52	B1127 or P337	2206-07-0032
Cox, Ann S, Cox, Dorothy M, Cox, Mabel J, Cox, Sadie A, Cox, W W	12/16/52	B1127 or, P326	2206-07-0034
Dihel, Ruth E	4/3/47	B879 or, P569	2206-07-0052
Dihel, Ruth F	2/14/53	B1140 or, P74	2206-07-0053
Dihel, Ruth F	10/8/63	B1896 or, P663	2206-07-0054
Heading, Karen E, Hinman, Bryan D, Hinman, Timothy H, Thornkelson, Julianne, Totman, William E	12/11/98	98-011466100	2206-07-0101
McDonald, Ema J	10/19/1925	B135 or, P455	2206-07-0027
Mills, Henry H	9/17/1925	B131 or, P311	2206-07-0021
Morton, Balnche B	12/23/1925	B142 or, P22X	2206-07-0038
Shoemake, A C, Shoemake, Marjorie	11/1/65	B2077 or, B627	2206-07-0001
Shoemake, A C, Shoemake, Marjorie	2/11/66	B2085 or, P529	2206-07-0003
Shoemake, A C, Vogel, Frederick, Vogel, Jill Shoemake	10/23/80	B3396 or P804	2206-07-0005 OH & UG
Simon Newman Company	11/27/25	B140 or P358	2206-07-0037
Sousa, Caroline M, Sousa, Manuel Correia	3/11/81	B3420 or, P839	2206-07-0007

Zacharias,E C, Zacharias,Marian A, Zacharias,Nellie Z	9/25/1925	B133 or, P131	2206-07- 0022
Zacharias,E C, Zacharias,Nellie T	11/21/52	B1122 or, P598	2206-07- 0024
Zacharias,Ellsworth C	4/24/47	B901 or, P93	2206-07- 0023
Zacharias,Evan M, Zacharias,Nellie T	7/14/64	B1967 or, P537	2206-07- 0025
Zacharias,Nellie T	8/22/63	B1886 or, P139	2206-07- 0026
<b>Township 6 South, Range 8 East, MDB&amp;M</b>			
Acquistapace,James	3/21/30	B384 or, P484	2206-08- 0046
Arambel, CP, Arambel, Edna	7/11/41	B741 or, P75	2206-08- 0092
Arambel,B V	7/11/41	B741 or, P77	2206-08- 0091
Arambel,Edna, Arambel C P	12/23/41	B747 or, P595	2206-08- 0093
Atterbury, Emily R	7/14/31	B446 or, P366	2206-08- 0049
Atterbury, Emily R	6/22/32	B472 or, P497	2206-08- 0051
Avila, AM, Avila,Maria	10/13/34	B546 or, P443	2206-08- 0222
Avila,Maria Paulina	5/23/51	B1036 or, P304	2206-08- 0133
Avilla, AM & Maria	4/26/32	B474 or, P180	2206-08- 0221
Bacon,Edgar Allen, Bacon,Mary, Bacon,Winifred Edna,	11/14/45	B834 or, P540	2206-08- 0122
Bacon,Edgar Allen, Bacon,Mary, Bacon,Winifred Edna, Burr,Myrtle Eleanor	3/13/50	B993 or, P287	2206-08- 0123
Bank America National Trust Savings Association	6/22/32	B476 or, P159	2206-08- 0214
Barba,Joe A	9/27/1915	B223 or, P165	2206-08- 0217
Bell,Charles S, Bell, Vina S	1/16/30	B384 or, P74	2206-08- 0033
Bell,Chass, Bell, Vina S	7/28/1925	B128 or, P23	2206-08-

			0031
Beltran Farms	4/30/87	87-082937	2206-08-0020
Beltran,Fred, Beltran, John	10/20/41	B740 or, P580	2206-08-0094
Beltran,Fred, Beltran,John	5/24/45	B821 or, P375	2206-08-0095
Beltran,Fred, Beltran,John	7/9/54	B1243 or, P427	2206-08-0099 Note: OH & UG Doc
Bettencourt,A S, Bettercourt, Mary S	1/31/33	B492 or, P41	2206-08-0229
Bettencourt,Amelia, Bettencourt, Joe V	5/22/51	B1036 or, P305	2206-08-0258
Borba,Clara Emily, Nascimento,Ida Constance, Nastimento,Maria B, Sebastian,Elizabeth, Sierra San Francisco Power Company	12/21/33	B515 or, P204	2206-08-0232
Borba,Joe A, Borba,Rosa A	10/5/1926	B197 or, P165	2206-08-0036
Borba,John A, Sierra San Francisco Power Company	8/27/35	B569 or, P390	2206-08-0233
Callizo,Maria, Callizo,Ramon	7/11/41	B741 or, P78	2206-08-0090
Charles Zacharias Company	12/16/63	B1916 or, P698	2206-08-0045
Covell,Grace	10/13/54	B1251 or, P486	2206-08-0172
Craven, James G, Craven Sharon	5/29/98	98-011466200	2206-08-0340
Crow,B F	9/27/1915	B223 or, P166	2206-08-0215
Crow,B F	10/12/1915	B223 or, P164	2206-08-0216
Crow,I J I	9/27/1915	B223 or, P163	2206-08-0021
Crow,John B, Sierra San Francisco Power Company	9/4/34	B544 or, P411	2206-08-0259
Davis, Hal G, Davis, W A, Davis W M	5/28/43	B774 or, P597	2206-08-0108
Deescobar,Angelia Duarte, Deescobar,Antonio Peretra	3/9/44	B788 or, P211	2206-08-0112

Deescobar,Angelina Duarte, Deescobar,Antonio Pereira	4/17/41	Vol 730 or, Pg 593	2206-08- 0083
Deescobar,Angelina Duarte, Deescobar,Antonio Pereira	8/6/41	B741 or, P80	2206-08- 0084
Deescobar,Angelina Duarte, Deescobar,Antonio Pereira	8/18/44	B796 or, P2	2206-08- 0085
Deescobar,Angelina Duarte, Deescobar,Antonio Pereira	5/14/51	B1036 or, P71	2206-08- 0086
Deescobar,Angelina Duarte, Deescobar,Antonio Pereira	4/23/53	B1151 or, P479	2206-08- 0155
Del Nero, Albina, Del Nero, Ermen, Del Nero, Noernia, Del Nero, Paul	7/14/31	B450 or P106	2206-08- 0053
Dihel,Ruth E	4/29/53	B1155 or, P189	2206-08- 0157
Dihel,Ruth E, Elfers,Charlene, Elfers,Geraldine	10/27/41	B748 or, P176	2206-08- 0102
Dihel,Ruth E, Elfers,Charlene, Elfers,Geraldine	2/20/42	B751 or, P452	2206-08- 0103
Dompe Warehouse Company Incorporated		93-0024920	2206-08- 0336
Edward,Geraldine Elfers, Slone,Charlene Elfers	2/14/53	B1140 or, P49	2206-08- 0148
Edwards,Geraldine Elfers, Slone,Charlene Elfers	6/30/53	B1167 or, P238	2206-08- 0149
Edwards,Geraldine Elfers, Slone,Charlene Elfers	6/30/53	N1167 or P214	2206-08- 0150
Elfers,J H	5/28/1910	B136 or, P166	2206-08- 0219
Enos,Ida, Enos,John	9/14/1926	Vol 197 or, Pg 162	2206-08- 0034
Federal Land Bank Berkeley	9/26/34	B547 or, P86	2206-08- 0052
Fink Clara E, Fink Esther R, Fink,George W, McGinnis, Eva M	12/22/42	B764 or, P167	2206-08- 0107
Fink,Clara E, Fink,Esther R, George W, McGinnis,Eva M	8/4/43	B779 or, P24	2206-08- 0111
Fink,Minnie B	12/19/40	B722 or, P487	2206-08- 0081
Fletcher, C B, Fletcher, ED	9/7/1929	B354 or, P317	2206-08- 0043
Ghisletta,Ronald	5/8/81	B3452 or, P640	2206-08- 0014

Indian Creek Land Trust, Souza,Andrew B, Weaver,John P, Weaver,Robert E		94-0025160	2206-08-0339
Isom,Nellie E, Isom,Walter L	4/18/41	B731 or, P441	2206-08-0082
Isom,William H	6/10/31	B444 or, P271	2206-08-0227
Ison,Nellie E, Isom,Walter L	3/26/52	B1149 or, P554	2206-80-0153
James, Lillie	1/28/82	B3526 or, P704	2206-08-0016
Klehn,Charles F, Klehn,Grace	3/18/30	B386 or, P169	2206-08-0047
Luiz,Mary A	1/4/41	V731 or, P220	2206-08-0234
Maring,Jon E, Maring,Tamara R	8/10/98	98-011465800	2206-08-0344
Mays,Cahterine E	10/5/36	B602 or, P415	2206-08-0254
McAulay, Carra	5/15/44	B792 or, P196	2206-08-0114
Medlin,Clementine F	12/22/42	B755 or, P505	2206-08-0104
Munson, Georgia C	3/10/52	B1084 or, P518	2206-08-0140
Munson, Georgia C	11/1/73	B2601 or, P453	2206-08-0292
Nasimento,Joseph	5/27/1910	B136d or, P163	2206-08-0212
Oliveira, Antonio J, Oliveira,Mary	12/22/42	B764 or, P167	2206-08-0105
Oliveira, Maria M	5/31/51	B1042 or, P334	2206-08-0135
Oliveira,Antonio Jose, Oliveira,Mary	5/19/44	B792 or, P197	2206-08-0106
Patterson,Water Company	1/9/1929	B319 or, P456	2206-08-0037
Perez, Daniel	7/6/98	98-011465900	2206-08-0341
Perez,Daniel, Perez,Earl, Perez,Mike, Perez,Thomas	4/13/82	B3548 or, P103	2206-08-0018
Poot,Elsie M, Poot,Leonard A	12/22/80	B3429 or, P833	2206-08-

			0012
Rose,Claire	10/14/41	Vol. 740 or P590	2206-08-0100
Rowland,Muriel Isom	2/1/82	B3526 or, P702	2206-08-0017
Sanches,Angeline, Sanches,Annie S, Sanches,John S, Sanches,Manuel S,	6/11/31	B445 or, P361	2206-08-0226
Sanchez,Manuel S, Sanches,John	10/6/1926	B196 or, P203	2206-08-0225
Scanlon, Julia Totman	7/9/41	B741 or, P79	2206-08-0087
Scanlon, Julia Totman	12/30/41	B747 or, P594	2206-08-0088
Scanlon, Julia Totman	12/27/43	B783 or, P582	2206-08-0089
Silva, Mariano M	8/11/44	B793 or P564	2206-08-0115
Silva,I Roland	7/25/1910	B136 or, P160	2206-08-0024
Soares,Manuel T, Soares,Mary	2/14/41	B731 or, P221	2206-08-0235
Souza,Everett Bernard, Souza,Ida Sylvia	2/15/90	90-069168	2206-08-0319
Stewart, Irving	10/18/41	B740 or, B591	2206-08-0101
Swanson,Adolph, Swanson,Linnie C	4/26/32	B474 or, P178	2206-08-0213
Taft,Dena Draper	7/20/31	B449 or, P143	2206-08-0055
Taft,Dena Draper	9/16/35	B574 or, P1	2206-08-0056
Terry,Beryl W, Terry, L D	10/13/34	B546 or, P371	2206-08-0246
Terry,Beryl W, Witten,Howard P, Witten,Margaret L	11/14/32	B482 or, P489	2206-08-0245
Verhaegen, Bill A, Verhaegen, Valentine	3/16/93	93-35577	2206-08-0337
Yancey,J H, Yancey,Merle Crow	5/22/41	B734 or, P267	2206-08-0079



**Un-Recorded Overhead:**

<b>Township 5 South, Range 7 East, MDB&amp;M</b>			
Moreing, Charles	1/6/32	Un-Recorded	2204-07-0045
<b>Township 5 South, Range 7 East, MDB&amp;M</b>			
Aquistipace, V		Un-Recorded	2205-07-0046
Bevis, Ada L, Bevis, Alvert L, Bevis, Charles A, Bevis, Elizabeth P	4/16/52	"	2205-07-0063
Bevis, Ada L, Bevis, Charles	4/19/62	"	2205-07-0065
Bulletti, J		"	2205-07-0049
Campbell, Betsy L, Campbell, Gladys N, Campbell, Lauren F, Campbell, William W	5/10/54	"	2205-07-0074
Campbell, Gladys N, Campbell, William W	6/19/53	"	2205-07-0073
Charles Zacharias Company	2/27/70	"	2205-07-0149
Charles Zacharias Company	3/29/34	"	2205-07-0021
Covell, Grage	2/13/50	"	2205-07-0058
Ethel L Schuler Estate, Schuler, Coraleen L, Schuler, John W, Schuler, Robert V	2/13/79	"	2205-07-0005
Gervasoni, A F		"	2205-07-0048
Hansen, Freda, Krause, Wilma	2/12/65	"	2205-07-0050
Hansen, Emily, Hansen, Hans Christian, Rogers, James L, Rogers, Williams S.	1/7/69	"	2205-07-0132
Hansen, Freda, Hansen, Neils, Hansen, Wilma	4/16/52	"	2205-70-0066
Hansen, Freda, Kraus, Wilma	2/12/65	"	2205-07-0050
Hansen, Freda, Kraus, Wilma	2/12/65	"	2205-07-0051
Ielmini, Ersilia	5/8/78	"	2205-07-0002
Keller, Barbara C, Keller, Thomas P	9/22/75	"	2205-07-0155
Lucich, Alice Y, Lucich, Nicholas L	3/15/79	"	2205-07-0006
Matteri, Gottardo	5/12/75	"	2205-07-0154
Nickert, Albert	7/13/32	"	2205-07-0047
Patterson Water Company	6/19/51	"	2205-07-0059
Riccoboni, Bruno E, Riccoboni, Catherine N.	4/17/78	"	2205-07-0003
Rogers, Manuel, Rogers, Mary	7/12/32	"	2205-07-0029
Schuler, Ethel L, Schuler, John W, Schuler, Robert V	4/23/79	"	2005-07-0011

Schuler,Ethel L, Schuler,John W, Schuler,Robert V	5/27/54	“	2205-07-0082
Sorenson,Marguerite M, Sorenson, Walter	4/23/73	“	2205-07-0153
Sykes,H, Sykes,Marguerite E	4/26/54	“	2205-07-0080
Walker,Dorothy B, Walker,Marion R	2/17/65	“	2205-07-0064
West Stanislaus Irrigation District	1/24/79	“	2205-07-0004
West Stanislaus Irrigation District	4/19/79	Un-Recorded	2205-07-0010
<b>Township 5 South, Range 8 East, MDB&amp;M</b>			
Almquist,C R	7/6/32	Un-Recorded	2205-08-0062
Anspach,Dorance	6/2/49	“	2205-08-0070
Arenchild,Margot H, Arenchild,Mervin	3/9/65	“	2205-08-0104
Blomgren,Iver	12/16/1913	“	2205-08-0140
Blomgren,N J	12/16/1913	“	2205-08-0047
Breasher, James F, Breasher, Roselyn	10/21/71	“	2205-08-0152
Brown,Ole	12/16/1913	“	2205-08-0043
Buehner,Ardus B, Buehner,Helen M, Buehner,L H, Buehner, O W, Greiner,Alice C	1/21/66	“	2205-08-0007
Buehner,Ardus B, Buehner,Helen M, Buehner,L H, Buehner,O W, Greiner,Alice C	3/5/65	“	2205-08-0103
Buehner,Ardus B, Buehner,Helen M, Buehner,L H, Buehner,O W, Greiner,Alice C	7/9/65	“	2205-08-0002
Buehner,Ardus B, Buehner,Helen M, Buehner,L H, Buehner,O W, Greiner,Alice C	3/5/65	“	2205-08-0103
Buehner,Ardus B, Buehner,Lawrence H	7/9/65	“	2205-08-0003
Buehner,Ardus B, Buehner,Lawrence H	1/21/66	“	2205-08-0006
Carlson, Frank Edwin, Carlson, Mary F	7/18/69	“	2205-08-0151
Connelly John E, Connelly, Willa Mae	12/18/68	“	2205-08-0147
Crooks,C E	7/17/47	“	2205-08-0066
Crooks,E P, Crooks,Ruth	7/17/47	“	2205-08-0067
Dadani,Marion	7/17/47	“	2205-08-0069
Dennis,Dennis,Talbert Lee	1/14/58	“	2205-08-0095
Dept of Veterans Affairs, State Californi, Trinta,Annie A, Trinta,Anthony J	4/7/75	“	2205-08-0167
Dept Veteran Affairs, State California, Vetro,Arthur A, Vetro,Josephine K	4/8/75	“	2205-08-0169

Dias,Joe S, Dias,John F	12/17/73	"	2205-08-0161
Engblom Osear	11/25/1913	"	2205-08-0049
Fialho,Ruth M	3/29/67	"	2205-08-0150
Frunz, Frank, Frunz,Pauline	12/17/73	"	2205-08-0160
Fukuhara,George S, Fukuhara,Himeko	12/5/68	"	2205-08-0144
Gartin,Maynard Hugh, Gartin,Sara Lou	1/23/76	"	2205-08-0171
Hansen,Fred C, Hansen,Linnea E	3/8/65	"	2205-08-0118
Harrison,Dorothy D, Harrison,Robert B	1/14/58	"	2205-08-0096
Harrison,Dorothy Wheaton	1/14/58	"	2205-08-0097
Homen, Frank, Homen, Lucia Lorraine	12/9/68	"	2205-08-0146
Houk, Bert F, Houk, Lucille Genevieve	8/16/62	"	2205-08-0101
Kvech, George J, Kvech, Lucille A	5/8/64	"	2205-08-0025
Kvech, George J, Kvech, Lucille A	12/4/68	"	2205-08-0145
Lanfranki, John, Lanfranki, Virginia P	1/14/58	"	2205-08-0098
Larson, Edwin	9/8/32	"	2205-08-0056
Lecount, Charles W, Lecount, Margaret	11/20/57	"	2205-08-0093
Leeson, C N	2/2/1914	Un-Recorded	2205-08-0048
Leong, Hu Chi Ying, Leong, Thick Hing	2/11/69	"	2205-08-0149
Lokka, O S, Sierra San Francisco Power Company	2/24/1922	"	2205-08-0037
Nielsen, John	10/20/32	"	2205-08-0063
Oaks Irrigation Company	1/13/72	"	2205-08-0153
Olsen, Emmanuel	11/25/1913	"	2205-08-0052
Olsen, N G	9/8/32	"	2205-08-0057
Panarra, Karen K, Panarra, Manuel	9/11/72	"	2205-08-0156
Patterson Ranch Company	6/22/1916	"	2205-08-0039
Patterson Water Company	6/13/47	"	2205-08-0068
Patterson Water Company	12/24/53	"	2205-08-0090
Patterson Water Company	4/28/53	"	2205-08-0076
Patterson, J D	8/8/32	"	2205-08-0054
Peterson, A	12/16/1913	"	2205-08-0051
Peterson, S	12/16/1913	"	2205-08-0050
Reilly, Josephine	2/1/34	"	2205-08-0064
Scheuber, Emma M, Scheuber, Joseph J	5/8/64	"	2205-08-0102
Sellers, Albert D, Sellers, Merle	12/19/68	"	2205-08-0148
Shimmin, Lula May	6/26/57	"	2205-08-0126
Silva, Adeline, Silva, Domingos S, Silva, Laura, Silva, Lears S	8/18/54	"	2205-08-0091
Tchobanoglous, Christ P		"	2205-08-0053
Terra, Frank P, Terra, Fred A, Terra, Mary C	6/2/49	"	2205-08-0071
Thompson, Charles E,	1/23/76	"	2205-08-0172

Thompson,Martha J			
Thorkelson,Harold V, Thorkelson,Violet V, Tronstad,Harold, Tronstad,Nora	2/21/55	"	2205-08-0092
Trinta, Frank S.	7/2/32	"	2205-08-0055
Twin Oaks Irrigation Company	8/10/65	"	2205-08-0005
Twin Oaks Irrigation Company	2/10/66	"	2205-08-0008
Vargas,Joe F.	9/23/32	"	2205-08-0058
Vieira,Donald J, Vieira,Dorothy M	4/4/75	"	2205-08-0168
<b>Township 6 South, Range 5 East, MDB&amp;M</b>			
Evans Telephone Company	6/17/97	Un-Recorded	2206-05-0076
McAllister,Robert E, McAllister,Robert Edwin, McCullough,Nadine B	7/26/61	"	2206-05-0035
Park,Charles E, Park,James C	6/5/54	"	2206-05-0034
Stadtler,Lois, Stadtler,Philip Norman	11/22/76	"	2206-05-0044
Stanislaus County	3/2/71	"	2206-05-0043
<b>Township 6 South, Range 7 East, MDB&amp;M</b>			
Beltran,Fred, Beltran,John V, Beltran Rose S	5/27/70	"	2206-07-0077
Bertschman,Maude E	1/5/1926	"	2206-07-0039
Briggs,Janet A	12/15/52	"	2206-07-0051
Chatton, Madelyn Cox, Cox, Dorothy M, Cox,John S, Cox, William S, Draper,Mary Louise Cox, Mallory,Frances Cox, Spyra,Elizabeth Cox, Thomas,Jane Cox	12/7/71	Un-Recorded	2206-07-0078
Covell, Grace A	3/15/54	"	2206-07-0049
Covell, Grace A	4/23/53	"	2206-07-0060
Covell, Grace F	2/25/55	"	2206-07-0061
Covell, Grace F	4/24/56	"	2206-07-0062
Covell,Grace A	8/24/51	"	2206-07-0046
Getty Oil Company	10/14/80	"	2206-07-0004
Getty Oil Company	2/11/81	"	2206-07-0006
Goncalves,Delphini, Goncalves,Ernest, Menezes,Joe, Menezes,Mamie	9/9/49	"	2206-07-0069
Holtham,Ella Ruth, Holtham,Simon W	9/25/51	"	2206-07-0045
Shoemake,A C, Shoemake,Marjorie	10/26/68	"	2206-07-0074
Shoemake,Jill	10/28/68	"	2206-07-0076
Shoemake,Jill	11/17/93	"	2206-07-0109
Totman,Mary Olive	10/28/68	"	2206-07-0075

Twin Oaks Irrigation Company	3/21/77	"	2205-08-0174
Wheeler, Ida Mae, Wheeler, Randolph A	2/21/50	"	2206-07-0043
<b>Township 6 South, Range 8 East, MDB&amp;M</b>			
A Olivera Estate, Fink, George W	8/18/32	Un-Recorded	2206-08-0066
Atterbury, Emily R	7/14/31	"	2206-08-0050
Avila, A M Swanson, A	4/23/32	"	2206-08-0220
Avila, Isabelle C	1/19/34	"	2206-08-0070
Avila, Maria P	2/9/34	"	2206-08-0230
Azevedo, Barbara B, Joaquin B Azevedo Estate, Sierra San Francisco Power Company	6/25/1929	"	2206-08-0253
Bacon, Edgar Allen, Bacon, Mary, Bacon, Winifred Edna, Burr, Myrtle Eleanor	8/25/52	"	2206-08-0124
Bacon, Edgar Allen, Bacon, Winifred Edna, Burr, Myrtle Eleanor Bacon	5/5/65	"	2206-08-0001
Bacon, Edgar Allen, Bacon, Winifred Edna, Burr, Myrtle Eleanor Bacon	8/25/52	"	2206-08-0124
Bacon, Edgar Allen, Bacon, Winifred Edna, Burr, Myrtle Eleanor Bacon	3/23/50	"	2206-08-0261
Bacon, Edgar Allen, Bacon, Winifred Edna, Burr, Myrtle Eleanor Bacon	3/23/50	"	2206-08-0261
Beck, H H	8/12/32	"	2206-08-0064
Beltran, Fred, Beltran, John	6/7/49	"	2206-08-0097
Bettencourt, A S, Bettencourt, Mary S	1/31/33	"	2206-08-0228
Bettercourt, Gomez, Corvello, A M, Corvello, John M	5/16/32	"	2206-08-0058
Borba, John	8/17/32	"	2206-08-0062
Breves, A J, Breves, Maria	9/3/32	"	2206-08-0065
Buehner, Arduis B, Buehner, Lawrence H	10/5/71	"	2206-08-0283
Buehner, Arduis B, Buehner, Lawrence H	1/19/54	"	2206-08-0168
Cabral, John S	7/26/41	Un-Recorded	2206-08-0074
Cabral, Luis, Cabral, Maria	9/16/32	"	2206-08-0067
Central California Irrigation District	5/13/64	"	2206-08-0208
Central California Irrigation District	6/22/66	"	2206-08-0262
Church Jesus Christ Latter Day Saints, Corporation President Oakland Stake	3/26/92	"	2206-08-0333
Correia, Joe D	7/21/43	"	2206-08-0076
Covell, Grace A	8/14/52	"	2206-08-0241
Crow, W C, Sequeira, Joe, Sequeira, Mike	9/7/34	"	2206-08-0260

Del Nero, Paul	8/12/32	"	2206-08-0054
Dihel, Ruth E	10/20/53	"	2206-08-0163
Dihel, Ruth	4/26/65	"	2206-08-0002
Dihel, Ruth	10/20/53	"	2206-08-0163
Dihel, Ruth E	5/25/54	"	2206-08-0164
Dompe Supply Company	12/20/72	"	2206-08-0289
Enos, Ida, Enos, John	9/14/1926	"	2206-08-0034
Enos, Ida, Enos, John	9/27/32	"	2206-08-0035
Fink, Esther	5/8/64	"	2206-08-0205
Fink, Gladys A, Fink, Leora H, Fink, Merwyn L	5/31/51	"	2206-08-0239
Fletcher, Ed	8/21/30	"	2206-08-0044
Freitas, Anna	7/17/55	"	2206-08-0179
Gomes, Maria	7/8/32	"	2206-08-0059
Gonsalves, Manuel S, Gonsalves, Rose	10/6/26	"	2206-08-0223
Holtzman, Jacob	1/19/54	"	2206-08-0167
Ison, Nell E, Isom, Walter Lee	10/5/51	"	2206-08-0138
James, Lillie	10/4/51	"	2206-08-0136
Kaminska, Marvin, Kaminska, Nono	10/4/51	"	2206-08-0137
Klehn, Charles F, Klehn, Grace	11/11/53	"	2206-08-0048
Lopez, A C, Terry, Beryl W, Terry, L D	10/13/34	"	2206-08-0032
Luiz, Manuel, Luiz, Mary M	4/9/60	"	2206-08-0206
Mattos, Mary	7/26/40	"	2206-08-0073
Morganti, EPI	7/16/32	"	2206-08-0060
Neto, Louis	8/18/32	"	2206-08-0068
Nunes, Manuel F	1/19/54	"	2206-08-0169
Pacheco, J F	8/17/32	"	2206-08-0061
Patterson Irrigation District	12/4/80	"	2206-08-0013
Perez, Daniel, Perez, Earl, Perez, Mike, Perez, Thomas	5/12/78	"	2206-08-0007
Perez, Juan M, Perez, Marea T	9/29/67	"	2206-08-0265
Rotelli, Jim Robert	5/4/92	"	2206-08-0334
Serpa Masedo	7/20/31	"	2206-08-0057
Shell Oil Company Incorporated	7/28/41	"	2206-08-0236
Shoemak, A C, Shoemake, Marjorie	2/17/70	"	2206-08-0280
Shoemake, A C, Shoemak, Marjorie	12/28/66	"	2206-08-0264
Shoemake, A C, Shoemake, Marjorie	6/1/70	"	2206-08-0282
Silva, Amelia Pereira, Silva, Manuel Gomes	3/2/56	"	2206-08-0177
Silva, Francisco J	5/1/34	"	2206-08-0231
Silva, Tony	8/12/32	"	2206-08-0063
Silveria, Manuel	2/20/34	"	2206-08-0071

Simon Newman Company	8/27/53	"	2206-08-0162
Stewart,Anna Marie, Stewart,Robert	8/23/32	"	2206-08-0041
Stewart,Jane R, Stewart,Romain	4/4/60	Un-Recorded	2206-08-0188
Sylva, Tony	4/13/43	"	2206-08-0075
Tabar,Daniel B	4/25/78	"	2206-08-0008
Thoening, George	11/18/32	"	2206-08-0069
Tosta,John C	7/13/34	"	2206-08-0072
Twin Oaks Irrigation	1/22/54	"	2206-08-0242
Witten Meat Company	12/31/32	"	2206-08-0030
Yancey,Merle Crow	4/23/52	"	2206-08-0080

**Recorded Underground:**

<b>Township 5 South, Range 8 East, MDB&amp;M</b>			
Bowman,Laverne, Bowman,Lowell, Bowman,Stanley, Laverne Bowman Life Estate	3/8/00	200000435470 0	2205-08-0205
Camino,Clara T, Cimino,Thomas J, Filice,Alvert L, Filice,Arthur H, Filice,Bernice C, Filice,Frances E	7/29/74	B2645 or, P37X	2205-08-0164
Cimino,Clara T, Cimino,Thomas J, Filice Arh, Filice, Albert N, Filice,Bernice C, Filice,Frances E	11/19/73	V2595 or, P857	2205-08-0159
Patterson Join	3/26/73	V2546 or, P85	2205-08-0157
Sierra,Carl J, Sierra,Esther, Sierra,Raymond A, Sierra,Susan M	5/24/84	84-07951	2205-08-0018
Whitman,Fred F, Whitman, Helen I	9/18/88	88-076740	2205-08-0020
<b>Township 6 South, Range 8 East, MDB&amp;M</b>			
Bacon,Edgar Allen, Bacon,Winifred Edna, Burr,Myrtle Eleanor Bacon	7/8/54	B1243 or, P439	2206-08-0238
Callizo,Maria, Calizo,Ramon	6/23/53	B1168 or, P402	2206-08-0160
Davis,Aubrey, Davis,Hal G, Davis,Helen E, Davis,Paula C, Davis,Walter A, Dompe Brothers Incorporated	7/14/54	B1243 or, P431	2206-08-0110
Davis,Aubrey, Davis,Hal G, Davis,Walter A, Dompe Brothers Inc.	6/23/53	B1168 or, P436	2006-08-0109
Tabar,Barbara A	9/14/78	B3107 or, P167	2206-08-0010 OH & UG

**Un-Recorded Underground:**

<b>Township 6 South, Range 5 East, MDB&amp;M</b>			
Evans Telephone Company	6/17/97	Un-Recorded	2206-05-0076
<b>Township 6 South, Range 8 East, MDB&amp;M</b>			
Beltran, Fred, Beltran, John	10/30/53	Un-Recorded	2206-08-0237

**II. Railroad Crossing Documents:**

The following Railroad Crossing Documents will be assigned with the consent of the Seller and Grantor:

<b>Grantor</b>	<b>Document Date</b>	<b>PG&amp;E Number</b>	<b>Type of Facility</b>
<b>Township 4 South, Range 7 East, Section 34, MDB&amp;M</b>			
Southern Pacific Transportation Company	6/29/79	2204-07-0010	Crossing License
<b>Township 5 South, Range 7 East, Section 3, MDB&amp;M</b>			
Southern Pacific Company	4/28/59	2205-07-0118	12Kv Electric Pole Line
Southern Pacific Company	10/8/45	2205-07-0120	12Kv Electric Pole Line
Southern Pacific Company	1/25/60	2205-07-0121	12Kv Electric Pole Line
<b>Township 5 South, Range 7 East, Section 2, MDB&amp;M</b>			
Southern Pacific Company	3/13/67	2205-07-0127	Service to R/R Street Lights – within Rogers Road, Hwy. 33
Southern Pacific Company	8/18/70	2205-07-0150	12Kv Electric Crossing for Street Lights



<b>Township 5 South, Range 7 East, Section 11, MDB&amp;M</b>			
Southern Pacific Company	8/13/52	2205-07-0116	12Kv Pole Line Crossing
<b>Township 5 South, Range 7 East, Section 12, MDB&amp;M</b>			
Southern Pacific Company	9/18/58	2205-07-0119	12Kv Pole Line Crossing
<b>Township 5 South, Range 7 East, Section 13, MDB&amp;M</b>			
Southern Pacific Company	5/9/51	2205-07-0105	12Kv Pole Line Crossing
Southern Pacific Company	1/11/36	2205-07-0106	2.4Kv Pole Line Crossing
Southern Pacific Company	5/9/51	2205-07-0113	12Kv Pole Line Crossing
Southern Pacific Company	6/12/51	2205-07-0115	12Kv Pole Line Crossing within Zacharias Road
Southern Pacific Company	2/21/61	2205-07-0117	12Kv Pole Line Crossing
Southern Pacific Company	3/25/76	2205-07-0156	12Kv Pole Line Crossing
<b>Township 5 South, Range 7 East, Section 24, MDB&amp;M</b>			
Southern Pacific Company	10/21/59	2205-07-0090	120V Service Pole Line to R/R in Ward Avenue
<b>Township 5 South, Range 8 East, Section 9, MDB&amp;M</b>			
Southern Pacific Company	6/1/50	2205-08-0110	
<b>Township 5 South, Range 8 East, Section 19, MDB&amp;M</b>			
Southern Pacific Company	6/12/61	2205-08-0115	12Kv Pole Line Crossing
Southern Pacific Company	6/8/61	2205-08-0116	12Kv Pole Line Crossing in Olive Avenue

<b>Township 5 South, Range 8 East, Section 30, MDB&amp;M</b>			
Southern Pacific Company	11/20/80	2205-08-0017	12Kv UG Electric Facilities
Southern Pacific Company	5/28/52	2205-08-0105	2300 Volt Pole Line Crossing in "T" Street
Southern Pacific Company	10/18/28	2205-08-0106	PG&E Phone Line on Existing Crossing
Southern Pacific Company	10/20/28	2205-08-0107	12Kv Pole Line Crossing
Southern Pacific Company	6/19/61	2205-08-0108	12Kv Pole Line Crossing in "E" Street
Southern Pacific Company	11/9/56	2205-08-0113	120 Volt Pole Line Crossing in Las Palmas Avenue
Southern Pacific Company	11/28/62	2205-08-0127	12Kv Service to R/R or R/R Tenant
Southern Pacific Company	7/30/64	2205-08-0128	12Kv Service to R/R Tenant
Southern Pacific Company	5/9/56	2205-08-0131	3 Anchors on R/R Prop. Opposite "L", "K" & "J" Streets
Southern Pacific Company	2/17/72	2205-08-0155	12Kv Pole Line Crossing
Southern Pacific Company	6/12/74	2205-08-0163	UG 600V Service to R/R Tenant
Southern Pacific Company	3/18/12	2205-08-0184	Overhand into R/R RW Between Certain Eng. Stations
Southern Pacific Company	11/14/73	2205-08-0158	
<b>Township 5 South, Range 8 East, Section 31, MDB&amp;M</b>			
Southern Pacific Company	3/15/50	2205-08-0129	2 Anchors on R/R Prop. S/O Sperry Avenue

<b>Township 5 South, Range 8 East, Section 32, MDB&amp;M</b>			
Southern Pacific Company	4/9/53	2205-08-0112	60Kv, 12Kv & Company Phone Pole Line Over R/R
Union Pacific Company	9/4/98	2205-08-0204	12Kv Electric Pole Line
	Recorded 9/24/98	Serial No. 98-0088101	
<b>Township 6 South, Range 8 East, Section 1, MDB&amp;M</b>			
Southern Pacific Company	7/25/1911	2206-08-0305	
<b>Township 6 South, Range 8 East, Section 4, MDB&amp;M</b>			
Southern Pacific Company	7/14/54	2206-08-0198	Install Anchor On Existing Crossing Within Marshall Road
<b>Township 6 South, Range 8 East, Section 5, MDB&amp;M</b>			
Southern Pacific Company	10/20/28	2206-08-0192	UG Electric Crossing
Southern Pacific Company	10/19/33	2206-08-0256	12Kv Pole Line Crossing in Pomelo Avenue
Southern Pacific Company	4/4/74	2206-08-0294	12Kv Pole Line Crossing
<b>Township 6 South, Range 8 East, Section 9, MDB&amp;M</b>			
Southern Pacific Company	2/26/57	2206-08-0015	12Kv Electric Pole Line Crossing
Southern Pacific Company	10/19/28	2206-08-0191	12Kv Electric Pole Line Crossing
Southern Pacific Company	10/10/28	2206-08-0195	12Kv Electric Pole Line Crossing
Union Pacific Company	5/6/98	2206-08-0343	12Kv Electric Pole Line
	Recorded 5/26/98	Serial No. 98-0046595	Crossing

<b>Township 6 South, Range 8 East, Section 16, MDB&amp;M</b>			
Southern Pacific Company	4/5/78	2206-08-0006	12Kv Electric Pole Line Crossing
Southern Pacific Company	6/29/45	2206-08-0199	12Kv Electric Pole Line Crossing
Southern Pacific Company	8/25/53	2206-08-0204	12Kv Electric Pole Line Crossing
Southern Pacific Company	4/26/61	2206-08-0257	12Kv Electric Pole Line Crossing
<b>Township 6 South, Range 8 East, Section 15, MDB&amp;M</b>			
Southern Pacific Company	12/15/47	2206-08-0197	12Kv Electric Pole Line Crossing
Southern Pacific Company	11/5/50	2206-08-0202	60Kv Electric Pole Line Crossing Within Ike Crow Road

<b>Township 6 South, Range 8 East, Section 22, MDB&amp;M</b>			
Southern Pacific Company	7/13/51	2206-08-0203	60Kv & 12Kv Electric Pole Line Crossing Within 5 <sup>th</sup> Street
<b>Township 6 South, Range 8 East, Section 26, MDB&amp;M</b>			
Southern Pacific Company	5/3/68	2206-08-0271	
Southern Pacific Transportation Company	2/28/77	2206-08-0296	
Southern Pacific Transportation Company	9/29/77	2206-08-0297	

Breves, A J, Breves, Maria	9/3/32	“	2206-08-0065
Buehner, Arduis B, Buehner, Lawrence H	10/5/71	“	2206-08-0283
Buehner, Arduis B, Buehner, Lawrence H	1/19/54	“	2206-08-0168

Cabral,John S	7/26/41	Un-Recorded	2206-08-0074
Cabral,Luis, Cabral,Maria	9/16/32	"	2206-08-0067
Central California Irrigation District	5/13/64	"	2206-08-0208
Central California Irrigation District	6/22/66	"	2206-08-0262
Church Jesus Christ Latter Day Saints, Corporation President Oakland Stake	3/26/92	"	2206-08-0333
Correia,Joe D	7/21/43	"	2206-08-0076
Covell,Grace A	8/14/52	"	2206-08-0241
Crow,W C, Sequeira,Joe, Sequeira,Mike	9/7/34	"	2206-08-0260
Del Nero, Paul	8/12/32	"	2206-08-0054
Dihel, Ruth E	10/20/53	"	2206-08-0163
Dihel,Ruth	4/26/65	"	2206-08-0002
Dihel,Ruth	10/20/53	"	2206-08-0163
Dihel,Ruth E	5/25/54	"	2206-08-0164
Dompe Supply Company	12/20/72	"	2206-08-0289
Enos,Ida, Enos,John	9/14/1926	"	2206-08-0034
Enos,Ida, Enos,John	9/27/32	"	2206-08-0035
Fink,Esther	5/8/64	"	2206-08-0205
Fink,Gladys A, Fink,Leora H, Fink,Merwyn L	5/31/51	"	2206-08-0239
Fletcher, Ed	8/21/30	"	2206-08-0044
Freitas, Anna	7/17/55	"	2206-08-0179
Gomes,Maria	7/8/32	"	2206-08-0059
Gonsalves,Manuel S, Gonsalves,Rose	10/6/26	"	2206-08-0223
Holtzman,Jacob	1/19/54	"	2206-08-0167
Ison,Neill E, Isom,Walter Lee	10/5/51	"	2206-08-0138
James,Lillie	10/4/51	"	2206-08-0136
Kaminska,Marvin, Kaminska,Nono	10/4/51	"	2206-08-0137
Klehn,Charles F, Klehn,Grace	11/11/53	"	2206-08-0048
Lopez,A C, Terry,Beryl W, Terry,L D	10/13/34	"	2206-08-0032
Luiz,Manuel, Luiz,Mary M	4/9/60	"	2206-08-0206
Mattos,Mary	7/26/40	"	2206-08-0073
Morganti, EPI	7/16/32	"	2206-08-0060
Neto,Louis	8/18/32	"	2206-08-0068
Nunes,Manuel F	1/19/54	"	2206-08-0169
Pacheco,J F	8/17/32	"	2206-08-0061
Patterson Irrigation District	12/4/80	"	2206-08-0013
Perez,Daniel, Perez,Earl, Perez,Mike, Perez,Thomas	5/12/78	"	2206-08-0007
Perez,Juan M, Perez,Marea T	9/29/67	"	2206-08-0265

Rotelli,Jim Robert	5/4/92	"	2206-08-0334
Serpa Masedo	7/20/31	"	2206-08-0057
Shell Oil Company Incorporated	7/28/41	"	2206-08-0236
Shoemak,A C, Shoemake,Marjorie	2/17/70	"	2206-08-0280
Shoemake,A C, Shoemak,Marjorie	12/28/66	"	2206-08-0264
Shoemake,A C, Shoemake,Marjorie	6/1/70	"	2206-08-0282
Silva,Amelia Pereira, Silva,Manuel Gomes	3/2/56	"	2206-08-0177
Silva,Francisco J	5/1/34	"	2206-08-0231
Silva,Tony	8/12/32	"	2206-08-0063
Silveria,Manuel	2/20/34	"	2206-08-0071
Simon Newman Company	8/27/53	"	2206-08-0162
Stewart,Anna Marie, Stewart,Robert	8/23/32	"	2206-08-0041
Stewart,Jane R, Stewart,Romain	4/4/60	Un-Recorded	2206-08-0188
Sylva, Tony	4/13/43	"	2206-08-0075
Tabar,Daniel B	4/25/78	"	2206-08-0008
Thoening, George	11/18/32	"	2206-08-0069
Tosta,John C	7/13/34	"	2206-08-0072
Twin Oaks Irrigation	1/22/54	"	2206-08-0242
Witten Meat Company	12/31/32	"	2206-08-0030
Yancey,Merle Crow	4/23/52	"	2206-08-0080

**Recorded Underground:**

<b>Township 5 South, Range 8 East, MDB&amp;M</b>			
Bowman,Laverne, Bowman,Lowell, Bowman,Stanley, Laverne Bowman Life Estate	3/8/00	2000004354700	2205-08-0205
Camino,Clara T, Cimino,Thomas J, Filice,Alvert L, Filice,Arthur H, Filice,Bernice C, Filice,Frances E	7/29/74	B2645 or, P37X	2205-08-0164
Cimino,Clara T, Cimino,Thomas J, Filice Arh, Filice, Albert N, Filice,Bernice C, Filice,Frances E	11/19/73	V2595 or, P857	2205-08-0159
Patterson Join	3/26/73	V2546 or, P85	2205-08-0157
Sierra,Carl J, Sierra,Esther, Sierra,Raymond A, Sierra,Susan M	5/24/84	84-07951	2205-08-0018
Whitman,Fred F, Whitman, Helen I	9/18/88	88-076740	2205-08-0020
<b>Township 6 South, Range 8 East, MDB&amp;M</b>			
Bacon,Edgar Allen, Bacon,Winifred Edna, Burr,Myrtle Eleanor Bacon	7/8/54	B1243 or, P439	2206-08-0238

Callizo, Maria, Calizo, Ramon	6/23/53	B1168 or, P402	2206-08-0160
Davis, Aubrey, Davis, Hal G, Davis, Helen E, Davis, Paula C, Davis, Walter A, Dompe Brothers Incorporated	7/14/54	B1243 or, P431	2206-08-0110
Davis, Aubrey, Davis, Hal G, Davis, Walter A, Dompe Brothers Inc.	6/23/53	B1168 or, P436	2006-08-0109
Tabar, Barbara A	9/14/78	B3107 or, P167	2206-08-0010 OH & UG

**Un-Recorded Underground:**

<b>Township 6 South, Range 5 East, MDB&amp;M</b>			
Evans Telephone Company	6/17/97	Un-Recorded	2206-05-0076
<b>Township 6 South, Range 8 East, MDB&amp;M</b>			
Beltran, Fred, Beltran, John	10/30/53	Un-Recorded	2206-08-0237

**II. RailRoad Crossing Documents:**

The following Railroad Crossing Documents will be assigned with the consent of the Seller and Grantor:

Grantor	Document Date	PG&E Number	Type of Facility
<b>Township 4 South, Range 7 East, Section 34, MDB&amp;M</b>			
Southern Pacific Transportation Company	6/29/79	2204-07-0010	Crossing License
<b>Township 5 South, Range 7 East, Section 3, MDB&amp;M</b>			
Southern Pacific Company	4/28/59	2205-07-0118	12Kv Electric Pole Line
Southern Pacific Company	10/8/45	2205-07-0120	12Kv Electric Pole Line
Southern Pacific Company	1/25/60	2205-07-0121	12Kv Electric Pole Line
<b>Township 5 South, Range 7 East, Section 2, MDB&amp;M</b>			
Southern Pacific Company	3/13/67	2205-07-	Service to R/R Street

<b>Grantor</b>	<b>Document Date</b>	<b>PG&amp;E Number</b>	<b>Type of Facility</b>
		0127	Lights – within Rogers Road, Hwy. 33
Southern Pacific Company	8/18/70	2205-07-0150	12Kv Electric Crossing for Street Lights
<b>Township 5 South, Range 7 East, Section 11, MDB&amp;M</b>			
Southern Pacific Company	8/13/52	2205-07-0116	12Kv Pole Line Crossing
<b>Township 5 South, Range 7 East, Section 12, MDB&amp;M</b>			
Southern Pacific Company	9/18/58	2205-07-0119	12Kv Pole Line Crossing
<b>Township 5 South, Range 7 East, Section 13, MDB&amp;M</b>			
Southern Pacific Company	5/9/51	2205-07-0105	12Kv Pole Line Crossing
Southern Pacific Company	1/11/36	2205-07-0106	2.4Kv Pole Line Crossing
Southern Pacific Company	5/9/51	2205-07-0113	12Kv Pole Line Crossing
Southern Pacific Company	6/12/51	2205-07-0115	12Kv Pole Line Crossing within Zacharias Road
Southern Pacific Company	2/21/61	2205-07-0117	12Kv Pole Line Crossing
Southern Pacific Company	3/25/76	2205-07-0156	12Kv Pole Line Crossing
<b>Township 5 South, Range 7 East, Section 24, MDB&amp;M</b>			
Southern Pacific Company	10/21/59	2205-07-0090	120V Service Pole Line to R/R in Ward Avenue
<b>Township 5 South, Range 8 East, Section 9, MDB&amp;M</b>			
Southern Pacific Company	6/1/50	2205-08-0110	



<b>Grantor</b>	<b>Document Date</b>	<b>PG&amp;E Number</b>	<b>Type of Facility</b>
<b>Township 5 South, Range 8 East, Section 19, MDB&amp;M</b>			
Southern Pacific Company	6/12/61	2205-08-0115	12Kv Pole Line Crossing
Southern Pacific Company	6/8/61	2205-08-0116	12Kv Pole Line Crossing in Olive Avenue
<b>Township 5 South, Range 8 East, Section 30, MDB&amp;M</b>			
Southern Pacific Company	11/20/80	2205-08-0017	12Kv UG Electric Facilities
Southern Pacific Company	5/28/52	2205-08-0105	2300 Volt Pole Line Crossing in "T" Street
Southern Pacific Company	10/18/28	2205-08-0106	PG&E Phone Line on Existing Crossing
Southern Pacific Company	10/20/28	2205-08-0107	12Kv Pole Line Crossing
Southern Pacific Company	6/19/61	2205-08-0108	12Kv Pole Line Crossing in "E" Street
Southern Pacific Company	11/9/56	2205-08-0113	120 Volt Pole Line Crossing in Las Palmas Avenue
Southern Pacific Company	11/28/62	2205-08-0127	12Kv Service to R/R or R/R Tenant
Southern Pacific Company	7/30/64	2205-08-0128	12Kv Service to R/R Tenant
Southern Pacific Company	5/9/56	2205-08-0131	3 Anchors on R/R Prop. Opposite "L", "K" & "J" Streets
Southern Pacific Company	2/17/72	2205-08-0155	12Kv Pole Line Crossing
Southern Pacific Company	6/12/74	2205-08-0163	UG 600V Service to R/R Tenant
Southern Pacific Company	3/18/12	2205-08-0184	Overhand into R/R RW Between Certain Eng. Stations
Southern Pacific Company	11/14/73	2205-08-0158	

<b>Grantor</b>	<b>Document Date</b>	<b>PG&amp;E Number</b>	<b>Type of Facility</b>
<b>Township 5 South, Range 8 East, Section 31, MDB&amp;M</b>			
Southern Pacific Company	3/15/50	2205-08-0129	2 Anchors on R/R Prop. S/O Sperry Avenue
<b>Township 5 South, Range 8 East, Section 32, MDB&amp;M</b>			
Southern Pacific Company	4/9/53	2205-08-0112	60Kv, 12Kv & Company Phone Pole Line Over R/R
Union Pacific Company	9/4/98	2205-08-0204	12Kv Electric Pole Line
	Recorded 9/24/98	Serial No. 98-0088101	
<b>Township 6 South, Range 8 East, Section 1, MDB&amp;M</b>			
Southern Pacific Company	7/25/1911	2206-08-0305	
<b>Township 6 South, Range 8 East, Section 4, MDB&amp;M</b>			
Southern Pacific Company	7/14/54	2206-08-0198	Install Anchor On Existing Crossing Within Marshall Road
<b>Township 6 South, Range 8 East, Section 5, MDB&amp;M</b>			
Southern Pacific Company	10/20/28	2206-08-0192	UG Electric Crossing
Southern Pacific Company	10/19/33	2206-08-0256	12Kv Pole Line Crossing in Pomelo Avenue
Southern Pacific Company	4/4/74	2206-08-0294	12Kv Pole Line Crossing
<b>Township 6 South, Range 8 East, Section 9, MDB&amp;M</b>			
Southern Pacific Company	2/26/57	2206-08-0015	12Kv Electric Pole Line Crossing
Southern Pacific Company	10/19/28	2206-08-0191	12Kv Electric Pole Line Crossing

<b>Grantor</b>	<b>Document Date</b>	<b>PG&amp;E Number</b>	<b>Type of Facility</b>
Southern Pacific Company	10/10/28	2206-08-0195	12Kv Electric Pole Line Crossing
Union Pacific Company	5/6/98	2206-08-0343	12Kv Electric Pole Line Crossing
	Recorded 5/26/98	Serial No. 98-0046595	
<b>Township 6 South, Range 8 East, Section 16, MDB&amp;M</b>			
Southern Pacific Company	4/5/78	2206-08-0006	12Kv Electric Pole Line Crossing
Southern Pacific Company	6/29/45	2206-08-0199	12Kv Electric Pole Line Crossing
Southern Pacific Company	8/25/53	2206-08-0204	12Kv Electric Pole Line Crossing
Southern Pacific Company	4/26/61	2206-08-0257	12Kv Electric Pole Line Crossing
<b>Township 6 South, Range 8 East, Section 15, MDB&amp;M</b>			
Southern Pacific Company	12/15/47	2206-08-0197	12Kv Electric Pole Line Crossing
Southern Pacific Company	11/5/50	2206-08-0202	60Kv Electric Pole Line Crossing Within Ike Crow Road
<b>Township 6 South, Range 8 East, Section 22, MDB&amp;M</b>			
Southern Pacific Company	7/13/51	2206-08-0203	60Kv & 12Kv Electric Pole Line Crossing Within 5 <sup>th</sup> Street
<b>Township 6 South, Range 8 East, Section 26, MDB&amp;M</b>			
Southern Pacific Company	5/3/68	2206-08-0271	
Southern Pacific Transportation Company	2/28/77	2206-08-0296	
Southern Pacific Transportation Company	9/29/77	2206-08-0297	

**SCHEDULE 2.1(a)(ii)**

**FACILITIES**

<b>Account</b>	<b>Description</b>	<b>QTY</b>
106	EA. POLE JOINT 30 FT	2
106	EA. POLE JOINT 40 FT	2
106	EA. POLE JOINT 50 FT	165
106	EA. POLE JOINT 55 FT	54
106	EA. POLE JOINT 60 FT	136
106	EA. POLE JOINT 65 FT	55
106	EA. POLE JOINT 70 FT	9
106	EA. POLE JOINT 75 FT	8
106	EA. ANCHOR EXPANDING 3/4" X 9' 7.5M	2
106	EA. CROSSARM HEAVY SINGLE 8'	6
106	EA. PIN INSULATOR STEEL 18-1129	16
107	/FT CBL BARE COPPER 1/0	3,600
108	EA. INSUL STRING SUSP. NON-CRMC 31-0082	3
108	EA. INSULATOR PIN TYPE M&S 31-2007	10
204	"EA. ANCHOR EXPANDING 1" X 10' 10M"	2
204	"EA. ANCHOR EXPANDING 3/4" X 9' 7.5M"	7
204	"EA. ANCHOR EXPANDING 5/8" X 8' 2.5M"	1
204	"EA. ANCHOR GUY 3/8" E.H.S. 7.5M"	168
204	"EA. ANCHOR GUY 5/16" E.H.S. 5M"	1,012
204	"EA. ANCHOR GUY 7/16" E.H.S. 10M"	33
204	"EA. ANCHOR GUY 7/32" E.H.S. 2.5M"	516
204	"EA. ANCHOR JOINT EXP. 1 1/4" X 10' 25M"	3
204	"EA. ANCHOR JOINT EXP. 1" X 10' 10M"	6
204	"EA. ANCHOR JOINT EXP. 3/4" X 9' 7.5M"	3
204	"EA. ANCHOR JOINT EXP. 3/4" X 9' 5M"	7
204	"EA. ANCHOR JOINT EXP. 5/8" X 8' 2.5M"	75
204	EA ROCK ANCHOR 3/4' x 9' 10M	17
204	"EA. BRACKET EXTENSION LINKS 14"	15
204	"EA. BRACKET VERTICAL 20"	124
204	"EA. BRACKET VERTICAL 9"	285
204	EA CROSSARMBRACE 32" FLAT STEEL 2"	9
204	"EA. CROSSARM LIGHT DOUBLE 5'4"	9
204	"EA. CROSSARM LIGHT SINGLE 10'6"	7
204	"EA. CROSSARM LIGHT SINGLE 5'4"	123

204	"EA. CROSSARM STEEL (SW) 6'8"	2
204	"EA. HEADGUY GALV. STEEL 3/8"	9
204	"EA. HEADGUY GALV. STEEL 5/16"	96
204	"EA. HEADGUY GALV. STEEL 7/16"	4
204	"EA. HEADGUY GALV. STEEL 7/32"	228
204	"EA. TRANGULAR KIT SINGLE PHASE 9"	274
204	"EA. TRANGULAR KIT THREE PHASE 9"	1,423
204	EA. ANCHOR GUY GUARD CATTLE GUARD	39
204	EA. ANCHOR GUY GUARD PLASTIC	730
204	EA. ANCHOR GUY GUARD STEEL	751
204	EA. ANCHOR JOINT POWER INST 15M	30
204	EA. ANCHOR JOINT POWER INST 25M	14
204	EA ANCHOR JOINT POWER INST 15M	1,406
204	EA ANCHOR JOINT POWER INST 25M	20
204	EA. ANCHOR SIDEWALK ASSM 10' ARM	3
204	EA. BONDING PRIMARY ALL TYPES	6
204	EA. BRACKET CUTOUT SINGLE-POLE MT	31
204	EA. BRACKET CUTOUT FOR WOOD ARMS	8
204	EA. BRACKET EXTENSION 31-6055 FIG.14	379
204	EA. BRACKET INSUL CLEARANCE (EX.INS)	65
204	EA. BRACKET POLE TOP 18-1171	191
204	EA. BRACKET RECLOSER 3H-6H	1
204	EA. BRACKET RECLOSER RE-RXE	3
204	EA BRACKET RISER COMINATION 1PH SM	6
204	EA BRACKET RISER COMINATION 3PH LG	4
204	EA BRACKET RISER COMINATION 3PH SM	27
204	EA. BRACKET RISER TRI-MT TERMINATION	14
204	EA. BRACKET SPOOL & CLEVIS	2
204	EA. BRACKET XFMR MOUNT 2 UNITS LG	2
204	EA. BRACKET XFMR MOUNT 2 UNITS SM	253
204	EA. BRACKET XFMR MOUNT 3 UNITS	18
204	EA. BRACKET CUTOUT & LTING ARRESTOR	393
204	EA. BRACKET XFMR T-HANGER 0-50	32
204	EA. CROSSARM HEAVY SINGLE 8'	438
204	EA. CROSSARM HEAVY SINGLE 9'	11
204	EA. CROSSARM LIGHT DOUBLE 8'	367
204	EA. CROSSARM LIGHT DOUBLE 9'	49
204	EA. CROSSARM LIGHT SINGLE 8'	1,596
204	EA. CROSSARM LIGHT SINGLE 9'	118
204	EA. CROSSARM LIGHT DOUBLE 14'	7
204	EA. CROSSARM LIGHT SINGLE 7'	10

204	EA. CROSSARM LIGHT DOUBLE 7'	1
204	EA. CROSSARM STEEL 4'	234
204	EA. EXT RACK SECONDARY 3 SPOOL	249
204	EA. EXT RACK SECONDARY 4 SPOOL	55
204	EA. PIN INSULATOR STEEL 18-1114/1245	5
204	EA. POLE JOINT 25 FT	5
204	EA. POLE JOINT 30 FT	54
204	EA. POLE JOINT 35 FT	176
204	EA. POLE JOINT 40 FT	241
204	EA. POLE JOINT 45 FT	256
204	EA. POLE JOINT 50 FT	69
204	EA. POLE JOINT 55 FT	39
204	EA. POLE JOINT 60 FT	6
204	EA. POLE JOINT 65 FT	8
204	EA. POLE SOLELY OWNED 25 FT	246
204	EA. POLE SOLELY OWNED 30 FT	272
204	EA. POLE SOLELY OWNED 35 FT	379
204	EA. POLE SOLELY OWNED 40 FT	1,485
204	EA. POLE SOLELY OWNED 45 FT	1,117
204	EA. POLE SOLELY OWNED 50 FT	309
204	EA. POLE SOLELY OWNED 55 FT	140
204	EA. POLE SOLELY OWNED 60 FT	53
204	EA. POLE SOLELY OWNED 65 FT	36
204	EA. POLE SOLELY OWNED 75 FT	1
204	EA. SIGN HIGH VOLTAGE PLASTIC	6
204	EA. STEPS JOINT POLE 0 - 45'	124
204	EA. STEPS POLE 0 - 45'	293
204	EA. TRANGULAR KIT DEADEND 1 PHASE	200
204	EA. TRANGULAR KIT DEADEND 3 PHASE	370
205	"EA. INSULATOR PRI SUSPENSION 1 - 9"	336
205	"EA. INSULATOR PRI SUSPENSION 2 - 9"	3,684
205	"EA. INSULATOR PRI SUSPENSION 3 - 9"	8
205	"EA. INSULATOR PRI SUSPENSION PT-2	32
205	/FT CBL ACSR 6/1 1/0	18,750
205	/FT CBL ACSR 6/1 2	1,020
205	/FT CBL ACSR 6/1 4	1,324,645
205	/FT CBL AERIAL QUAD. AL. 1/0	3,831
205	/FT CBL AERIAL QUAD. AL. 4/0	6,683
205	/FT CBL AERIAL TRIPLEX AL. 1/0	15,710

205	/FT CBL	AERIAL TRIPLEX AL.	4/0	11,475
205	/FT CBL	BARE ALUMINUM	1/0	7,825
205	/FT CBL	BARE ALUMINUM	3/0	37,200
205	/FT CBL	BARE ALUMINUM	397	150,790
205	/FT CBL	BARE ALUMINUM	366	900
205	/FT CBL	BARE ALUMINUM	4/0	89,870
205	/FT CBL	BARE ALUMINUM	715	262,901
205	/FT CBL	BARE COPPER	1/0	58,690
205	/FT CBL	BARE COPPER	2	1,940
205	/FT CBL	BARE COPPER	4	20,761
205	/FT CBL	BARE COPPER	6	1,118,405
205	/FT CBL	BARE COPPERWELD	6	500
205	/FT CBL	DUPLEX (N-SD) AL.	6	1,305
205	/FT CBL	QUAD. (N-SD) AL.	1/0	21,675
205	/FT CBL	TRIPLEX (N-SD) AL.	1/0	8,290
205	/FT CBL	TRIPLEX (N-SD) AL.	2	17,267
205	/FT CBL	TRIPLEX (N-SD) AL.	4	2,532
205	/FT CBL	TRIPLEX (N-SD) AL.	4/0	990
205	/FT CBL	WP ALUMINUM	1/0	5,489
205	/FT CBL	WP ALUMINUM	2	7,185
205	/FT CBL	WP ALUMINUM	4	4,966
205	/FT CBL	WP ALUMINUM	4/0	1,670
205	/FT CBL	WP COPPER	6	12,465
205	EA. BUS XF	1PH TO 15KVA		7
205	EA. BUS XF	3PH OPEN DELTA 25KVA		1
205	EA. BUS XF	3PH CLSD DELTA 75-112.5KVA		1
205	EA. CUTOUT	15KV 100A PT 63		31
205	EA. CUTOUT	OPEN LINK 15KV 100A PT 43		14
205	EA. CUTOUT	OPEN LINK 15KV 100A PT 44		690
205	EA. CUTOUT	OPEN LINK 15KV 50A PT 22		66
205	EA. CUTOUT	OPEN LINK 15KV 50A PT 23		495

205	EA. DISCONNECT 15KV. 20A PT 74	2
205	EA. DISCONNECT 15KV. 300A PT 44HSB	50
205	EA. DISCONNECT 15KV. 600A PT 60	9
205	EA. GROUND & MOULDING GR-5	1,299
205	EA. GROUND & MOULDING GR-2	20
205	EA SURGE ARRESTERS	6
205	EA. INSULATOR AERIAL CBL DEADEND	115
205	EA. INSULATOR PRI PIN TYPE PART 2	55
205	EA. INSULATOR PRI PIN TYPE PART 4	5
205	EA. INSULATOR PRI PIN TYPE PART 8	5,433
205	EA. INSULATOR PRI POST TYPE PART 1	1,449
205	EA. INSULATOR PRI POST TYPE PART 2	4,387
205	EA. INSULATOR PRI POST TYPE PART 3	27
205	EA. INSULATOR SEC PIN PART 2	876
205	EA. INSULATOR SEC PIN PART 4	6
205	EA. INSULATOR SEC PIN PART 6	56
205	EA. INSULATOR SEC PIN PART 8	6
205	EA. INSULATOR SEC STRAIN PART 1	3
205	EA. INSULATOR SEC STRAIN PART 4	19
205	EA. INSULATOR SPOOL & CLEVIS PART 1	3
205	EA. INSULATOR SPOOL & CLEVIS PART 2	17
205	EA. INSULATOR SPOOL & CLEVIS PART 3	14
205	EA. INSULATOR SPOOL & CLEVIS PART 4	1,410
205	EA. INSULATOR SPOOL & CLEVIS PART 6	471
205	EA. INSULATOR SPOOL & CLEVIS PART 8	160
205	EA. PDAC SYSTEM 50 -> 140 AMP	3
205	EA. SPIRAL VIBRATION DAMPER 4AR	16
205	EA. SWITCH KPF AIR 23KV. 400A	1
205	EA. SWITCH KPF WST 202 AIR 23KV. 600A	100
205	EA. SWITCH KPF WST 202B AIR 23KV 600A	6
205	EA. UNDERARM BUS 7'	58
205	OVERHEAD EQUIPMENT (205)	8
206	"/FT CONDUIT DIRECT BURIED 2" PVC"	48,669
206	"/FT CONDUIT DIRECT BURIED 3" PVC"	26,921
206	"/FT CONDUIT DIRECT BURIED 4" PVC"	63,852
206	"/FT CONDUIT DIRECT BURIED 4" STEEL"	10
206	"/FT CONDUIT DIRECT BURIED 5" PVC"	2,071
206	"/FT CONDUIT DIRECT BURIED 6" PVC"	



		10,214
206	"EA. CONDUIT 90 BEND 24" R 2" PVC"	839
206	"EA. CONDUIT 90 BEND 36" R 3" PVC"	240
206	"EA. CONDUIT 90 BEND 36" R 4" PVC"	362
206	"EA. CONDUIT 90 BEND 36" R 4" STEEL"	3
206	"EA. CONDUIT 90 BEND 36" R 5" PVC"	5
206	"EA. RISER MOULDING U-SH 2" /30' PVC"	71
206	"EA. RISER MOULDING U-SH 3" /30' PVC"	86
206	"EA. RISER MOULDING U-SH 4" /30' PVC"	16
206	"EA. RISER MOULDING U-SH 5" /30' PVC"	14
206	"EA. SUB ENCLOSURE 13" X 24" #1"	139
206	"EA. SUB ENCLOSURE 17" X 30" #2"	449
206	"EA. SUB ENCLOSURE 24" X 36" #3"	104
206	"EA. SUB ENCLOSURE 12" EXTENSION #5"	79
206	"EA. SUB ENCLOSURE 24" EXTENSION #5"	21
206	"EA. SUB ENCLOSURE 3' X 5' X 26" I.V."	119
206	"EA. SUB ENCLOSURE 4' X 66" X 3' I.V."	1
206	"EA. SUB ENCLOSURE 46" X 86" X 66" I.V."	19
206	"EA. SUB ENCLOSURE CONC. 17" X 30"	5
206	"EA. SUB ENCLOSURE CONC. 24" X 36"	23
206	"EA. SUB ROUND ENCLOSURE 42"	22
206	"EA. SUB ROUND ENCLOSURE 48"	15
206	UNDERGROUND CONDUIT (206)	5
207	/FT CBL CIC XLPE 2 AL TPX 600V	3,000
207	/FT CBL PE-CONC # 2 AL 22KV	18,892
207	/FT CBL PE-CONC #1/0 AL 22KV	78,523
207	/FT CBL PE-CONC-CIC # 2 AL 22KV	28,438
207	/FT CBL PE-CONC-CIC #1/0 AL 22KV	20,688
207	/FT CBL XLP-CONC-CIC #1/0 AL 22KV	63,840
207	/FT CBL XLP-CONC-CIC #2 AL 22KV	45,671
207	/FT CBL XLP-CONC-PVC #1/0 AL 22KV	44,025
207	/FT CBL XLP-CONC-PVC #1000AL 22KV	8,442
207	/FT CBL XLP-CONC-PVC #2 AL 22KV	17,685
207	/FT CBL XLP-CONC-PVC #4/0 AL 22KV	4,311

207	/FT CBL XLP-CONC-PVC #700 AL 22KV	1,920
207	/FT CBL XLPE #1/0 AL 600V	157,652
207	/FT CBL XLPE #1000 AL 600V	1,375
207	/FT CBL XLPE #350 AL 600V	123,793
207	/FT CBL XLPE #4/0 AL 600V	147,625
207	/FT CBL XLPE #700 AL 600V	9,684
207	/FT CBL XLPE 1/C #2 AL 600V	29,262
207	/FT CBL XLPE-TRIPLEX #1/0 AL 600V	12
207	/FT CBL XLPE-TRIPLEX #350 AL 600V	17
207	/FT CBL XLPE-TRIPLEX #4/0 AL 600V	27
207	EA. ARRESTOR LIGHTNING 10KV	237
207	EA. CBL TO SPADE CONNECTOR 30-3839	28
207	EA. DEAD BREAK JUNCTION 3-WAY 200 AMP	9
207	EA. DEAD BREAK JUNCTION 4-WAY 200 AMP	1
207	EA. FAULT INDICATOR 3 PHASE	139
207	EA. GROUND PAD MOUNTED XFMR	115
207	EA. GROUND SUBSURFACE XFMR	57
207	EA. GROUND & MOULDING RISER	5
207	EA. RISER TERMINATOR 200 AMP	173
207	EA. RISER TERMINATOR 600 AMP	12
207	EA. SPLICE BLACKBURN LARGE	3
207	EA. SPLICE BLACKBURN SMALL	2,022
207	EA. SPLICE STRAIGHT 200 AMP	29
207	EA. SPLICE STRAIGHT 600 AMP	3
207	EA. SWITCH SS 3W- 2W SW 21KV. 300A	20
207	EA. TERMINATOR ELBOW RECEIPT 200 AMP	1,247
207	EA. TERMINATOR ELBOW TEST 200 AMP	394
207	EA. TERMINATOR STRESS CONE 200 AMP	12
207	UNDERGROUND CABLE (207)	79
210	/FT CBL DUPLEX (N-SD) AL. 6	8
210	/FT CBL QUAD. (N-SD) AL. 1/0	4
210	/FT CBL QUAD. (N-SD) AL. 4/0	312
210	/FT CBL TRIPLEX (N-SD) AL. 2	4
210	/FT CBL TRIPLEX (N-SD) AL. 4	3
210	EA. ASSEMBLY QPX 1/0 SVC 100'	132
210	EA. ASSEMBLY TRIPLEX 1/0 SVC 100'	475

210	EA. ASSEMBLY TRIPLEX 2 SVC 100'	1,745
210	EA. ASSEMBLY TRIPLEX 4/0 SVC 100'	19
210	EA. ATTACHMENT SERVICE DUPLEX	1
210	OVERHEAD SERVICE (210)	19
211	"/FT CONDUIT DIRECT BURIED PVC 2"	250
211	"/FT CONDUIT DIRECT BURIED PVC 3"	100
211	"EA. CONDUIT 90 BEND 24" R 2" PVC	16
211	EA RISER MOULDING U-SHAPE 2"/30' PVC	157
211	EA RISER MOULDING U-SHAPE 3"/30' PVC	31
211	EA RISER MOULDING U-SHAPE 4"/30' PVC	4
211	EA RISER MOULDING U-SHAPE 5"/30' PVC	1
211	/FT CBL XLPE #1000 AL 600V	2,540
211	/FT CBL XLPE 1/0 AL 600V SERVIC	80,789
211	/FT CBL XLPE 2 AL 600V	3,496
211	/FT CBL XLPE 350 AL 600V	2,767
211	/FT CBL XLPE 4/0 AL 600V	2,514
211	/FT CBL XLPE 700 AL 600V	1,376
211	EA. CBL 3/C- 1/0 AL XLP 600V SVC /100'	304
211	EA. CBL 3/C- 2 AL XLP 600V SVC /100'	2
211	EA. U.G. SVC (211)	32
211	EA.CBL 2/C-350+1/0 AL XLP 600V SVC /100'	171
211	EA.CBL 2/C-4/0+1/0 AL XLP 600V SVC /100'	176
212	EA. ELECTRIC METERS	5,279
215	EA. INSULATOR SPOOL & CLEVIS PART 4	1
215	EA. SERVICE ST. LT. OVERHEAD DROP 100'	83
215	EA. VERTICAL RUN 3'	266
216	EA. RISER MOULDING U-SHAPE 2"/30' PVC	10
216	EA. SVC SL #6 AL 600V UG +Trench - 40'	102
216	EA. SVC SL #6 AL. 600V UG + Trench - 80'	1
217	EA. LUMINAIRE HPSV 100W+ PC	329
217	EA. LUMINAIRE HPSV 150W+PC	47
217	EA. LUMINAIRE HPSV 200W+PC	95
217	EA. LUMINAIRE HPSV 250W+PC	2
217	EA. LUMINAIRE HPSV 400W+PC	1
217	EA. LUMINAIRE HPSV 70W +PC	15
217	EA. LUMINAIRE MV 175W+PC	1
217	EA. SUSPENSION 12'	46
217	EA. SUSPENSION 16'	21
217	EA. SUSPENSION 30"	314
217	EA. SUSPENSION 4'	23
217	EA. SUSPENSION 6'	36

217	EA. SUSPENSION 8'	4
218	EA. POLE STREETLIGHT WD 25 FT	1
218	EA. POLE STREETLIGHT WD 30 FT	1
218	EA. POLE STREETLIGHT WD 35 FT	48
218	EA. POLE STREETLIGHT WD 40 FT	3
218	EA. POLE STREETLIGHT WD 45 FT	3
218	EA. POLE CENTER BORED WOOD 35' /TW	6
218	EA. POLE CENTER BORED WOOD 40' /TW	3
218	EA. POLE+FND+IW /O MAST ARM STEEL 28'	8
218	EA. POLE+FND+IW /O MAST ARM STEEL 32'	2
218	EA. POLE+FND+IW /O MAST ARM STEEL 35'	35
220	EA. XFMR 1PH 12KV-120/240V 3KVA	3
220	EA. XFMR 3PH PB12KV-480Y/277 112.5KVA	7
220	EA. XFMR 1PH 12KV-120/240V 10KVA	308
220	EA. XFMR 1PH 12KV-120/240V 15KVA	334
220	EA. XFMR 1PH 12KV-120/240V 25KVA	175
220	EA. XFMR 1PH 12KV-120/240V 50KVA	51
220	EA. XFMR 1PH 12KV-120/240V 5KVA	36
220	EA. XFMR 1PH 12KV-120/240V 75KVA	15
220	EA. XFMR 1PH 12KV-120/240V 100KVA	2
220	EA. XFMR 1PH 12KV-120/240V 167KVA	1
220	EA. XFMR 1PH 12KV-120/240V 37.5KVA	36
220	EA. XFMR 1PH 12KV-240/480V 25KVA	12
220	EA. XFMR 1PH 12KV-240/480V 75KVA	1
220	EA. XFMR 1PH 12KV-240/480V 15KVA	9
220	EA. XFMR 1PH 12KV-240/480V 100KVA	3
220	EA. XFMR 1PH 12KV-240/480V 37.5KVA	3
220	EA. XFMR 3PH 12KV-480/277V 45KVA	98
220	EA. XFMR SP 12KV-120/240V 5KVA	29
220	EA. XFMR SP 12KV-120/240V 10KVA	250
220	EA. XFMR SP 12KV-120/240V 15KVA	214
220	EA. XFMR SP 12KV-120/240V 25KVA	149
220	EA. XFMR SP 12KV-120/240V 50KVA	11
220	EA. XFMR SP 12KV-120/240V 75KVA	5
220	EA. XFMR SP 12KV-120/240V 37.5KVA	64
220	EA. XFMR 1PH PM 12KV-120/240 25KVA	4
220	EA. XFMR 1PH PM 12KV-120/240 50KVA	30
220	EA. XFMR 1PH PM 12KV-120/240 75KVA	1
220	EA. XFMR 1PH PM 12KV-120/240 100KVA	19
220	EA. XFMR 3PH SP 12KV-480Y/277 75KVA	6
220	EA. XFMR 3PH SP12KV-208Y/120 112.5KVA	7

220	EA. XFMR 3PH12KV-480/277V 150KVA	28
220	EA. XFMR 3PH12KV-480/277V 300KVA	7
220	EA. XFMR 3PH12KV-480/277V 500KVA	4
220	EA. XFMR 3PH12KV-480/277V 1000KVA	2
220	EA. XFMR 3PH12KV-480/277V 2000KVA	3
220	EA. XFMR 3PH12KV-480/277V 112.5KVA	3
220	EA. XFMR 3PHPM-CV12KV-480Y/277 225KVA	7
220	EA. XFMR 3PHPM-SP12KV-208Y/120 75KVA	12
220	EA. XFMR 3PHPM-SP12KV-208Y/120 150KVA	7
220	EA. XFMR 3PHPMSP12KV-208Y/120 112.5KVA	3
220	EA. XFMR 3PHPMSP12KV-480Y/277 112.5KVA	3
221	EA. AUTO BOOSTER 1 PH 12KV 1200KVA	1
221	EA. AUTO XFMR 12KV. 400KVA	2
221	EA. AUTO XFMR 12KV. 1500KVA	1
221	EA. CAPACITOR FIXED 12KV. 900KVAR	6
	EA CAPACITOR CONTROLS	
221	TIME/TEMPURE	10
	EA CAPACITOR VOLT CONT 12KV	
221	12000KVAR	10
	EA. CAPACITOR VOLT CONT 12KV.	
221	600KVAR	3
	EA. CUTOUT BUSHING MT 15KV 50A PT	
221	23B	751
	EA. CUTOUT BUSHING MT 7.5KV 20A PT	
221	73B	44
221	EA. CUTOUT EQUIPMENT 15KV 50A PT 22	256
221	EA. FUSE LIQUID FILLED PT 10A	19
221	EA. LIGHTNING ARRESTOR EQUIP 10KV	106
221	EA. REGULATOR FEEDER 1PH 12KV 138KVA	6
222	EA. XFMR SP 12KV-120/240V 25KVA	16
222	EA. XFMR SP 12KV-120/240V 37KVA	2
222	EA. XFMR SP 12KV-120/240V 50KVA	41
222	EA. XFMR SP 12KV-120/240V 75KVA	52
222	EA. XFMR SP 12KV-120/240V 100KVA	33

**SCHEDULE 2.1 (a)(iii)**

**PARTIAL ASSIGNMENTS OF TRANSMISSION EASEMENTS**

Portions of the following documents, insofar as the rights contained therein pertain to the operation, maintenance and replacement of electric distribution facilities and ingress and egress related thereto, will be assigned.

All of the following documents are in Stanislaus County.

<b>Grantor</b>	<b>Document Date</b>	<b>Recording Information</b>	<b>PG&amp;E Number</b>
<b>Township 5 South, Range 7 East, MDB&amp;M</b>			
Covell, Grace A.	12/4/52	B1125 or, P390	2205-07-0110
<b>Township 5 South, Range 8 East, MDB&amp;M</b>			
Dearing, Harry F., Dearing, Josie	4/27/53	B1153 or, P405	2205-08-0077
Woodbury, Charles L., Woodbury, Ruby	4/24/53	B1153 or, P408	2205-08-0078
Burch, Emil, Burch, Rosalie	4/27/53	B1153 or, P410	2205-08-0079
Silva, Manuel A.	4/23/53	B1153 or, P412	2205-08-0080
Covello, Carl, Covello, Flora	4/25/53	B1153 or, P414	2205-08-0081
Fipping, Chester, Fipping, Mildred R.	4/24/53	B1153 or, P416	2205-08-0082
Phillips, Richard E., Phillips, Florence	4/24/53	B1153 or, P418	2205-08-0083
Stonecipher, Emma	4/25/53	B1153 or, P420	2205-08-0084
Agadoni, Hilma, Gustafson, Alice	4/25/53	B1153 or, P393	2205-08-0085
Gustafson, Alice	4/24/53	B1153 or, P395	2205-08-0086
Borba, Antone, Borba, Rita	4/23/53	B1153 or, P397	2205-08-0087
Costa, John B.	6/10/53	B1163 or, P274	2205-08-0088
Patterson Water Company	6/29/53	B1166 or, P184	2205-08-0089
Patterson Ranch Company	12/13/09	V120 Deeds P451	2205-08-0035
Patterson Water District	5/3/60	B1618 or, P202	2205-08-0099
Patterson Water District	7/29/60	B1653 or, P343	2205-08-0100
Patterson Ranch Company	12/13/09	V120 Deeds P454	2205-08-0119
Henley, E. B., Henley, Pauline M.	4/11/22	V361 Deeds P23	2205-08-0139

<b>Township 6 South, Range 7 East, MDB&amp;M</b>			
Goncalves, Ernest, Goncalves, Delphina, Menzes, Joe, Menzes, Mamie	2/13/53	B1136 or, P381	2206-07-0068
Shoemake, A. C., Vogel, Jill, Vogel, Fred	10/19/87	87-131670	2206-07-0094
<b>Township 6 South, Range 8 East, MDB&amp;M</b>			
County of Stanislaus	9/29/87	87-131669	2206-08-0321

60KV-12KV.doc (12-11-01)

## **SCHEDULE 2.1 (b)**

### **SALADO ASSETS**

The following major substation equipment related to the 115kv to 12kv distribution portion of the Salado Substation is to be included in the sale:

1. Transformer, Power Three Phase 115kv-12kv, 12/16 MVA OA/FA 65 degree rise. High voltage 115,000 Grdy/66,400 volts with Taps, Low Voltage 12, 470Y/7200 volts with plus-minus 10 % LTC, Tertiary winding 7200 volts Delta 35% MVA Qty=1
2. Switch, disconnecting 115kv, 550 KV BIL, 1200 Amps, 61,000 amps momentary rating, 3 PST center side break with insulators. Qty=1
3. Fuse mounting 115 KV Type SMD-2B upright style, 250 Amps maximum, single phase Qty=3
4. Item 3 spare 1 set.
5. Structure support for 115kv air switch, 14'-6" column spacing 4'-9" wide, 9' phase spacing Qty=1
6. Structure 115 kv Bus support Qty=1
7. Structure support for 115kv fuse Qty=1
8. Platform switch operating Steel grating Qty=1
9. Insulators- station Post type 115kv rating Qty=3
10. Connector, cables miscellaneous
11. Scada Control cabinets for Feeder Breakers 1101 and 1102 Qty=2
12. Rotary switches Qty=3
13. Vacuum Circuit Breaker, Outdoor type 15.5kv, 600 Amps, 12,000 Amps interrupting capacity with three 1200/5 Amp multi-ratio CT's CB 1101/2 and CB 1102/2. Qty=2
14. Structure 12kv switch and double bus, Transformer Bay Type 1 Steel Galv. complete with Foundation Anchor Bolts Qty=1



15. Structure 12kv switch and double bus, Feeder Bay Extension, Steel Galv. complete with Foundation Anchor Bolts Qty=2
16. Structure, 12kv Dead End Pull-Off Pole, 18'-9" High, Line tension 750 Lbs, Steel Galv. Complete with Foundations Anchor Bolts. Qty=2.
17. Fuse mounting 23 KV Type SMD-20 Qty=4
18. Fuse unit fast sppe Type SMU-20 Qty=10
19. Switch, Disconnect 21 KV, 800 Amps SPST Hookstick Operated Qty=6
20. Switch Assembly Tandem for Feeder 21kv 800 Amps SPST Hookstick Operated Qty=6
21. Transformer Potential outdoor Type JVW-5 Qty=3
22. Station Service transformer 15 KVA High side 7200/12470Y Qty=1
23. AC Panelboard #2 Qty=1

## **SCHEDULE 2.1 (c)**

### **PATTERSON SUBSTATION ASSETS**

The following major substation equipment related to the Patterson Substation is to be included in the Sale:

1. Voltage Regulator- One Three Phase-12KV, 1000/1250 KVA 482 Amps with +or-10 % raise and lower in 32 steps.
2. Circuit Breakers, Vacuum type 15.5 KV, 600 Amps, 250 MVA interrupting rating 48v volts. QTY=2
3. Fuse disconnecting switch, outdoor S &C type SMD-20, 14.4 kv, 200 E Amps. Qty=4
4. Switch, interrupter outdoor type, SPST hookstick operated 15kv, 1200 Amps continuous and interrupting rating Qty=3
5. Station service transformer 15 kVA HV 7200/12460Y, LV 120/240. Qty=1
6. Potential Transformers outdoor 15kv, 7200 volts primary, 120 volt secondary. Qty=3
7. Current transformers 1200/5 Type JCW-5, 15kv Qty=3
8. Switch, 15 kv disconnect tandem transfer 600 Amps mQty=6
9. Fuses Type SMD-20 1 Amp. 14.4kv (for PT's) Qty=7
10. Fuses Type SMD-20- 6 Amps 14.4 kv (for station service transformer) Qty=3
11. Insulators Qty=24
12. Conductor, Bus Tabular 2"-100'
13. Switchboard 7'-6" high and 1'-10" long Qty=2
14. Ammeters, voltmeters, Recording KW demand meter, Recording KV demand meter, watt-hour demand meter etc.
15. Relay overcurrent Type IAC single phase 4-16 Amps time overcurrent unit and 10-40 amp instantaneous unit. Qty=3

16. Instantaneous/Energy/Demand multifunction recording meter Qty=1
17. Grounding grid conductor, ground rods.
18. Control Building 8' X 16' X 8' complete with louvers and lock Qty=1
19. Battery storage Type DMP-7-24 cells, 60 AH. Qty=1
20. Battery Rack, 2 step Qty=1
21. Panelboard, distribution 48 VDC, 8-2 pole E frame breakers. Qty-1
22. Panelboard, distribution 120/240 V.AC solid neutral with 10-1 pole 20 and 30 Amp breakers and 3-30 Amp. 2 pole breakers.
23. Battery Charger 3 Amps DC output Qty=1
24. Grounding tools per PGE Des.Std.
25. Lighting Fixture 100 watts and 150 watts. Qty=4
26. Multiple Conduits and wire
27. Switch, disconnecting 69 KV, 600 Amps PEM Corp Type YSW- 6 pole group operated.Qty=1
28. Switch, disconnecting 69 KV, 600 Amps PEM Corp Type YSW- 3 pole group operated.Qty=1
29. Structure, latticed steel galv. 33' high for 60 kv OCB Qty-1
30. Lighting fixture assembly with mounting hardware Qty=3
31. High voltage Circuit Breaker SF6, 72.5 KV, 1200 Amps Qty=1
32. Lattice Steel pole structure 24'-6" high for 60KV Air switch with 17'-8" pole spacing Qty=1
33. Air Switch 60 KV 3 pole Qty=2
34. Motor Operators Type MO-93AR used with item 33. Qty=2
35. Automatic control transfer Panel (for Automatics) Qty=1
36. Transformer 60/12 kv, 3.33/4.44 MVA Single Phase with Tertiary winding Qty=4

37. Dead end structures for jack bus Qty=2

38. 60 KV Potential transformers at the Line sides of switches (for bus potentials) Qty=2

39. Lightning Arresters 60 KV for Transformers Qty=4

**SCHEDULE 2.1(d)**

**JOINTLY-OWNED TRANSMISSION POLES**

<b>PLAT</b>	<b>LINE NUMBER</b>	<b>POLE NUMBERS</b>	<b>NUMBER OF POLES</b>
<b>FF-15</b>	205	29/6 TO 29/19	14
		30/0 TO 30/17	18
		0/1 TO 0/13	13
		1/0 TO 1/18	19
	257	30/18 TO 30/20	3
		31/0 TO 31/3	4
		5/6 TO 5/17	12
<b>GG-16</b>	205	2/8 TO 2/19	12
		3/0 TO 3/19	20
		4/0 TO 4/18	19
		5/1 TO 5/5	5
		0/1 TO 0/16	16
		1/1 TO 1/19	19
<b>EE-15</b>	267	28/1 TO 28/21	21
		29/0 TO 29/5	6
<b>HH-16</b>	205	2/1 TO 2/23	23
<b>HH-13</b>	TAP # 1	30/0 TO 30/3	4
<b>GG-14</b>	173	SALADO SUB TO 3/18	67
<b>FF-16</b>	205	2/0 TO 2/7	8
<b>H-16-12</b>	205	3/6 TO 3/11	6
<b>HH-15</b>	205	4/1 TO 4/6	6
<b>HH-16-11</b>	205	3/12 TO 3/30	18

<b>GG-17</b>	205	5/6 TO 5/18	13
		6/1 TO 6/19	19
		7/1 TO 7/5	5
<b>HH-17</b>	205	7/6 TO 7/16	11
		8/1 TO 8/2	2
<b>EE-14</b>	267	26/0 TO 26/19	3
		27/0 TO 27/22	22
<b>HH-14</b>		1/0 to 2/10	25

**SCHEDULE 2.1(e)**

**ASSIGNED PRIVATE LINE AGREEMENTS**

1. A portion of the Del Puerto Road Private Line: That certain letter agreement dated August 25, 1971, between PG&E and several landowners, as amended by letter dated October 12, 1972, as applied to that portion of the private electrical line within the Westside Zone. The severance point of this private line is set forth in that certain Electrical Line Severance Agreement incorporated in the Closing Agreement.
2. The Crows Landing Private Line: That certain Settlement Agreement and Mutual Release dated June 3, 1993, among PG&E, John Weaver, Robert Weaver, Everett Souza, Ida Souza, and the E & I Souza Family Trust.
3. Adobe Creek Road Private Line: That certain letter agreement date October 12, 1970, between PG&E and Mr. and Mrs. Frank Draghi.

## **SCHEDULE 2.2**

### **EXCLUDED ASSETS**

#### **ASSETS TO BE RETAINED BY PG&E WITHIN THE WESTSIDE ZONE (EXCLUDED ASSETS)**

##### **TRANSMISSION LINE FACILITIES**

All of PG&E's transmission level voltage facilities within the Westside Zone, except the 60kv transmission line west of the Patterson Irrigation District Canal between the Patterson Substation and Elm Avenue, included in Schedule 2.1 (a)(ii), Schedule of Facilities:

##### **500KV LINES**

- 1) Tracy – Los Banos  
(was Line #553: Tracy - Los Banos #2)
- 2) Line #561 – Tesla - Los Banos #1

##### **230KV LINES**

- 1) Los Banos - Westley  
(was Line #353: Walnut – Los Banos)

##### **115KV LINES**

- 1) Line # 60 – Tesla – Salado #1
- 2) Tesla – Salado – Manteca  
(was Line #230/60: Tesla – Salado #2)
- 3) Two Taps serving the Salado Substation. (Tesla – Salado – Manteca and Tesla – Salado #1)
- 4) Line #354: Miller Tap #2
- 5) Line #355: Miller Tap #1

##### **60KV LINES**

- 1) Salado – Newman #2  
( was Line #173 – Salado - Patterson and Line #205: Patterson – Newman)
- 2) Stanislaus Waste Energy Tap3) Manteca #1  
(was Line #267: Manteca – Patterson)



- 4) Salado – Newman #1  
(was Line #174: Salado – Newman)
- 5) Line #205: Crows Landing Tap
- 6) Patterson Frozen Foods Tap

#### **SUBSTATION FACILITIES**

- 1) Salado and Patterson Substation Land and perimeter security fences and all existing concrete structures and underground conduits at Patterson Substation.
- 2) All Transmission related substation equipment located at the Salado Substation.
- 3) All underground substructures, cable, conduits and ground grids at the Salado Substation.
- 4) All transmission and distribution related controls, wire, cable, communication equipment, and relay equipment located in control building at the Salado Substation.

#### **NATURAL GAS FACILITIES**

All natural gas facilities of any kind, including transmission and distribution natural gas related equipment, facilities and valving stations.

#### **SUPERVISORY, CONTROL AND DATA ACQUISITION EQUIPMENT (S.C.A.D.A.)**

All S.C.A.D.A. radio and operating equipment, including but not limited to: pole mounted 900mhz radios housed in weatherproof enclosures, antennas, cables, relays, wiring, switches, radio frequencies and devices required for the transmission and reception of radio signals necessary to remotely operate equipment and facilities.

#### **LAND RIGHTS FOR ELECTRIC TRANSMISSION LINE FACILITIES**

All Land Rights pertaining to electric transmission facilities [other than the partial assignments for distribution assets listed in Schedule 2.1(a)(iii)].

#### **LAND RIGHTS FOR NATURAL GAS FACILITIES**

All Land Rights pertaining to the natural gas facilities. The following land documents contain rights for both natural gas and electric distribution facilities within the Purchase Zone. PG&E will retain all of the rights relating to natural gas facilities or operations, but will be assigning those rights regarding electric distribution facilities:

Grantor	Document Date	Recording Information	PG&E Number
<b>Township 5 South, Range 8 East, MDB&amp;M</b>			
Camino, Clara T, Cimino, Thomas J, Filice, Alvert L, Filice, Arthur H, Filice, Bernice C, Filice, Frances E	7/29/74	B2645 or, P37X	2205-08-0164  UG, Gas & Elect.
Cimino, Clara T, Cimino, Thomas J, Filice Arh, Filice, Albert N, Filice, Bernice C, Filice, Frances E	11/19/73	V2595 or, P857	2205-08-0159  UG, Gas & Elect.

**LAND RIGHTS FOR ELECTRIC DISTRIBUTION FACILITIES OUTSIDE THE PURCHASE ZONE**

All Land Rights pertaining to electric transmission and distribution facilities outside of the Westside Zone.

**DON PEDRO SOUTH SHORE ZONE**

All electric transmission and distribution facilities located within the Don Pedro South Shore Zone.

**SCHEDULE 5.2(b)(3)**

**NON-TRANSFERABLE RIGHTS-OF-WAY AND EASEMENTS**

The following Documents, insofar as the rights contained therein pertain to the operation, maintenance and replacement of electric distribution facilities and ingress and egress related thereto, will not be assigned.

**I. Department of Transportation / CalTrans:**

<b>Grantor</b>	<b>Document Date</b>	<b>Recording Information</b>	<b>PG&amp;E Number</b>
<b><i>Township 5 South, Range 7 East, MDB&amp;M</i></b>			
Dept Transportation, State California	8/22/91	Un-Recorded	2205-07-0196
Dept Transportation, State California		"	2205-07-0219
<b><i>Township 5 South, Range 8 East, MDB&amp;M</i></b>			
Dept Transportation, State California	4/23/91	Un-Recorded	2205-08-0186
Dept Transportation, State California	6/4/97	"	2205-08-0203
Dept Transportation, State California	2/8/91	"	2205-08-0185
Dept Transportation, State California	1/20/93	"	2205-08-0187
<b><i>Township 6 South, Range 7 East, MDB&amp;M</i></b>			
Dept Transportation, State of California	7/21/95	"	2206-07-0111
<b><i>Township 6 South, Range 8 East, MDB&amp;M</i></b>			
Dept Transportation, State of California	4/13/50	Un-Recorded	2206-08-0127
Dept Transportation, State of California	11/30/53	"	2206-08-0165

Dept Transportation, State of California	11/9/53	“	2206-08-0166
Dept Transportation, State of California	6/4/59	“	2206-08-0182
Dept Transportation, State of California	2/25/65	“	2206-08-0185
Dept Transportation, State of California	2/25/65	“	2206-08-0186
Dept Transportation, State of California	2/25/65	“	2206-08-0187
Dept Transportation, State of California	11/30/77	“	2206-08-0298
Dept Transportation, State of California	8/27/87	“	2206-08-0316
Dept Transportation, State of California	12/7/90	“	2206-08-0318
Dept Transportation, State of California	11/29/90	“	2206-08-0327
Dept Transportation, State of California	12/29/90	“	2206-08-0328
Dept Transportation, State of California	2/13/92	“	2206-08-0330
<b><i>Township 5 South, Range 8 East, MDB&amp;M</i></b>			
Dept Transportation, State California	6/4/97	Un-Recorded	2205-08-0203
<b><i>Township 6 South, Range 8 East, MDB&amp;M</i></b>			
Twelfth Navel District, United States	4/22/57	Un-Recorded	2206-08-0243

**II. Department of Water Resources:**

<b><i>Township 6 South, Range 7 East, MDB&amp;M</i></b>			
Dept Water Resources, State California	6/18/70	B2334 or, P381	2206-07-0088
Dept Water Resources, State California	5/26/70	B2354 or, P218	2206-07-0089
<b><i>Township 6 South, Range 8 East, MDB&amp;M</i></b>			
Dept Water Resources, State	2/5/70	B2322 or, P278	2206-08-0306

California			
Dept Water Resources, State California	5/26/70	B2238 or, P803	2206-08-0307

**III. Department of Interior:**

<b>Township 5 South, Range 7 East, MDB&amp;M</b>			
Bur Reclamation, Dept. Interior, United States	3/10/69	B2275 or, P466	2205-07-0137
<b>Township 5 South, Range 7 East, MDB&amp;M</b>			
Bur Reclamation, Dept. Interior, United States	6/22/65	Un-Recorded	2205-07-0001
Bur Reclamation, Dept. Interior, United States	5/26/81	"	2205-07-0012
Bur Reclamation, Dept. Interior, United States	8/30/62	"	2205-07-0079
Bur Reclamation, Dept. Interior, United States	8/30/62	"	2205-07-0081
Bur Reclamation, Dept. Interior, United States	8/30/62	"	2205-07-0083
Bur Reclamation, Dept. Interior, United States	12/17/63	"	2205-07-0088
Bur Reclamation, Dept. Interior, United States	5/7/52	"	2205-07-0108
Bur Reclamation, Dept. Interior, United States	7/29/68	"	2205-07-0122
Bur Reclamation, Dept. Interior, United States	5/5/67	"	2205-07-0126
Bur Reclamation, Dept. Interior, United States	3/20/69	"	2205-07-0135
Bur Reclamation, Dept. Interior, United States	3/20/68	"	2205-07-0136
Bur Reclamation, Dept. Interior, United States	3/7/86	"	2205-07-0192
<b>Township 5 South, Range 8 East, MDB&amp;M</b>			
Bur Reclamation, Dept. Interior, United States	81065	Un-Recorded	2205-08-0001
Bur Reclamation, Dept. Interior, United States	5/9/80	"	2205-08-0012
Bur Reclamation, Dept. Interior, United States	2/4/72	"	2205-08-0154

States			
<b>Township 6 South, Range 7 East, MDB&amp;M</b>			
Bur Reclamation, Dept. Interior, United States	5/19/53	Un-Recorded	2206-07-0059
Bur Reclamation, Dept. Interior, United States	8/30/62	"	2206-07-0063
Bur Reclamation, Dept. Interior, United States	8/30/62	"	2206-07-0064
Bur Reclamation, Dept. Interior, United States	3/24/67	"	2206-07-0071
<b>Township 6 South, Range 8 East, MDB&amp;M</b>			
Bur Reclamation, Dept. Interior, United States	7/3/78	Un-Recorded	2206-08-0009
Bur Reclamation, Dept. Interior, United States	4/13/50	"	2206-08-0127
Bur Reclamation, Dept. Interior, United States	3/26/52	"	2206-08-0139
Bur Reclamation, Dept. Interior, United States	5/5/53	"	2206-08-0159
Bur Reclamation, Dept. Interior, United States	8/30/62	"	2206-08-0161
Bur Reclamation, Dept. Interior, United States	11/30/53	"	2206-08-0165
Bur Reclamation, Dept. Interior, United States	11/9/53	"	2206-08-0166
Bur Reclamation, Dept. Interior, United States	8/30/62	"	2206-08-0173
Bur Reclamation, Dept. Interior, United States	8/30/62	"	2206-08-0174
Bur Reclamation, Dept. Interior, United States	11/1/55	"	2206-08-0176
Bur Reclamation, Dept. Interior, United States	10/12/62	"	2206-08-0180
Bur Reclamation, Dept. Interior, United States	6/4/59	"	2206-08-0182
Bur Reclamation, Dept. Interior, United States	2/25/65	Un-Recorded	2206-08-0185
Bur Reclamation, Dept. Interior, United States	2/25/65	"	2206-08-0186
Bur Reclamation, Dept. Interior, United States	2/25/65	"	2206-08-0187

Bur Reclamation, Dept. Interior, United States	12/1/61	"	2206-08-0207
Bur Reclamation, Dept. Interior, United States	5/22/72	"	2206-08-0286
Bur Reclamation, Dept. Interior, United States	4/23/73	"	2206-08-0291
Bur Reclamation, Dept. Interior, United States	11/30/77	"	2206-08-0298

## SCHEDULE 5.8(a)(1)

### ENVIRONMENTAL MATTERS

I. The following two environmental reports were prepared by Secor International on the PG&E Salado and Patterson Substation sites:

**1. "Phase 1 Environmental Site Assessment Report and Soil Sampling Program" for the Salado Substation located on Oak Flat Road, Patterson CA. February 2001. Secor Job No. 09400905.003**

This report was prepared for PG&E by Secor International for the purpose of identifying recognized environmental conditions associated with the site prior to conveyance of interest, or part interest in the property to Turlock Irrigation District. This work was performed as due diligence, and not at the request of governmental or regulatory agency.

The Work Plan was reviewed and agreed upon by TID. The sample collection was performed under observation by TID. The work consisted of the following tasks:

- Review of historical information including aerial photos, and historical maps, site plans and historical work records and available agency files.
- Interviews with PG&E employees and local agencies.
- Site reconnaissance of the Property.
- Collection and chemical analysis for 12 soil samples taken from 6 soil boring locations on the Property.

There were no recognized environmental conditions reported.

Conditions noted: Total Petroleum Hydrocarbons as mineral oil (TPH-min) were identified at three locations ranging from 540 mg/kg to 6.1 mg/Kg.

Additionally arsenic was detected in soil above the PRG ranging from 3.1 mg/Kg to 4.0 mg/Kg. The natural background concentration for arsenic in the Central Valley may range up to 31 mg/Kg.

**2. "Phase 1 Environmental Site Assessment Report and Soil Sampling Program" for the Patterson Substation located at Orange and Elm Avenues, Patterson CA. February 2001. Secor Job No. 094.00904.003**

This report was prepared for PG&E by Secor International for the purpose of identifying recognized environmental conditions associated with the site prior to conveyance of interest, or part interest in the property to Turlock Irrigation District. This work was performed as due diligence and not at the request of governmental or regulatory agency.



The Work Plan was reviewed and agreed upon by TID. The sample collection was performed under observation by TID. The following tasks were performed during the course of work:

- Review of historical information including aerial photos, and historical maps, site plans and historical work records and available agency files.
- Interviews with PG&E employees and local agencies.
- Site reconnaissance of the Property.
- Collection and chemical analysis of 30 soil samples taken from 15 soil boring locations on the Property.

The following conditions were noted in the report:

Low concentrations of TPH-mineral oil and motor oil were detected in eight locations, ranging from 130 mg/Kg to 5.1 mg/Kg.

PCBs were detected below the industrial PRG of 1 mg/Kg in one location at 0.064 mg/Kg.

Arsenic was detected at elevated levels in several different locations, ranging from 3.2 mg/Kg to 210 mg/Kg, all above the PRG for arsenic 0.39 mg/Kg. The natural background concentration for arsenic may range up to 31 mg/Kg according to the regional studies of California soils published in the literature. Additional sampling to better determine the extent of arsenic in the soil was completed in August of 2001. Arsenic was detected in soil ranging from 5.3 to 530 mg/Kg. In general, the highest concentrations of arsenic were found in borings located adjacent to the orchard along the northwest boundary of the site. Additionally, because groundwater was found at a depth of 7.5 to 8 feet below grade, four monitoring wells were installed, and groundwater was sampled. No arsenic was detected in groundwater at the site.

II. A letter titled "Additional Environmental Disclosure for Patterson area Electrical Distribution Facility Sale " from Anne Conner, PG&E, along with copies of spill reports for the electrical distribution facilities (1993 till spring 2001) within the Purchase Zone was sent to Les Barrigar, TID, on July 19, 2001.

**SCHEDULE 5.8(a)(2)**

**PG&E EMPLOYEES**

1. Joseph W. Lafferty, Maintenance Supervisor, Substation, Transmission System.
2. Les M. Nickerson, Electric Construction Supervisor, Construction and Maintenance.
3. Wendy G. Easley, Environmental Specialist, Environmental Services.

B

**SERVICE AREA AGREEMENT**

**BY AND AMONG**

**PACIFIC GAS AND ELECTRIC COMPANY,  
TURLOCK IRRIGATION DISTRICT, WESTSIDE  
POWER AUTHORITY, AND PATTERSON  
IRRIGATION DISTRICT**

**DATED AS OF DECEMBER 18, 2001**

## **SERVICE AREA AGREEMENT**

**DATED DECEMBER 18, 2001**

This Agreement is made and entered into as of December 18, 2001 by and among the Turlock Irrigation District, a California irrigation district ("TID"), the Patterson Irrigation District, a California irrigation district ("PID"), the Westside Power Authority, a joint powers agency comprised of TID and PID ("WPA"), and Pacific Gas and Electric Company, a California corporation ("PG&E"), which are sometimes referred to individually as "Party" or collectively as "Parties", and is made with regard to the following facts and circumstances, among others:

### **RECITALS**

- A. PG&E is a public utility that provides electric and natural gas service in Northern and Central California. Among other things PG&E provides retail electric service to portions of Stanislaus County, including, without limitation, the City of Patterson and the community of Crows Landing, and most of Tuolumne County.**
- B. TID provides retail electric service to certain portions of incorporated and unincorporated areas of Stanislaus, Merced, and Tuolumne Counties.**
- C. PID does not presently provide retail electric service.**
- D. PID and TID, pursuant to a Joint Powers Agreement dated February 22, 2000, formed the WPA to provide retail electric distribution and commodity service within certain portions of Stanislaus County. TID, PID and WPA are collectively referred to as the "ID Group."**

E. PG&E and TID are parties to a Service Area Agreement dated December 28, 1953 ("the 1953 Agreement") and approved by the California Public Utilities Commission ("CPUC") in its Decision No. 49937 (1954).

F. TID and PG&E have agreed to the sale by PG&E to TID, and the purchase by TID from PG&E of the electric distribution facilities, and some of the electric transmission facilities, serving the general approximate geographic area described as south of Del Puerto Creek, north of Fink Road, west of the San Joaquin River and east of Interstate Highway 5, together with certain territory between Interstate Highway 5 and the western Stanislaus County Line, and described with particularity in Exhibit D and generally shown on the map included therein.

G. The provisions of Sections 8101 et seq. of the California Public Utilities Code provide, in pertinent part, "distribution of electric power and energy in the same geographical area both by an electrical utility and by an irrigation district, results in duplication of service, waste of materials, increase in costs, waste of manpower and economic loss, and is detrimental to the efficiency and best interests of such districts. It is the policy of this State to induce such utilities and irrigation districts to prevent or remove such economic waste and to adopt more efficient and economic methods of distribution of electric power and energy, and to that end encourage the definition of service areas to be served or not to be served by each."

H. The sale of the physical distribution assets, as provided in the Asset Sale Agreement, and the definition of areas limiting the construction of duplicate distribution facilities by the ID Group and PG&E, will provide for more efficient and economic methods of distribution of electric power and energy in this area.

I. The Parties desire, consistent with the provisions of Sections 8101 et seq. of the California Public Utilities Code, to define in this Agreement areas within which PG&E and the ID Group will each provide retail electric distribution service, to the exclusion of the other, and to set forth the terms and conditions relating to their agreement with regard to such service areas. As provided in the Closing Agreement executed concurrently herewith (“the Closing Agreement”), the effectiveness of this Agreement is expressly subject to, among other things, CPUC review and approval of this Agreement.

J. This Agreement is intended to eliminate the construction of duplicate distribution systems in or into the Other Party’s Electric Service Area on the terms set forth herein and is intended to be a service area agreement under Section 9608(b) of the Public Utilities Code.

K. PG&E and TID entered into a Memorandum of Understanding (MOU) regarding this Agreement and the other Transaction Agreements on August 31, 2000. Subsequent to PG&E and TID entering into that MOU, TID and Merced Irrigation District (MEID) entered into a certain Power Sales Agreement dated January 1, 2001 (“Power Sale Agreement”). The Parties desire to reconcile TID’s rights with respect to certain provisions under that Power Sale Agreement with the general intent of the MOU and this Service Area Agreement.

Now, therefore, in consideration of the respective representations, covenants and agreements contained in this Agreement, the Parties agree as follows:

1. Effectiveness Conditioned on Closing. Notwithstanding anything to the contrary in this Agreement, no provision of this Agreement shall be effective or binding

on any Party unless and until the Closing (as defined in the Closing Agreement) occurs. This Agreement shall terminate twenty-five (25) years after the Closing Date. If the Closing Agreement is terminated as set forth in Paragraph 4.12 thereof, this Agreement shall be null and void and have no further force and effect.

2. **Defined Terms.** Except for the terms defined below, capitalized terms when used in this Service Area Agreement shall have the meaning specified in the Asset Sale Agreement:

**Affiliate.** “Affiliate” of a Party means any other Person directly or indirectly controlling, controlled by or under common control with that Party. For the purposes of this definition, “control,” when used with respect to any specified Person, means the power to direct the management or policies of the specified Person, directly or indirectly, whether through the ownership of voting securities, partnership or limited liability company interests, joint venture or joint powers agency interests, by contract or otherwise. Members of the ID Group are affiliates of each other for purposes of this Agreement. PG&E Corporation and its unregulated subsidiaries are and shall remain affiliates of PG&E for so long as PG&E is controlled by PG&E Corporation within the meaning of this paragraph.

**Business Planning Services.** “Business Planning Services” means providing, supporting or assisting in the development of a business plan or providing business planning expertise to a Person for the purpose of that Person entering into the retail electric utility business.



**Construction Services.** “Construction Services” means providing or assisting in the installation or construction of electric facilities such as poles, wire, transformers, conductor, underground duct or substructures.

**Controlling.** “Controlling”, as used in Section 5(e) of this Agreement, means directing, or having the power to direct, either directly or indirectly, the policies or overall operational decisions or business decisions of another Person.

**Customer Services.** “Customer Services” means payment collection, bill inquiry and general customer inquiry activities related to electric service provided for retail customers. These services may be provided through a phone center, through the mail (US or other delivery service), electronically or in person.

**Demand Side Management/Energy Efficiency Services.** “Demand Side Management/Energy Efficiency Services” means services provided to a retail customer or group of customers designed to reduce or shift the timing of the customer’s electric demand.

**Don Pedro South Shore Zone.** “Don Pedro South Shore Zone” means the undeveloped geographic area south of Don Pedro Reservoir as described in Exhibit B and generally shown on the map included therein.

**Emergency Response.** “Emergency Response” means providing or supporting electric response personnel, dispatching services, technical guidance, damage assessment, establishment of restoration priorities or equipment for the safe restoration of electric retail transmission or distribution facilities in the case of an unplanned disruption of electric retail transmission or distribution service.

**Engineering Estimating Services.** “**Engineering Estimating Services**” means the preparation of cost estimates or construction plans for a new or revised electric service facility from the point of existing transmission or distribution facilities to a retail customer’s service delivery point.

**Established, Independent Utility.** “**Established, Independent Utility**” means a local, publicly owned electric utility (as currently defined in Section 9604(d) of the Public Utilities Code) which is not an Affiliate of a Party and which has provided retail electric service to not less than twenty-five percent (25%) in number of the electric customers within its utility’s political boundaries for a period of not less than five years.

**Existing TID Electric Service Area.** “**Existing TID Electric Service Area**” means those areas lying within the Counties of Stanislaus, Merced, and Tuolumne as described in Exhibit A and generally shown on the map included therein. The Parties agree to the following two minor Northern boundary adjustments to the TID Electric Service Area under the 1953 Agreement, which adjustment has been included in the Exhibit A description and shown on the map: (1) moving the TID boundary line north from the 1953 Agreement boundary to a line beginning at the intersection of the centerline of the Tuolumne River and the southerly line of Section 26 Township 3 South, Range 13 East, M.D.B.&M., thence westerly along said southerly line to the corner common to Sections 35, 34, 27 and 26 Township 3 South, Range 13 East; and (2) moving the TID boundary line north from the 1953 Agreement boundary, beginning at the intersection of the centerline of the Tuolumne River and the easterly line of the west half of the west half of Section 32 Township 3 South, Range 13 East, M.D.B.&M, thence departing said Tuolumne River centerline, northerly along said easterly line of the west

half of the west half of Section 32 to the northerly line of said Section 32 Township 3 South, Range 13 East, M.D.B.&M., thence departing said easterly line of the west half of the west half of Section 32, northerly along the easterly line of the west half of the west half of Section 29, Township 3 South, Range 13 East, M.D.B.&M., to the intersection of the centerline of California State Route 132, thence departing said easterly line of the west half of the west half of Section 29, northwesterly and westerly along said centerline of State Route 132 through Sections 29 and 30 Township 3 South, Range 13 East, M.D.B.&M., to the westerly line of Section 30, thence departing said centerline of State Route 132, southerly along the westerly line of Section 30 to the 1953 Agreement boundary at the northwest corner of Section 31, Township 3 South, Range 13 East, M.D.B & M.

**Feasibility Study Work.** “Feasibility Study Work” means providing, supporting or assisting in the development of a study, report, resolution, testimony or document of any kind to determine the feasibility (technical, financial or otherwise), of a Person entering into the retail electric utility business.

**Financing.** “Financing” means loaning, investing, guarantying, backing, assisting, or any participation in the obtaining of money, credit, bonds or financial backing for the operation or construction of electric transmission or distribution facilities of a public or private utility other than a Party used to supply electricity to a retail customer, directly or indirectly, in the Other Party’s Electric Service Area.

**Management Services.** “Management Services” means directly or indirectly providing either the day-to-day or overall management for a Person engaged in the retail electric utility business.

**Mapping and Record Keeping Services.** “Mapping and Record Keeping Services” means the manual or electronic creation or updating of constructed utility electric transmission, distribution or substation facility data on maps or drawings indicating the location of poles, transformers, substructures, conductor, equipment and the size, age and equipment identification data and the creation and updating of system load studies, outage and utility plant inventory records.

**Materials Management Services.** “Materials Management Services” means either directly or indirectly providing the purchasing, inventory management, leasing or renting of material or equipment necessary to maintain or construct an electric distribution, substation, or transmission system to serve retail electric customers.

**Mutual Aid.** “Mutual Aid” means emergency repair activities to restore electric service of another retail electric utility during times of a natural disaster or other unanticipated catastrophe under the terms of a reciprocal mutual assistance agreement.

**Non-Residential Customer.** “Non-Residential Customer” means a customer other than a Residential Customer.

**Operation and Maintenance Services.** “Operations and Maintenance Services” means providing or supporting either directly or indirectly the operation of, maintenance on, or Emergency Response for all or a portion of an electrical distribution or substation system. This includes providing the expertise on, or oversight of, the day-to-day operation of the electrical distribution system, maintenance schedules, performing the maintenance, or electrical facility engineering standards. Transmission facilities may be considered as electrical distribution for purposes of this definition but only to the

extent such transmission is used to supply electricity to a retail customer in the Other Party's Electric Service Area.

**Other Party's Electric Service Area.** When used with respect to action by PG&E, "Other Party's Electric Service Area" means the Existing TID Electric Service Area, the Westside Zone, and the Don Pedro South Shore Zone. When used with respect to action by any member of the ID Group, "Other Party's Electric Service Area" means the PG&E Electric Service Area.

**Person:** "Person" means an individual, partnership, joint venture, corporation, limited liability company, trust, association or unincorporated organization, or any public agency or joint powers authority.

**PG&E Electric Service Area.** "PG&E Electric Service Area" means PG&E's electric service area as it existed on January 1, 2001, but excluding the Existing TID Electric Service Area, the Westside Zone and the Don Pedro South Shore Zone. PG&E's Electric Service Area as it existed on January 1, 2001, is described in Exhibit C.

**Planning Engineering Services.** "Planning Engineering Services" means the planning or engineering of electric distribution or transmission line facilities or new system design to serve retail customers, excluding Engineering Estimating.

**Power Control Services.** "Power Control Services" means the monitoring and dispatch of electric generation facilities to meet electric system scheduling or reliability requirements.

**Rate or Tariff Development Services.** "Rate or Tariff Development Services" means providing or supporting the development or revision of retail electric rates or tariffs to a Person.

**Residential Customer.** “Residential Customer” means a customer receiving electric power at a single meter serving a single family dwelling or multifamily dwelling unit where the unit is individually metered or served through a master meter arrangement.

**Revenue Cycle Services.** “Revenue Cycle Services” means retail electric customer energy measurement (both on-site and remote), meter reading, customer billing, credit administration, collections, and payment processing activities.

**Risk Management for Power Supply Purchases.** “Risk Management for Power Supply Purchases” means services that supply the organizational, procedural, analytic, and contractual tools to assist a customer in managing the customer’s financial and reliability risks associated with the customer’s market-based power supply purchases to within levels deemed acceptable.

**Scheduling Coordinator Services.** “Scheduling Coordinator Services” means the services a Scheduling Coordinator provides to deliver electric power or energy and arranging for all services necessary for transactions between energy suppliers and electric load with the California Independent System Operator or its successor as specified in the California Independent System Operator Tariff Sections 2.2.6 and 2.2.7 and as those sections may be changed from time to time.

**Services on the Customer’s Side of the Point of Delivery.** “Services on the Customer’s Side of the Point of Delivery” means services provided after the point of delivery of electric power or energy to a retail customer’s premise to assist the retail customer related to the use of energy at its facilities and its operations, including meter services, load management, energy management, energy risk management, energy

efficiency survey, electric facility and equipment maintenance, rate analysis, energy technology and use assistance, and energy rebate activities.

**Single Substation Work.** “Single Substation Work” means Operation and Maintenance Services performed on a customer-owned substation.

**Supply Aggregation.** “Supply Aggregation” means combining the loads of multiple retail customers for purposes of procuring electricity (i.e., the commodity) for the entire group of retail customers via direct access or other similar commodity delivery program.

**Technical Support Services.** “Technical Support Services” means providing or supporting either directly or indirectly, retail electric utility expertise, guidance, advice, expert testimony or the sharing of any electric utility operational information to a Person for the purpose of expanding or entering into the retail electric utility business.

**Westside Zone.** “Westside Zone” means those areas described in Exhibit D and generally shown on the map included therein.

3. **Limits on PG&E Distributing Electric Power.** Commencing on the Closing Date, and continuing for a period of twenty-five (25) years, PG&E shall not distribute electric power or energy, directly or indirectly, within the Other Party’s Electric Service Area.

4. **Limits on the ID Group Distributing Electric Power.** Commencing on the Closing Date, and continuing for a period of twenty-five (25) years, TID, PID and WPA, and each of them, shall not distribute electric power or energy, directly or indirectly, within the Other Party’s Electric Service Area.

5. Agreement Regarding What Constitutes Indirectly Distributing Electric Energy. For the purposes of Sections 3 and 4, above, the Parties specifically agree that the phrase "distribute electric power or energy, directly or indirectly," means

a. Except as otherwise provided in this Agreement, building, owning, purchasing, leasing, operating, controlling, acquiring, extending or connecting substation, transmission or distribution facilities in or into the Other Party's Electric Service Area to serve retail customers therein, whether the retail service is provided directly or indirectly through an Affiliate or through a joint powers authority, joint power agreement or other arrangement with a third party (referred to herein as a "Related Entity"), if such arrangement with the Related Entity results in or requires the building, owning, purchasing, leasing, operating, controlling, acquiring, extending or connecting of substation, transmission or distribution facilities in or into the Other Party's Electric Service Area in order to serve retail customers therein.

b. Except as otherwise provided in this Agreement, providing any of the following services to a Person serving retail customers in the Other Party's Electric Service Area:

- (1) Business Planning Services;
- (2) Construction Services;
- (3) Engineering Estimating Services;
- (4) Feasibility Study Work;
- (5) Financing;
- (6) Management Services;
- (7) Mapping and Record Keeping Services;



- (8) Materials Management Services;**
- (9) Operation and Maintenance Services;**
- (10) Planning Engineering Services;**
- (11) Rate or Tariff Development Services; or**
- (12) Technical Support Services.**

**c. Encouraging or supporting any Person to enter into the electric distribution business in the Other Party's Electric Service Area.**

**d. Encouraging or supporting the removal or de-annexation of any territory or load from the Other Party's Electric Service Area.**

**e. Controlling another Person with respect to retail electric utility decisions, operations or policies.**

**6. Services PG&E May Provide in the Other Party's Electric Service Area.**

**Nothing in this Agreement shall be deemed to preclude or prohibit PG&E from**

**a. engaging in the sale of electric power or energy to customers in the Existing TID Electric Service Area, the Westside Zone, or the Don Pedro South Shore Zone through direct access transactions, provided that (i) such electric power and energy is delivered to the ultimate consumer of such electric power and energy without any building, owning, purchasing, leasing, operating, controlling, acquiring, extending or connecting substation, transmission or distribution facilities within the Existing TID Electric Service Area, the Westside Zone, or the Don Pedro South Shore Zone, (ii) PG&E pays all applicable tariff charges, including transition charges, (iii) as to the Existing TID Electric Service Area and the Don Pedro South Shore Zone, if TID has authorized direct access within the Existing TID Electric Service Area and the Don Pedro South Shore**

Zone, and as to the Westside Zone, if TID, PID or WPA has authorized direct access within the Westside Zone, and (iv) PG&E and the utility which has authorized direct access have entered into a reciprocity agreement sufficient to satisfy the requirements of Public Utilities Code section 9601(c);

b. subject to siting, regulatory, land use and other administrative and legal requirements, constructing or Financing distribution and/or transmission facilities that enter or are within the Existing TID Electric Service Area, the Westside Zone, or the Don Pedro South Shore Zone, provided such facilities are reasonably required for reliability purposes within PG&E's Electric Service Area and will not be used to serve retail customers, directly or indirectly, in the Existing TID Electric Service Area, the Westside Zone, or the Don Pedro South Shore Zone; or

c. subject to siting, regulatory, land use and other administrative and legal requirements, constructing, Financing, or providing Operations and Maintenance Services for distribution and/or transmission facilities that enter or are within the Existing TID Electric Service Area, the Westside Zone, or the Don Pedro South Shore Zone, provided such facilities are for the sole purpose of interconnecting with, and receiving electricity from, a generating source, and are not and will not be used to serve retail customers, directly or indirectly, in the Existing TID Electric Service Area, the Westside Zone, or the Don Pedro South Shore Zone other than providing standby, station power and start-up power to the generating source; or

d. engaging in Customer Services, Demand Side Management/Energy Efficiency Services, Mutual Aid, Power Control Services, Revenue Cycle Services, Risk Management for Power Supply Purchases, Scheduling Coordinator Services, Services on

the Customer's Side of the Point of Delivery, or Supply Aggregation that do not involve PG&E or an Affiliate, directly or indirectly, building, owning, purchasing, leasing, operating, maintaining, controlling, acquiring, connecting or extending distribution, substation or transmission facilities in or into the Existing TID Electric Service Area, the Westside Zone, or the Don Pedro South Shore Zone; or

e. selling electric power and energy for resale to a wholesale utility (as defined in accordance with applicable law, or as defined or interpreted by the Federal Energy Regulatory Commission ("FERC") or the CPUC); or

f. providing Mapping and Record Keeping Services to an Established, Independent Utility within that utility's political boundaries; or,

g. providing Materials Management Services to an Established, Independent Utility; or,

h. providing no more than two of the following four services to an Established, Independent Utility within that utility's political boundaries during any calendar year: (i) Engineering Estimating Services; (ii) Planning Engineering Services; (iii) Operation and Maintenance Services; and (iv) Construction Services;

i. providing Mapping and Record Keeping Services and no more than two of the four services listed in subsection (h) during any calendar year to an Established, Independent Utility outside that utility's political boundaries provided that the Established, Independent Utility has a defined expansion area within the Other Party's Electric Service Area and has provided retail electric service to twenty-five percent (25%) in number of the electric customers within that defined expansion area for a period of not less than five years;

j. owning, operating or maintaining the electric facilities that are the subject of the Installment Sales Agreement for the Patterson Frozen Foods 60 kV Tap Line between PG&E and TID until such time as title to those facilities is transferred to TID or its assignee;

k. performing Single Substation Work;

l. providing Operation and Maintenance Services for existing distribution and/or transmission facilities that enter or are within the Existing TID Electric Service Area, the Westside Zone, or the Don Pedro South Shore Zone, or for new distribution and/or transmission facilities constructed pursuant to subsection b above, provided such facilities are reasonably required for reliability purposes within PG&E's Electric Service Area and are not used to serve retail customers, directly or indirectly, in the Existing TID Electric Service Area, the Westside Zone, or the Don Pedro South Shore Zone.

7. Services The ID Group May Provide in the Other Party's Electric Service Area. Nothing in this Agreement shall be deemed to preclude or prohibit

a. TID from engaging in the sale of electric power or energy to customers in the PG&E Electric Service Area through direct access transactions, provided that (i) such electric power and energy is delivered to the ultimate consumer of such electric power and energy without any building, owning, purchasing, leasing, operating, controlling, acquiring, extending or connecting substation, transmission or distribution facilities within the PG&E Electric Service Area, (ii) TID pays all applicable tariff charges, including transition charges, (iii) a direct access program comparable to the one offered by PG&E is available to retail electric customers in the Existing TID Electric Service Area and the Don Pedro South Shore Zone (and the Westside Zone if TID and not PID or

WPA is directly providing retail electric service within the Westside Zone), and (iv) PG&E and TID have entered into a reciprocity agreement sufficient to satisfy the requirements of Public Utilities Code section 9601(c);

b. PID from engaging in the sale of electric power or energy to customers in the PG&E Electric Service Area through direct access transactions, provided that (i) such electric power and energy is delivered to the ultimate consumer of such electric power and energy without any building, owning, purchasing, leasing, operating, controlling, acquiring, extending or connecting substation, transmission or distribution facilities within the PG&E Electric Service Area, (ii) PID pays all applicable tariff charges, including transition charges, (iii) a direct access program comparable to the one offered by PG&E is available to retail electric customers in the Westside Zone, and (iv) PG&E and PID have entered into a reciprocity agreement sufficient to satisfy the requirements of Public Utilities Code section 9601(c);

c. WPA from engaging in the sale of electric power or energy to customers in the PG&E Electric Service Area through direct access transactions, provided that (i) such electric power and energy is delivered to the ultimate consumer of such electric power and energy without any building, owning, purchasing, leasing, operating, controlling, acquiring, extending or connecting substation, transmission or distribution facilities within the PG&E Electric Service Area, (ii) WPA pays all applicable tariff charges, including transition charges, (iii) a direct access program comparable to the one offered by PG&E is available to retail electric customers in the Westside Zone, and (iv) PG&E and WPA have entered into a reciprocity agreement sufficient to satisfy the requirements of Public Utilities Code section 9601(c);

d. subject to siting, regulatory, land use and other administrative and legal requirements, TID, PID or WPA from constructing or Financing distribution and/or transmission facilities that enter or are within the PG&E Electric Service Area, provided such facilities are reasonably required for reliability purposes within Existing TID Electric Service Area, the Westside Zone or the Don Pedro South Shore Zone, and will not be used to serve retail customers, directly or indirectly, in the PG&E Electric Service Area; or,

e. subject to siting, regulatory, land use and other administrative and legal requirements, TID, PID or WPA from constructing, Financing, or providing Operations and Maintenance Services for distribution and/or transmission facilities that enter or are within the PG&E Electric Service Area, provided such facilities are for the sole purpose of interconnecting with, and receiving electricity from, a generating source, and are not and will not be used to serve retail customers, directly or indirectly, in the PG&E Electric Service Area other than providing standby, station power and start-up power to the generating source; or,

f. TID, PID or WPA from engaging in Customer Services, Demand Side Management/Energy Efficiency Services, Mutual Aid, Power Control Services, Revenue Cycle Services, Risk Management for Power Supply Purchases, Scheduling Coordinator Services, Services on the Customer's Side of the Point of Delivery, or Supply Aggregation that do not involve TID, PID or WPA, or an Affiliate of any of them, directly or indirectly, building, owning, purchasing, leasing, operating, maintaining, controlling, acquiring, connecting or extending distribution, substation or transmission facilities in or into the PG&E Electric Service Area; or

- g. TID, PID or WPA from selling electric power and energy for resale to a wholesale utility (as defined in accordance with applicable law, or as defined or interpreted by the FERC or the CPUC); or**
- h. TID, PID or WPA from providing Mapping and Record Keeping Services to an Established, Independent Utility within that utility's political boundaries or TID from providing Mapping and Record Keeping Services to MEID pursuant to the agreements specified in Section 9; or,**
- i. TID, PID or WPA from providing Materials Management Services to an Established, Independent Utility or TID from providing Materials Management Services to MEID pursuant to the agreements specified in Section 9; or,**
- j. TID, PID or WPA from collectively providing no more than two of the following four services to an Established, Independent Utility within that utility's political boundaries during any calendar year: (i) Engineering Estimating Services; (ii) Planning Engineering Services; (iii) Operation and Maintenance Services; and (iv) Construction Services, except that this restriction shall not apply to any such services provided by TID to MEID until January 1, 2006;**
- k. TID, PID or WPA from providing Mapping and Record Keeping Services and, collectively, no more than two of the four services listed in subsection (j) during any calendar year to an Established, Independent Utility outside that utility's political boundaries provided that the Established, Independent Utility has a defined expansion area within the Other Party's Electric Service Area and has provided retail electric service to twenty-five percent (25%) in number of the electric customers within that defined expansion area for a period of not less than five years;**

- l. TID, PID or WPA from performing Single Substation Work;
- m. TID from providing any services to Modesto Irrigation District for the area described in subsection (b)(1) of Section 9610 of the California Public Utilities Code as of January 1, 2001;
- n. TID, PID or WPA from providing Operation and Maintenance Services for existing distribution and/or transmission facilities that enter or are within the PG&E Electric Service Area, or for new distribution and/or transmission facilities constructed pursuant to subsection d above, provided such facilities are reasonably required for reliability purposes within the Existing TID Electric Service Area, the Westside Zone or the Don Pedro South Shore Zone and are not used to serve retail customers, directly or indirectly, in the PG&E Electric Service Area.

8. Minor Cross-Border Service Exceptions; Retail Service to a Party's Own Facilities.

a. The Parties acknowledge and agree that, in accordance with and pursuant to the provisions of the 1953 Agreement, TID and PG&E previously agreed to certain limited cross-border service arrangements. The Parties agree that those cross-border service arrangements where the customer is electrically connected as of the Effective Date will continue to be exceptions to Sections 3 and 4 above.

b. The Parties agree to cross-border service for the 2-Vel Dairy owned by Ray Velhius, which straddles the PG&E/TID electric boundary near the eastern end of Bradbury Road near the Merced River within Merced County, even though this service may not be electrically connected as of the Effective Date.



c. The Parties recognize that circumstances may arise where it would make sense to have one Party serve a retail customer or group of retail customers near the border of the Other Party's Electric Service Area. If in the future PG&E and the affected member or members of the ID Group agree that creating an exception is appropriate, PG&E shall petition the CPUC for approval of the cross-border service, which service shall be conditioned upon CPUC approval of PG&E's petition.

d. Nothing in this Agreement is intended to prohibit or limit a Party's right to deliver retail electric power to any electric, water, recreation, or administrative facility owned or leased by that Party for its own use even though the facility may be located within the Other Party's Electric Service Area and so long as any such facility is not used to serve retail customers, directly or indirectly, in the Other Party's Electric Service Area.

9. Existing TID/MEID Interconnection Agreement Not Affected. Nothing in this Agreement is intended to limit TID's ability to provide interconnection and related services, wholesale electric power, and operation and maintenance services to the MEID, pursuant to that certain Interconnection Agreement between TID and MEID dated as of January 23, 1996, or to that certain Electric Utility Support Services Agreement, dated as of February 1, 1999, as amended effective January 1, 2001.

10. TID's Rights Under TID/MEID Power Sales Agreement. Notwithstanding Section 4 above, the Parties agree that TID may exercise its rights and provide services and Financing pursuant to the Power Sales Agreement subject to the following limitations and obligations:

a. Should MEID default under the Power Sales Agreement and should TID exercise its rights under Section 5.7 of that agreement, then TID may only exercise its

right to management and control of the MEID Electric System until MEID remedies its default, until MEID makes all payments due under the Power Sales Agreement, or until December 31, 2005, whichever occurs first.

b. TID may exercise its right of first refusal under Section 5.8 of the Power Sales Agreement to purchase or lease any interest in all or any portion of MEID's Electric System assets.

c. If TID exercises its right of first refusal under Section 5.8 of the Power Sales Agreement to lease any interest in all or any portion of MEID's Electric System assets, PG&E shall have the right to assume that lease. PG&E must give TID notice of PG&E's intent to exercise its right to assume that lease by the later of (1) fifteen (15) years after the Closing or (2) five (5) years after PG&E's receipt of written notice of TID's exercise of its right under Section 5.8 of the Power Sales Agreement.

d. If TID exercises its right of first refusal under Section 5.8 of the Power Sales Agreement to purchase any interest in all or any portion of MEID's Electric System assets, PG&E shall have the right to purchase the interest acquired by TID. PG&E must give TID notice of PG&E's intent to exercise its right to purchase by the later of (1) fifteen (15) years after the Closing or (2) five (5) years after PG&E's receipt of written notice of TID's exercise of its right under Section 5.8 of the Power Sales Agreement.

e. The purchase price to PG&E in connection with the exercise of its right under subsection (d) above shall be

(1) the price paid or to be paid by TID plus one-half of TID's reasonable acquisition costs which shall not exceed one-half of one percent of the price

paid if PG&E exercises its right to purchase within 105 days of receipt of written notice of TID's exercise of its right under Section 5.8 of the Power Sales Agreement, or,

(2) if subsection (1) above does not apply, the price paid by TID plus TID's reasonable acquisition costs which shall not exceed one percent of the price paid, plus the value of any betterments or capital replacements paid for by TID. The price paid by TID and any betterments and capital improvements will all be adjusted for both inflation and depreciation. For purposes of calculating depreciation under this subsection, the Parties agree to use the present worth method of depreciation using a five percent (5%) interest rate.

f. If PG&E does not exercise its right to purchase within 105 days of its receipt of written notice from TID, then (1) within five (5) years after receipt of written notice of TID's exercise of its right under Section 5.8 of the Power Sales Agreement, or (2) within fifteen (15) years after the Closing, whichever is later, PG&E must provide TID with not less than twenty-four (24) months' prior written notice of PG&E's intent to exercise its right to purchase; the proposed closing date of the purchase being the end date of the twenty-four month period ("MEID Asset Transfer Date").

g. If PG&E provides notice of its intent to exercise its right to purchase, the Parties shall cooperate and use commercially reasonable efforts to complete all steps necessary for the purchase by PG&E, including any severance work, in a timely manner.

h. If PG&E is unable to complete all tasks needed for it to acquire the subject facilities by the MEID Asset Transfer Date, PG&E's right to purchase shall not be affected provided PG&E still desires to complete the purchase and is using commercially reasonable efforts to do so. Notwithstanding the above, the MEID Asset Transfer Date

must occur not later than twenty (20) years after the Closing or eight (8) years after PG&E's receipt of written notice from TID, whichever is later.

i. If after giving notice to TID pursuant to subsection c or d above, PG&E abandons its effort to purchase or lease the assets or fails to complete the purchase or lease of the assets in accordance with this Agreement, then, with regard to the assets that were the subject of the notice, PG&E's right to purchase or lease shall terminate and PG&E shall have no further right to purchase or lease such assets.

j. If TID leases, purchases or otherwise acquires an interest in any electric facilities from MEID located within PG&E's Electric Service Area, TID agrees that the provisions of Section 4 and Section 5 apply in full with the following five limited exceptions, which shall be strictly construed:

(1) TID can provide retail electric service to retail load connected to and served by MEID as of the date TID exercises its right of first refusal under Section 5.8 of the Power Sales Agreement;

(2) TID can provide retail electric service to increased load of an existing Residential customer load connected to and served by MEID as of the date TID exercises its right of first refusal under Section 5.8 of the Power Sales Agreement;

(3) TID can provide retail electric service to increased load of an existing individual agricultural pumping load customer connected to and served by MEID as of the date TID exercises its right of first refusal under Section 5.8 of the Power Sales Agreement, provided the increased load is due to an increase in the customer's pump size;

**(4) TID can provide retail electric service to increased load of an individual Non-Residential Customer (not covered by subsection (3) above) connected to and served by MEID as of the date TID exercises its right of first refusal under Section 5.8 of the Power Sales Agreement, provided that the Non-Residential Customer's increased load is within the same building or an extension of the existing building;**

**(5) TID can provide retail electric service to any new retail customer which PG&E is not able to serve in a practical manner. This exception shall be limited to the following five situations:**

**(A) A residential development or subdivision within which MEID has underground backbone distribution facilities with existing capacity to serve the new load and PG&E does not have any distribution facilities within such residential development or subdivision;**

**(B) A residential development or subdivision where PG&E does not have any distribution facilities within such residential development or subdivision, and MEID has underground backbone distribution facilities with existing capacity to serve the new load that are at least three hundred (300) feet closer to the boundary of the development or subdivision than PG&E's closest distribution facilities;**

**(C) A Non-Residential development or subdivision where MEID has underground distribution facilities with existing capacity to serve the new customer within the development or subdivision and PG&E does not have any distribution facilities within the development or subdivision;**

**(D) A Non-residential development or subdivision where PG&E does not have any distribution facilities within such development or subdivision, and MEID has underground backbone distribution facilities with existing capacity to serve the new load that are at least five hundred (500) feet closer to the boundary of the development or subdivision than PG&E's closest distribution facilities and the anticipated demand of the new load is less than or equal to 500 kilowatts;**

**(E) A Non-residential development or subdivision where PG&E does not have any distribution facilities within such development or subdivision, and MEID has underground backbone distribution facilities with existing capacity to serve the new load that are at least one thousand (1000) feet closer to the boundary of the development or subdivision than PG&E's closest distribution facilities and the anticipated demand of the new load is greater than 500 kilowatts;**

**k. If a subdivision or development at issue is being built in phases,**

**(1) For purposes of subsection (j)(5), PG&E shall be deemed to have distribution facilities within the subdivision or development if PG&E has distribution facilities within any phase of the subdivision or development.**

**(2) For purposes of subsections (j)(5)(A) and (j)(5)(C), the MEID underground distribution facilities with existing capacity to serve must be in the particular phase where TID seeks to serve a new customer.**

**(3) For purposes of subsections (j)(5)(B), (j)(5)(D) and (j)(5)(E) above, the distance calculation for the MEID underground facilities shall be measured**

from the boundary of the particular phase of the subdivision or development at issue.

1. Notwithstanding subsection (j)(5), it shall be deemed practical for PG&E to serve any developments, subdivisions or customers with electric loads projected to be greater than one (1) Megawatt. Accordingly, subsections (j)(5)(B), (j)(5)(D) and (j)(5)(E) shall not apply to, and TID cannot provide retail electric service to, developments, subdivisions or customers with electric loads projected to be greater than one (1) Megawatt, except that TID may provide retail electric service to such customers if permitted by subsections (j)(1), (j)(2), (j)(3), (j)(4) and may provide electric retail service to a phase of a subdivision or development if permitted under (j)(5)(A) or (j)(5)(C).

m. The gross amount of new load served by TID in any calendar year pursuant to subsection (j)(5) above shall not exceed one and a half (1.5) Megawatts. TID shall provide PG&E with a summary of the load served by TID under subsection (j)(5) at least once every six months.

n. TID may only join or enter into a Joint Power Agreement or a Joint Power Authority or similar arrangement with MEID if all parties to the Joint Power Agreement, Joint Power Authority or similar arrangement agree in writing, for PG&E's express benefit, that the PG&E's purchase and lease rights set forth in this section 10 and the operating restrictions set forth in subsections 10(j), 10(k), 10(l), and 10(m) apply to the Joint Power Agreement, the Joint Power Authority or similar arrangement.

o. For purposes of this section 10, a Megawatt shall be measured by a customer's anticipated annual peak billing demand.

11. Future Changes in Service Territory.

a. Reduction in PG&E Electric Service Area. If (i) PG&E voluntarily sells all of its electric distribution facilities within a geographic area, (ii) PG&E does not lease back or otherwise retain or obtain an ownership interest of ten percent (10%) or more in, or provide any Management Services for, any of the electric distribution facilities within that geographic area, (iii) the CPUC relieves PG&E of its obligation to serve in that geographic area, and (iv) no member of the ID Group or any Affiliate or Related Entity of the ID Group has provided any of the services listed in subsection 5(b) within the geographic area to the entity acquiring PG&E's electric distribution facilities, then the geographic area shall no longer be considered part of PG&E's Electric Service Area for purposes of this Agreement.

b. Expansion of PG&E Electric Service Area. If, after January 1, 2001, (i) PG&E assumes an obligation to serve in a defined geographic area, including a former military base, (ii) PG&E distributes electric energy to retail customers within that defined geographic area for a continuous period of five years, (iii) no member of the ID Group has a franchise, permission agreement or an obligation to serve covering any portion of that defined geographic area, (iv) no member of the ID Group is providing, or within the five years immediately preceding has provided, electric distribution service within that defined geographic area, and (v) no member of the ID Group owns any electric distribution facilities serving retail load within that defined geographic area as of the date PG&E assumes the obligation to serve in that area or during the five years that PG&E provides electric distribution service, then that defined geographic area shall be considered part of PG&E's Electric Service Area for purposes of this Agreement.



c. Reduction in Existing TID Electric Service Area. If (i) TID voluntarily sells all of its electric distribution facilities within a geographic area, (ii) TID does not lease back or otherwise retain or obtain an ownership interest of ten percent (10%) or more in, or provide any Management Services for, any of the electric distribution facilities within that geographic area, (iii) TID no longer has an obligation to serve in that geographic area, and (iv) neither PG&E nor any Affiliate or Related Entity of PG&E has provided any of the services listed in subsection 5(b) within the geographic area to the entity acquiring TID's electric distribution facilities, then the geographic area shall no longer be considered part of the Existing TID Electric Service Area for purposes of this Agreement.

d. Expansion of Existing TID Electric Service Area. If, after January 1, 2001, (i) TID assumes an obligation to serve in a defined geographic area (other than the Don Pedro South Shore Zone or the Westside Zone), including a former military base, (ii) TID distributes electric energy to retail customers within that defined geographic area for a continuous period of five years, (iii) PG&E does not have either a franchise or an obligation to serve covering any portion of that defined geographic area, (iv) PG&E is not providing, nor within the five years immediately preceding has provided, electric distribution service within that defined geographic area, and (v) PG&E does not own any electric distribution facilities serving retail load within that defined geographic area as of the date TID assumes the obligation to serve in that area or during the five years that TID provides electric distribution service, then that defined geographic area shall be considered part of the Existing TID Electric Service Area for purposes of this Agreement.

12. NCPA. TID is a member of the Northern California Power Association (NCPA). Provided TID abstains from voting on, and does not have any interest or

involvement whatsoever in any NCPA project which results in or requires NCPA, or any of its members, building, owning, purchasing, leasing, operating, controlling, acquiring, extending or connecting substation, transmission or distribution facilities in or into PG&E's Electric Service Area in order to serve retail customers therein, it is agreed that TID shall not be deemed to be in violation of this Agreement or subsection 5(a) above due to the actions of NCPA or its members in which TID has no interest or involvement whatsoever.

13. The 1953 Agreement is hereby terminated.

14. This Agreement shall be binding upon and shall inure to the benefit of, and may be performed by, the successors and assigns of the Parties. No Party may assign this Agreement or its rights hereunder without the prior written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

15. Any activity or service that PG&E is permitted to engage in under this Agreement may be undertaken by an Affiliate of PG&E. With the exception of the activities permitted in Sections 9 and 10, an Affiliate of TID may undertake any activity or service that TID is permitted to engage in under this Agreement.

16. If, at any time during the term of this Agreement, an event occurs that causes a portion of this Agreement to be unlawful, invalid or superseded, including governmental action that restricts the territory in which this Agreement applies, the Parties shall meet and confer for the purposes of renegotiating this Agreement to restore the balance of burdens and benefits conferred by this Agreement at its inception.

17. This Agreement and the Closing Agreement supersede any and all other agreements, either oral or in writing, between or among the Parties with respect to the matters set forth herein, and contain all the covenants and agreements among the Parties with respect thereto. Each Party acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any Party, or anyone acting on behalf of any Party, with respect to the subject matter of this Agreement, which are not embodied herein or in the Closing Agreement, and that no other agreement, statement, or promise not contained in this Agreement or in the Closing Agreement shall be valid or binding on any Party with respect to the subject matter of this Agreement.

18. Any modification of this Agreement will be effective only if it is in writing, signed by the duly authorized representatives of all Parties, and approved by the CPUC.

19. All notices, requests, demands and other communications under this Agreement must be in writing and must be delivered in person or sent by certified mail, postage prepaid, or by overnight delivery, and properly addressed as follows:

If to PG&E:

Pacific Gas and Electric Company  
P. O. Box 770000  
San Francisco, California 94177  
Attention: Sr. Vice President and General Manager, Utility Operations

With a copy to:

Pacific Gas & Electric Company  
Law Department,  
77 Beale Street, P. O. Box 7442  
San Francisco, California 94120-7442  
Attention: Senior Vice President & General Counsel

**If to TID:**

**General Manager  
Turlock Irrigation District  
333 East Canal Drive, P.O. Box 949  
Turlock, California 95381-0949**

**With a copy to:**

**Griffith & Masuda  
A Professional Law Corporation  
517 E. Olive Street  
P.O. Box 510  
Turlock, California 95381**

**If to PID:**

**General Manager  
Patterson Irrigation District  
948 Orange, P. O. Box 685  
Patterson, California 95363**

**If to WPA:**

**Chief Executive Officer, Westside Power Authority  
c/o Turlock Irrigation District  
333 East Canal Drive, P.O. Box 949  
Turlock, California 95381-0949**

**Any Party may from time to time change its address for the purpose of notices to that Party by a similar notice specifying a new address, but no such change is effective until it is actually received by the Party or Parties sought to be charged with its contents.**

**All notices and other communications required or permitted under this Agreement which are addressed as provided in this Section 19 are effective upon delivery, if delivered personally or by overnight mail, and, are effective five (5) days following deposit in the United States mail, postage prepaid if delivered by mail.**

20. The validity, interpretation and effect of this Agreement are governed by and will be construed in accordance with the laws of the State of California applicable to contracts made and performed in such State and without regard to conflicts of law doctrines except to the extent that certain matters are preempted by Federal law.

21. Any waiver at any time by any Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter in connection therewith or otherwise. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

22. Each Party agrees that money damages would not be a sufficient remedy for a breach of this Agreement, and that a Party aggrieved by a breach of this Agreement is entitled to injunctive relief, specific performance and/or any other appropriate equitable remedies with respect to any such breach. These remedies are not the exclusive remedy for breach of this Agreement by the aggrieved Party, but are in addition to all other remedies available at law or in equity.

23. The Parties agree to use their commercially reasonable best efforts to support all provisions of this Agreement, and to support the efforts of each other with respect to implementation of this Agreement before the public and all regulatory, legislative and judicial bodies. Further, the Parties will take no action, whether formal or informal, which impairs the effectiveness of this Agreement or any of its terms or provisions, or the ability of a Party to meet its obligations or enjoy the benefits provided herein.

24. Time is of the essence of each term of this Agreement. Without limiting the generality of the foregoing, all times provided for in this Agreement for the performance of any act will be strictly construed.

25. Except as may be specifically set forth in this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any Persons or parties other than the Parties and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons or parties to any Party, nor give any third persons or parties any right of subrogation or action against any Party.

26. Dispute Resolution

a. The sole remedy available to any Party for any dispute over the interpretation or performance of this Service Area Agreement is the dispute resolution procedure set forth in this Section 26. For purposes of this Section 26, Party shall mean PG&E on the one hand and TID, PID, and WPA, or any of them on the other hand.

b. The Parties will attempt in good faith to resolve any such dispute promptly by negotiations between a director (or an officer) of PG&E or his or her designated representative and executives of similar authority of the ID Group. Any Party may initiate negotiations to resolve a dispute by giving the other Party written notice of any dispute or claim. Within twenty (20) days after delivery of said notice, the executives will meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to exchange information and to attempt to resolve the dispute. If the matter has not been resolved within sixty (60) days of the first meeting, either Party

(by notice to the other Party) may initiate a mediation of the controversy pursuant to Section 26c.

c. If a Party initiates mediation to resolve any dispute as provided in Section 26, the Parties will try in good faith to settle the dispute within sixty (60) days thereafter by mediation in accordance with the then-existing American Arbitration Association (“AAA”) Mediation Rules for Commercial Disputes (the “Mediation Rules”). If the matter has not been resolved within the sixty (60) day period, either Party (by notice to the other Party) may file a complaint at the CPUC or its successor agency, if any, or at any other regulatory agency that the Legislature grants authority over service area agreements between irrigations districts and privately owned electric utilities.

d. Each Party will bear its own fees and expenses, including attorneys’ fees, incurred in connection with any negotiation, mediation, or proceeding pursuant to this Section 26.

27. Ambiguities or uncertainties in the wording of this Agreement will not be construed for or against any Party, but will be construed in the manner that most accurately reflects the Parties’ intent as of the date they executed this Agreement.

28. This Agreement may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.

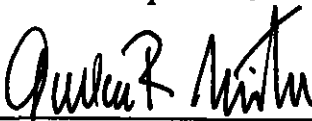
29. a. If, within five years after a Person ceases being an Affiliate of a Party, the Person provides any of the services itemized in subsection 5(b) as constituting “distribut[ing] electric power or energy, directly or indirectly” within the Other Party’s Electric Service Area without the consent or permission of the other Party, then the other Party may, within six months of obtaining actual knowledge of the provision of the

prohibited services by the former Affiliate, elect that the particular service or services itemized in subsection 5(b) provided by the former Affiliate shall no longer be prohibited under this Agreement. The other Party must so specify by providing written notice to all other Parties.

b. If, within five years after a Person ceases being an Affiliate of a Party, the Person directly distributes electric power or energy to a retail customer within the Other Party's Electric Service Area without the consent or permission of the other Party, then the other Party may, within six months of obtaining actual knowledge of the direct distribution of electric power or energy to a retail customer by the former Affiliate, terminate this Agreement by written notice to all other Parties.

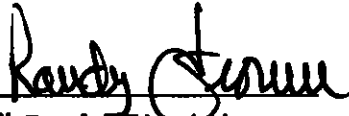
30. Even though Public Utilities Code section 9610(b)(1) provides that PG&E may provide electric transmission and distribution service to retail customers within the area described in that section, PG&E agrees that the electric service areas set forth in this Agreement shall take precedence over that section with respect to whether PG&E can serve within the area described in that section during the term of this Agreement.


PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation

By   
Gordon R. Smith  
President & Chief Executive Officer





**TURLOCK IRRIGATION DISTRICT,**  
a California irrigation district

By   
Name: Randy Fiorini  
Title: President


By   
Name: Barbara A. Hetrick  
Title: Secretary

**PATTERSON IRRIGATION DISTRICT,**  
a California irrigation district

By   
Name: John Barbaste  
Title: President

By   
Name: Joe F. Perry  
Title: Secretary

**WESTSIDE POWER AUTHORITY,**  
a California Joint Powers Agency

By   
Name: Michael Crowell  
Title: President

By   
Name: Barbara A. Hetrick  
Title: Secretary

## **EXHIBIT A**

### **EXISTING TID ELECTIC SERVICE AREA DESCRIPTION WITH MAP**

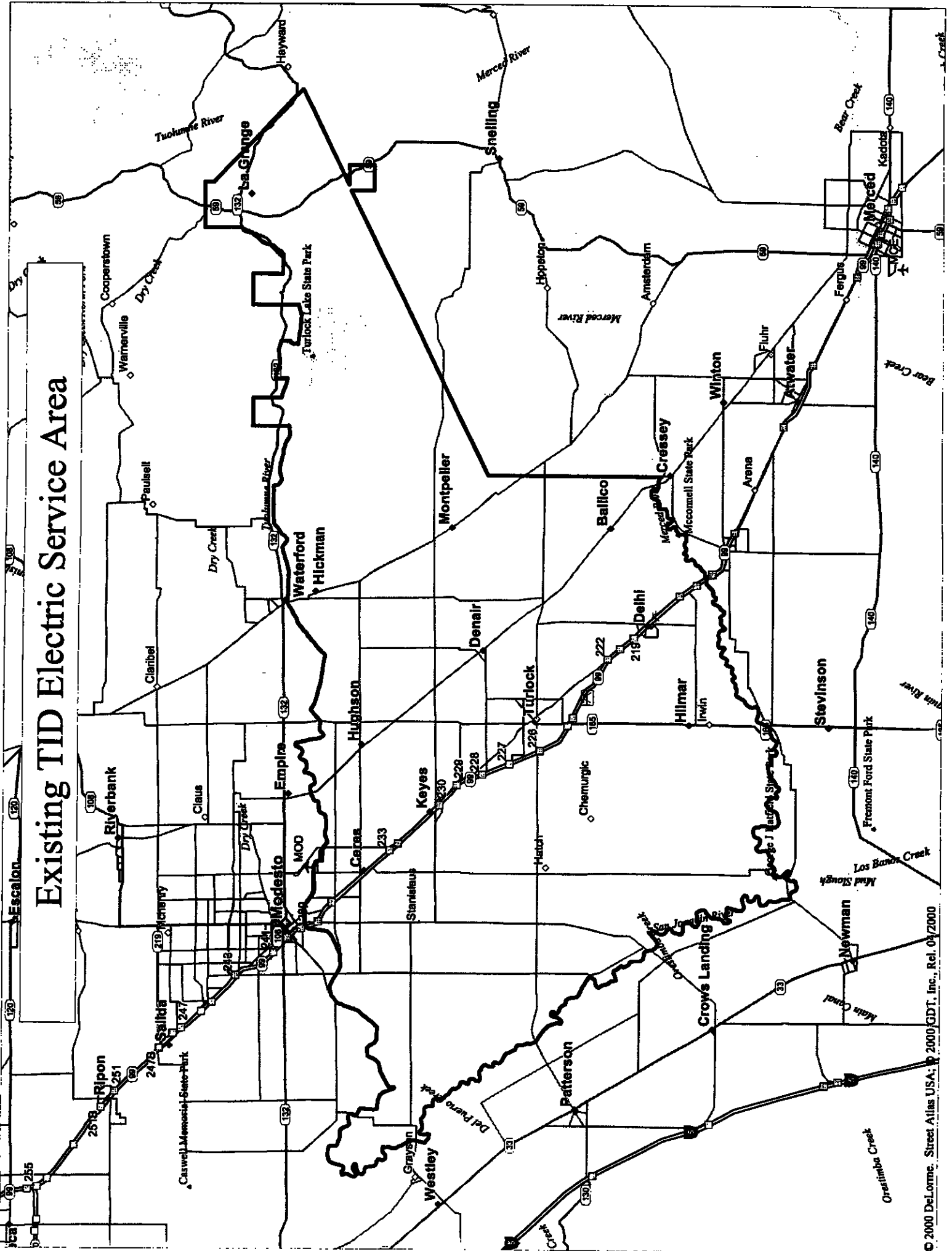
The following described land in Merced and Stanislaus Counties shall comprise the Turlock service area:

- a. That area bounded on the north by the Tuolumne River, on the west by the San Joaquin River, on the south by the Merced River, and on the east by a line beginning at the intersection of the north bank of the Merced River with the easterly boundary line of Section 8 of Township 6 South, Range 12 East, and extending north along the easterly boundary lines of Sections 8 and 5 of said Township 6 South, Range 12 East, and along the easterly boundary lines of Sections 32, 29, 20, 17, 8 and 5 of Township 5 South, Range 12 East, to a point where said last mentioned line intersects the Stanislaus-Merced County line, thence northeasterly along the Stanislaus-Merced County line to a point in Township 3 South, Range 14 East, common to Stanislaus, Merced, Mariposa and Tuolumne Counties, thence northwesterly along the Stanislaus-Tuolumne County line to a point where said line intersects the south bank of the Tuolumne River.
- b. Those several areas lying within the following sections north of the Tuolumne River: Sections 26 and 35, Township 3 South, Range 12 East, Sections 31, 27 and 34, Township 3 South, Range 13 East, and Sections 17, 18, 19 and 20, Township 3 South, Range 14 East.
- c. That certain area lying south of the Stanislaus-Merced County line within Section 8, Township 4 South, Range 14 East.
- d. Plus the following two revisions in Township 3 South, Range 13 East to include the following area located north of the Tuolumne River:
  - (i) Beginning at the corner common to Sections 31 and 30 Township 3 South, Range 13 East, thence north along the west line of said Section 30 to the centerline of State Highway 132; Thence departing said west line of Section 30, easterly and southerly along said centerline of State Highway 132 through Sections 30 and 29 to a point on the easterly line of the west half of the west half of Section 29 Township 3 South, Range 13 East; Thence departing said centerline of State Highway 132, southerly along the easterly line of said west half of the west half of Section 29 to the northerly line of Section 32 Township 3 South, Range 13 East; Thence departing said easterly line of the west half of the west half of Section 29 southerly, along the easterly line of the west half of the west half of

**Section 32 Township 3 South, Range 13 East to the centerline of the Tuolumne River.**

**(ii) That certain area lying north of the Tuolumne River within section 35, Township 3 South, Range 13 East.**

# Existing TID Electric Service Area

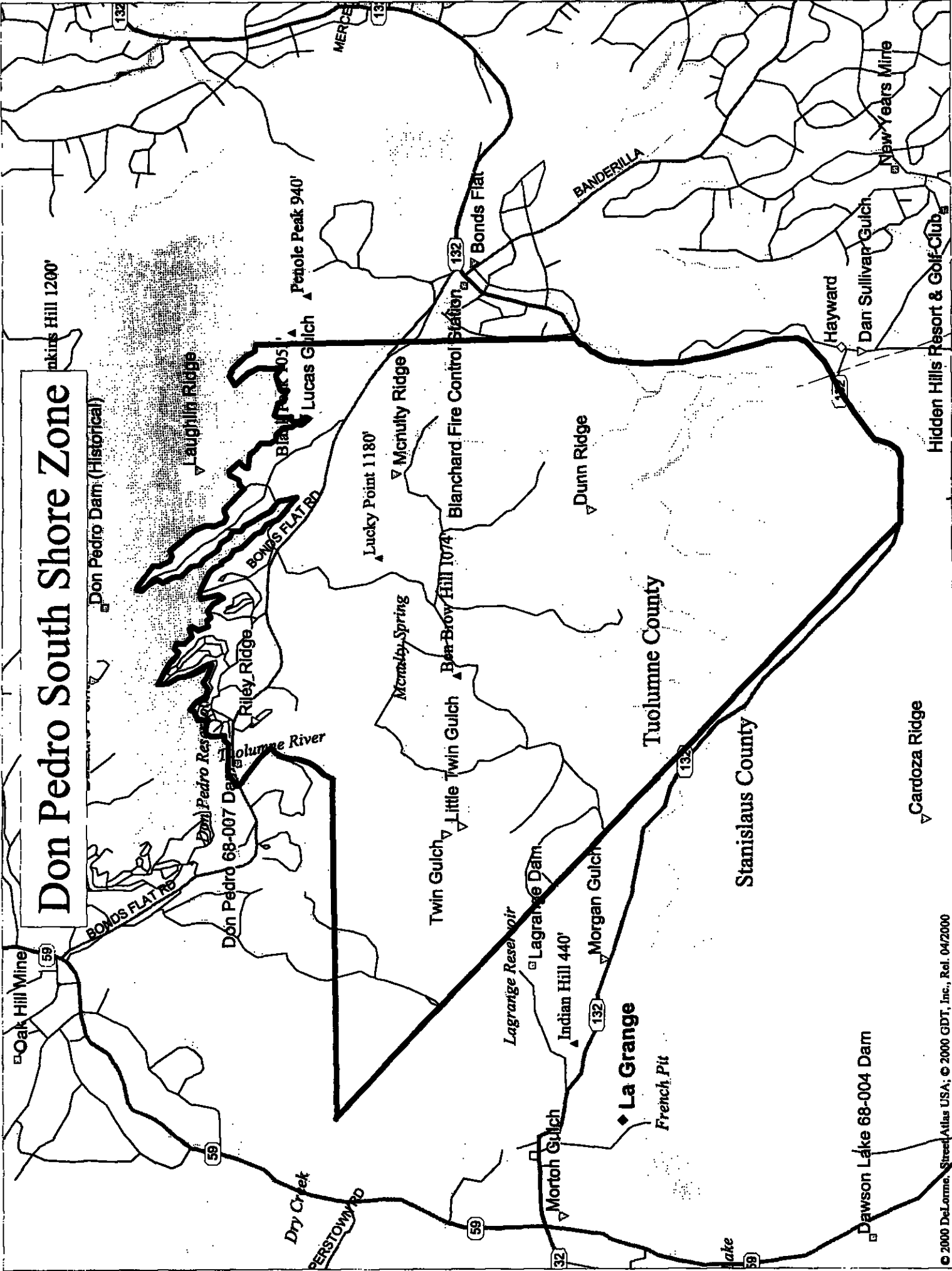


## **EXHIBIT B**

### **DON PEDRO SOUTH SHORE ZONE**

**Beginning** at the intersection of the westerly line of Section 16, Township 3 South, Range 14 East, Mount Diablo Base and Meridian, and the Stanislaus-Tuolumne County line. Thence northerly along the westerly line of said Section 16 to the corner common to Sections 16,17,8, and 9 Township 3 South, Range 14 East. Thence departing said westerly line of Section 16, easterly along the northerly line of Section 16 to the centerline of the Tuolumne River. Thence departing said northerly line of Section 16, upstream along the centerline of said Tuolumne River through Section 16, 9, 10 and 3, to a point, said point being the high water elevation line of New Don Pedro Reservoir; Thence departing said Tuolumne River centerline, following said New Don Pedro Reservoir high water elevation line along the Southerly boundary of said Reservoir through Sections 3,2,12 and 1, Township 3 South, Range 14 East, M.D.B.&M. to the Easterly line of said Section 1, said line also being the Easterly line of Range 14 East, M.D.B.&M.; Thence departing said New Don Pedro high water elevation line, Southerly along the Easterly lines of Sections 1,12,13, Township 3 South, Range 14 East, M.D.B.&M. to the intersection of the centerline of State Route 132; Thence departing said Easterly line of Section 13, Township 3 South, Range 14 East, M.D.B.&M., following said centerline of State Route 132 through Sections 13,24, 25 Township 3 South, Range 14 East, M.D.B.&M.; Thence continuing along said centerline of State Route 132 through the northwest quarter of Section 30 Township 3 South, Range 15 East, M.D.B.&M.; Thence continuing along said centerline of State Route 132 through Section 25 and the southeast quarter of Section 26 Township 3 South, Range 14 East, M.D.B.&M., to the intersection of the Stanislaus-Tuolumne County line; Thence departing said centerline of State Route 132 Northwesterly along said Stanislaus-Tuolumne County line through Sections 26, 27,22,21 and 16, Township 3 South, Range 14 East, M.D.B.&M., to the **True Point of Beginning**, thus ending this description.

# Don Pedro South Shore Zone



Oak Hill Mine

59

BONDS FLAT RD

Don Pedro Reservoir

Don Pedro 68-007 Dam

Tuolumne River

Riley Ridge

BONDS FLAT RD

Dry Creek

PERISTOWN RD

Lucky Point 1180'

McInulty Spring

Twin Gulch

Bear-Brow Hill 1074'

Blanchard Fire Control Station

Lagrange Reservoir

Lagrange Dam

Indian Hill 440'

Mortoh Gulch

59

32

132

La Grange

French Pit

Morgan Gulch

132

Tuolumne County

Stanislaus County

59

Dawson Lake 68-004 Dam

Winkins Hill 1200'

Don Pedro Dam (Historical)

Laughlin Ridge

Blanchard Peak 105'

Petrole Peak 940'

Lucas Gulch

McInulty Ridge

Bonds Flat

BANDERILLA

Dunn Ridge

Hayward

Dan Sullivan Gulch

New Years Mine

Cardoza Ridge

Hidden Hills Resort & Golf Club

## EXHIBIT C

### PG&E ELECTRIC SERVICE AREA DESCRIPTION

Pacific Gas and Electric Company supplies electric service in all or portions of 47 counties in the northern and central part of the State of California as described in PG&E's electric Preliminary Statement and associated maps on file with the California Public Utilities Commission. PG&E's service territory for purposes of this agreement includes the territory described in PG&E's electric Preliminary Statement, as it existed on January 1, 2001, but does not include (a) the areas described in Exhibits A, B and D, (b) the areas described in Section 9610(a) of the Public Utilities Code as of January 1, 2001, (c) the area served by the Sacramento Municipal Utility District as of January 1, 2001, or (d) the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Shasta Lake, and Ukiah, as each of those cities existed on January 1, 2001.

## **EXHIBIT D**

### **WESTSIDE ZONE**

**Beginning** at the intersection of Del Puerto Creek and the San Joaquin River, said intersection situated in Section 32, Township 4 South, Range 8 East, Mount Diablo Base and Meridian.

Thence upstream along the San Joaquin River through Section 32, Township 4 South, Range 8 East, M.D.B.&M.; thence continuing upstream along said San Joaquin River through Sections 5, 4, 9, 15, 16, 22, 23, 26, 25 and 36, Township 5 South, Range 8 East, M.D.B.&M.; thence continuing upstream along said San Joaquin River through Section 1, Township 6 South, Range 8 East, M.D.B.& M.; thence continuing upstream along said San Joaquin River through Section 31, Township 5 South, Range 9 East, M.D.B.& M.; thence continuing upstream along said San Joaquin River through Sections 6, 7, 8 and 17, Township 6 South, Range 9 East, M.D.B.& M. to a point; thence departing said San Joaquin River South 39° 30' West, along the southeasterly line of the parcel of land shown on that certain map filed for record September 28, 1967, in Book 11 of Surveys at Page 31, to a point on the westerly line of River Road; thence continuing South 39° 30' West, to the northerly most corner of Parcel B, as said parcel is shown on that certain map filed for record June 21, 1991, in Book 44 of Parcel Maps at Page 35, Stanislaus County Records; thence southwesterly along the northwesterly line of Parcel B and Parcel A, as said parcels are shown on the above described map, to the westerly most corner of said Parcel A; thence southeasterly along the southwesterly line to the southerly most corner of said Parcel A, said corner also being the easterly most corner of Stanislaus County Assessor's Parcel 12, as said parcel is shown in Book 49 of Assessor's Maps at Page 15; thence southwesterly along the southeasterly line of said parcel to the easterly line of Stanislaus County Assessor's Parcel 1, as



said parcel is shown in Book 49 of Assessor's Maps at Page 15; thence continuing southwesterly along the southeasterly line of said Parcel 1 to the easterly most corner of Stanislaus County Assessor's Parcel 2, as said parcel is shown in Book 49 of Assessor's Maps at Page 14, thence continuing southwesterly along the southeasterly line of said parcel to the southerly most corner of said parcel 2; thence northwesterly a distance of 1119.36 feet more or less to the northerly most corner of Stanislaus County Assessor's Parcel 3, as said parcel is shown in Book 49 of Assessor's Maps at Page 14; thence westerly along the northerly line to the northwest corner of said Parcel 3, said corner being on a Rancho line between the Orestimba Rancho Posts 211 and 212 situated in Section 36, Township 6 South, Range 8 East, M.D.B.& M.; thence northerly along said Rancho line to the southeast corner of Stanislaus County Assessor's Parcel 55, as said parcel is shown in Book 27 of Assessor's Maps at Page 18; thence westerly along the southerly line of said parcel to the easterly line of Section 35, Township 6 South, Range 8 East, M.D.B.& M.; thence northerly along said easterly line of Section 35 to the corner common with Sections 25, 36, 35, and 26 Township 6 South, Range 8 East, M.D.B.& M.; thence westerly along the southerly line of Section 26 to the southwest corner of the southeast quarter of the southeast quarter of said Section 26; thence northerly along said quarter quarter section line to a point, said point being easterly of a line projected from the southerly line of Stanislaus County Assessor's Parcel 5, as said parcel is shown in Book 27 of Assessor's Maps at Page 34; thence westerly along said projection line to the southwest corner of said Parcel 5; thence northerly along the westerly line of said Parcel 5 to a point, said point being easterly of a line projected from the southerly line of Stanislaus County Assessor's Parcel 35, as said parcel is shown in Book 27 of Assessor's Maps at Page 15; thence westerly along said projection line to the southeast corner of said Parcel 35, said corner located on the westerly line of the C.C.I.D. Canal

200.0 foot wide right of way; thence northerly along the easterly line of said Parcel 35 to a point, said point being easterly of a line projected from the southerly line of Stanislaus County Assessor's Parcel 34, as said parcel is shown in Book 27 of Assessor's Maps at Page 15; thence westerly along said projection line to the southwest corner of section 34; thence southerly along the westerly line of parcel 35 to the intersection of the eastern point of the northernmost parcel line of parcel 21, as said parcel is shown in Book 27 of Assessor's Maps at Page 15, thence southwesterly to the intersection of Parcel 20 and the Railroad right-of-way, thence southwesterly across State Highway 33 to the southeast corner of Parcel 4, as shown in Book 27 of Assessor's Maps at page 16; thence easterly and southerly along the westerly line of said State Highway 33 to the southeast corner of Stanislaus County Assessor's Parcel 6, as said parcel is shown in Book 27 of Assessor's Maps at Page 16; thence westerly along the southerly line of the north half of the north half of Sections 27, 28, to the southeast corner of the northwest quarter of the northwest quarter of Section 29, Township 6 South, Range 8 East, M.D.B.& M.; thence southerly along the easterly line of the west half of the west half of said Section 29, to the southeast corner of the northwest quarter of the northwest quarter of Section 32, Township 6 South, Range 8 East, M.D.B.& M.; thence westerly along the south line of said northwest quarter quarter line to the westerly line of the California Department of Transportations Interstate 5, situated in Section 31, Township 6 South, Range 8 East, M.D.B.& M.; thence southerly along the westerly line of said Interstate 5 to the southeast corner of that 233.2 acre parcel labeled remainder as said parcel is shown on that map filed for record February 25, 1988, in Book 40 of Parcel Maps at Page 57, Stanislaus County Records;

thence westerly along the southerly line of said parcel to the intersection of Crow Creek; thence upstream along said Crow Creek through Section 31, Township 6 South, Range 8 East, M.D.B.& M.; thence continuing upstream along said Crow Creek through Section 36, Township 6 South, Range 7 East, M.D.B.& M.; thence continuing upstream along said Crow Creek through Sections 1 and 2, Township 7 South, Range 7 East, M.D.B.& M.; thence continuing upstream along said Crow Creek through Sections 35, 34 and 33, Township 6 South, Range 7 East, M.D.B.& M.; thence continuing upstream along said Crow Creek through the northwest quarter of Section 4, Township 7 South, Range 7 East, M.D.B.& M., to the intersection of the west line of said Section 4; thence southerly along the westerly line to the west quarter corner of said Section 4; thence easterly to the interior quarter corner of said Section 4; thence southerly along the quarter Section line to the south quarter corner of said Section 4; thence westerly along the southerly line of said Section 4 to the corner common to Sections 4, 5, 8 and 9, Township 7 South, Range 7 East, M.D.B.& M.; thence southerly along the westerly line of Sections 9, 16, 21 and 28, Township 7 South, Range 7 East, M.D.B.& M. to the intersection of Orestimba Creek; thence upstream along Orestimba Creek through Sections 29, 32, 30 and 31, Township 7 South, Range 7 East, M.D.B.& M.; thence continuing upstream along said Orestimba Creek through Section 36, 35 and 26, Township 7 South, Range 6 East, M.D.B.& M. to the intersection of the South Fork of Orestimba Creek; thence upstream along said South Fork of Orestimba Creek through Sections 26, 27, 28 and 29, Township 7 South, Range 6 East, M.D.B.& M., to the intersection of Sheep Thief Creek; thence upstream along said Sheep Thief Creek through Sections 29, and the northeast quarter of Section 30, Township 7 South, Range 6 East, M.D.B.& M., to the northerly line of Section 30, Township 7 South, Range 6 East, M.D.B.& M.; thence westerly along said northerly Section line through Section 30, Township 7 South, Range 6 East, M.D.B.& M.; thence

continuing westerly along the southerly line of Sections 25, 26 and 27, Township 7 South, Range 5 East, M.D.B.& M., to the intersection of the westerly line of Stanislaus County; thence northerly along said westerly Stanislaus County line through Sections 22, 15, 10, 3 and 4, Township 7, South, Range 5 East, M.D.B.& M.; thence continuing northerly along said westerly Stanislaus County line through Sections 34, 27, 22, 21 and 20, Township 6 South, Range 5 East, M.D.B.& M., to the easterly line of Stanislaus County Assessor's Parcel 14, as said parcel is shown in Book 25 of Assessor's Maps at Page 7; thence northerly along the easterly line of said Parcel 14 to the southeast corner of Stanislaus County Assessor's Parcel 15, as said parcel is shown in Book 25 of Assessor's Maps at Page 7; thence continuing north along the easterly line of said parcel to the southerly line of Section 17, Township 6 South, Range 5 East, M.D.B. & M.; thence easterly along said southerly Section line to the corner common to Sections 17, 16, 21 and 20, Township 6 South, Range 5 East, M.D.B. & M.; thence north along the east line of said Section 17, to the corner common to Sections 17, 8, 9 and 16, Township 6 South, Range 5 East, M.D.B. & M.; thence easterly along the northerly line of Section 16, Township 6 South, Range 5 East, M.D.B. & M. to the corner common to Sections 16, 9, 10 and 15, Township 6 South, Range 5 East, M.D.B. & M.; thence northerly along the westerly line of Section 10, Township 6 South, Range 5 East, M.D.B. & M. to the west quarter corner of said Section 10; thence easterly along the quarter Section line of said Section 10, to the west quarter corner of Section 11, Township 6 South, Range 5 East, M.D.B. & M.; thence continuing easterly along the quarter Section line of said Section 11 to the southeast corner of the southwest quarter of the northeast quarter of said Section 11, Township 6 South, Range 5 East, M.D.B. & M.; thence departing said quarter Section line, northerly along the easterly line of the west half, of the east half of said Section to the northerly line of said Section 11; thence easterly along the northerly

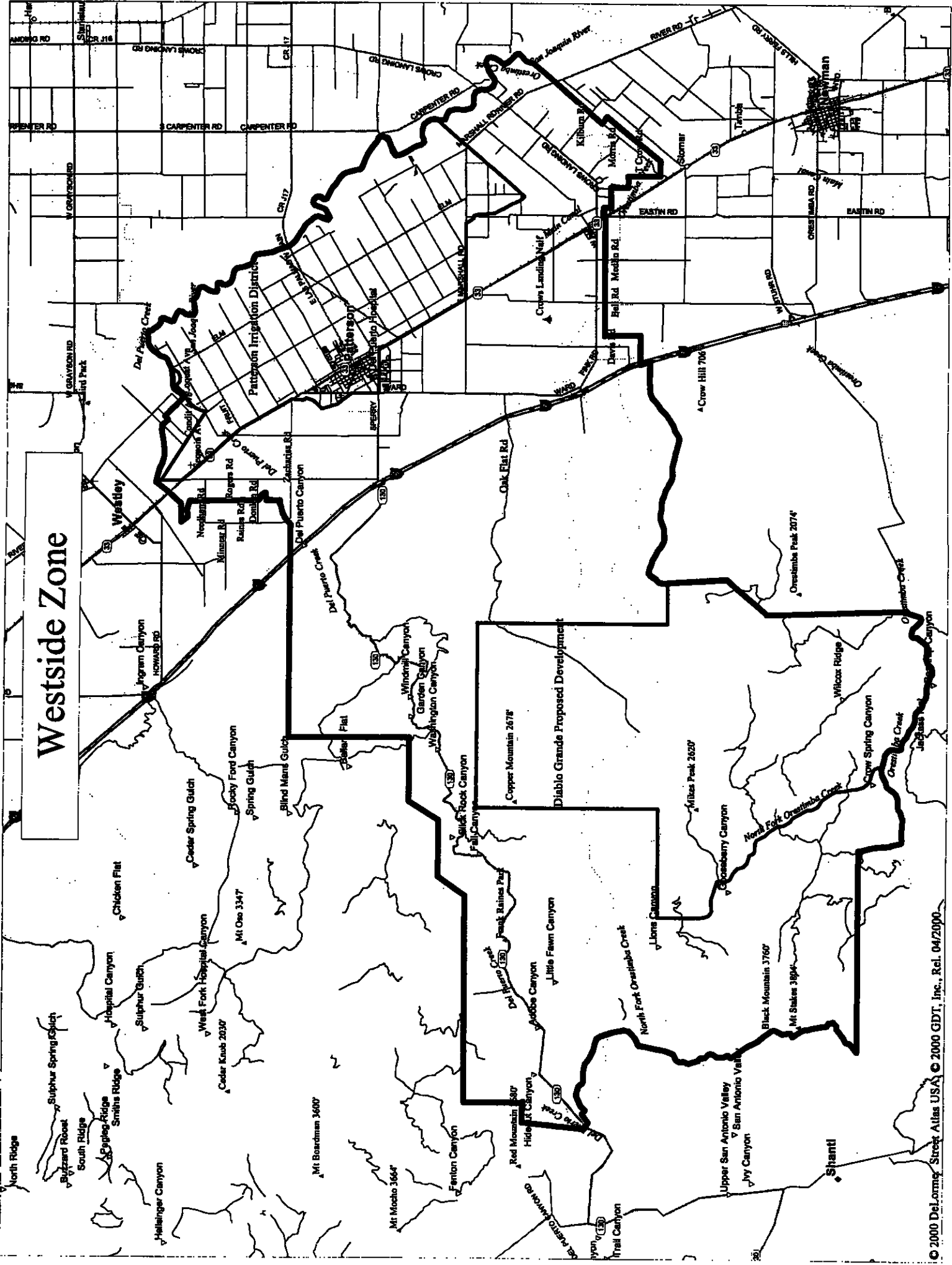
line of said Section to the corner common Sections 11, 2, 1 and 12, Township 6 South, Range 5 East M.D.B. & M.; thence easterly along the northerly line of Section 12, Township 6 South, Range 5 East M.D.B. & M. to the corner common to Sections 12, 1, 6 and 7, Township 6 South, Range 6 East M.D.B. & M.; thence continuing easterly along the northerly line of Section 7, Township 6 South, Range 6 East M.D.B. & M. to the corner common to Sections 7, 6, 5 and 8, Township 6 South, Range 6 East M.D.B. & M.; thence northerly along the westerly line of Section 5, Township 6 South, Range 6 East M.D.B. & M. to the northwest corner of Stanislaus County Assessor's Parcel 3, as said parcel is shown in Book 25 of Assessor's Maps at Page 3; thence easterly along the northerly line of said parcel to the northwest corner of Stanislaus County Assessor's Parcel 5, as said parcel is shown in Book 25 of Assessor's Maps at Page 3; thence easterly along the northerly line of said parcel to the southwesterly most corner of Stanislaus County Assessor's Parcel 34, as said parcel is shown in Book 25 of Assessor's Maps at Page 3; thence northeasterly along the westerly line of said parcel to the northwest corner of said parcel; thence easterly along the northerly line of said Parcel 34, to the northeast corner of Section 4, Township 6 South, Range 6 East M.D.B. & M.; thence easterly along the southerly line of Section 34, Township 5 South, Range 6 East, M.D.B. & M. to the southeast corner of Section 34, Township 5 South, Range 6 East, M.D.B. & M.;

thence northerly along the westerly line of Sections 35, 26 and 23, to the corner common to Sections 22, 15, 14 and 23, Township 5 South, Range 6 East, M.D.B. & M.; thence easterly along the southerly line of Sections 14 and 13, Township 5 South, Range 6 East, M.D.B. & M. and Sections 18, 17 and 16, Township 5 South, Range 7 East, M.D.B. & M. to the intersection of Del Puerto Creek; thence downstream along said Del Puerto Creek through Sections 16 and 15, Township 5 South, Range 7 East M.D.B. & M. to the southeast corner of Stanislaus County

Assessor's Parcel 14, as said parcel is shown in Book 21 of Assessor's Maps at Page 19; thence northerly along the easterly line of said Parcel 14 to the southerly line of Stanislaus County Assessor's Parcel 11, as said parcel is shown in Book 21 of Assessor's Maps at Page 19; thence easterly along the southerly line of said Parcel 11 to the intersection of the West Stanislaus Irrigation District's Lateral No. 6 South; thence northerly along said Lateral No. 6 South to the south quarter corner of Section 10, Township 5 South, Range 7 East, M.D.B & M.; thence northerly along the quarter Section line of Sections 10 and 3, Township 5 South, Range 7 East, M.D.B & M. to the intersection of the West Stanislaus Irrigation District's Lateral No. 4 South; thence northerly along said Lateral No. 4 South to the westerly line of Section 3, Township 5 South, Range 7 East, M.D.B & M.; thence northerly along the westerly line of said Section to the west quarter corner of said Section 3, Township 5 South, Range 7 East, M.D.B & M.; thence easterly along the quarter Section line of said Section 3, Township 5 South, Range 7 East, M.D.B & M., to the southerly most corner of Parcel A, as said parcel is shown on that map filed for record March 9, 1972, in Book 13 of Parcel Maps at Page 90, Stanislaus County Records; thence northeasterly along the southeasterly line of Parcel A to the southerly most corner of Parcel B, as said parcel is shown on the above described Parcel Map; thence continuing northeasterly along the southeasterly line of Parcel B to the westerly line of State Highway No. 33; thence angling northeasterly to the southerly most corner of Stanislaus County Assessor's Parcel 5, as said parcel is shown in Book 16 of Assessor's Maps at Page 31, said corner situated in Section 3, Township 5 South, Range 7 East, M.D.B. & M.; thence northeasterly along the southeasterly line of said Parcel 5 to the intersection of the West Stanislaus Irrigation District's Lateral No. 3 South, said point of intersection situated in Section 35, Township 4 South, Range 7 East, M.D.B. & M.; thence southeasterly along said Lateral 3 South through Section 35, Township 4

South, Range 7 East, M.D.B. & M.; thence continuing southeasterly along said Lateral 3 South through Sections 2 and 1, Township 5 South, Range 7 East, M.D.B. & M., to a point on the northwesterly line of Lot 2 of the Del Puerto Tract, as said lot is shown on that map filed for record October 10, 1921, in Volume 9 of Maps at Page 57, Stanislaus County Records; thence southeasterly at right angles to said northwesterly line of Lot 2, to a point on the northwesterly line of Lot 5 of that same Del Puerto Tract; thence northeasterly along said northwesterly line of said Lot 5 to the westerly most corner of Lot 6 of that same Del Puerto Tract; thence southeasterly along the southeasterly lines of Lots 6 and 7 of that same Del Puerto Tract to a point on the northwesterly line of Lot 13 of that same Del Puerto Tract; thence southeasterly along a line projected from the southeasterly line of said Lot 7, through Lot 13 to the point of intersection of Del Puerto Creek, said point of intersection being situated in Section 1, Township 5 South, Range 7 East, M.D.B. & M.; thence downstream along said Del Puerto Creek through Section 1, Township 5 South, Range 7 East, M.D.B. & M.; thence continuing downstream along said Del Puerto Creek through Section 6, Township 5 South, Range 8 East, M.D.B. & M.; thence continuing downstream along said Del Puerto Creek through Sections 31 and 32, Township 4 South, Range 8 East, M.D.B. & M., to the San Joaquin River and **Point of Beginning**, thus ending this description.

# Westside Zone





C

## CLOSING AGREEMENT

This Closing Agreement ("Closing Agreement") is made, as of December 18, 2001, among **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("PG&E"), **TURLOCK IRRIGATION DISTRICT**, a California irrigation district ("TID"), **PATTERSON IRRIGATION DISTRICT**, a California irrigation district ("PID"), and **WESTSIDE POWER AUTHORITY**, a joint powers agency comprised of TID and PID ("WPA"). PG&E, TID, PID, and WPA are sometimes individually referred to herein as a "Party" and collectively as the "Parties."

### RECITALS

A. As more particularly described in the Recitals to the Asset Sale Agreement (as defined below), PG&E desires to sell to TID, and TID desires to purchase from PG&E, certain assets which constitute the electric distribution and some of the electric transmission facilities serving the general geographic area described as south of Del Puerto Creek, north of Fink Road, west of the San Joaquin River and east of Interstate Highway 5 together with certain territory between Interstate Highway 5 and the western Stanislaus County line, and the Parties desire to define the areas to be served by each.

B. As part of an overall agreement to buy and sell assets, define service areas, and to resolve related disputes and claims, the Parties are concurrently executing and delivering the following documents subject to the terms and conditions of this Closing Agreement:

(1) an Asset Sale Agreement, in the form of Exhibit A attached hereto (the "Asset Sale Agreement");

(2) a Service Area Agreement, in the form of Exhibit B attached hereto (the "Service Area Agreement");

(3) a Tolling and Release Agreement, in the form of Exhibit C attached hereto (the "Tolling and Release Agreement");

(4) a Private Lines Assignment Agreement, in the form of Exhibit F attached hereto (the "Private Lines Assignment Agreement"); and

(5) a Patterson Frozen Foods 60 kV Tap Line Installment Sales Agreement, in the form of Exhibit G attached hereto (the "Tap Line Agreement").

C. The Parties intend to execute the following agreements prior the Closing Date after certain conditions are met:

(1) a Lease Agreement for a portion of the Salado Substation land, in the form of Exhibit D attached hereto (the "Salado Lease Agreement"); and

(2) a Lease Agreement for the Patterson Substation land, in the form of Exhibit E attached hereto (the "**Patterson Lease Agreement**")

**D.** The purpose of this Closing Agreement is to set forth in one document all of the conditions precedent for the closing of this complex transaction.

**E.** PG&E and TID have previously executed a certain PG&E/TID Westside Transition Work Cost Sharing Letter Agreement (the "**Cost-Sharing Letter Agreement**"). The Cost-Sharing Letter Agreement is not subject to the conditions precedent set forth in this Closing Agreement.

NOW, THEREFORE, in consideration of the respective covenant agreements contained in this Closing Agreement, the Parties agree as follows:

## **ARTICLE 1** **DEFINITIONS**

1.1 **Defined Terms.** Except for the terms defined below, capitalized terms when used in this Closing Agreement (or in the Schedules to this Closing Agreement) shall have the meaning specified in the Asset Sale Agreement:

**Bankruptcy Court Approval.** "**Bankruptcy Court Approval**" means the approval (to the extent required) of the Bankruptcy Court with jurisdiction over the estate of PG&E and of the filing described in Section 3.3.

**Closing.** "**Closing**" has the meaning set forth in Section 2.2 "**Closing.**"

**Closing Date.** "**Closing Date**" means the date on which the Closing occurs.

**Conditions Satisfaction Date.** "**Conditions Satisfaction Date**" means the date on which the last of conditions set forth in Section 2.1 of this Closing Agreement is satisfied.

**Exhibits.** "**Exhibits**" means the exhibits to this Closing Agreement.

**ID Group.** "**ID Group**" means TID, PID and WPA.

**Schedule.** "**Schedules**" means the schedules to this Closing Agreement.

**Transaction Agreements.** "**Transaction Agreements**" mean the agreements identified in Recitals B and C of this Closing Agreement and this Closing Agreement.

1.2 **Interpretation.** In this Closing Agreement, unless a clear contrary intention appears, the guides to interpretation set forth in Section 1.2 of the Asset Sale Agreement shall apply.

**ARTICLE 2**  
**CONDITIONS PRECEDENT TO THE TRANSACTION AGREEMENTS**

2.1 **Closing Conditions.** The obligations of the Parties under the Transaction Agreements are subject to the satisfaction or written waiver (by the Party expressly benefited by such condition), on or prior to the Closing, of each of the following conditions precedent. This Closing Agreement shall not be binding on the Parties unless the Asset Sale Agreement, the Service Area Agreement and the Tolling and Release Agreement are fully executed contemporaneously with the execution of this Agreement. The Closing shall occur as provided in Section 2.2 hereof after all of the following conditions precedent have occurred:

(a) **Execution and Delivery of Transaction Agreements.** Each Party has executed and delivered to the other Parties copies of all Transaction Agreements to which that Party is a party.

(b) **Compliance with Provisions.** Each Party has performed or complied in all material respects with all covenants, agreements and conditions contained in the Transaction Agreements on its part required to be performed or complied with at or prior to the Closing.

(c) **Compliance with Provisions of Cost-Sharing Letter Agreement.** Each Party has performed or complied in all material respects with all covenants, agreements and conditions contained in the Cost-Sharing Letter Agreement on its part required to be performed or complied with at or prior to the Closing.

(d) **Execution of the Salado Lease Agreement.** Within 90 days of the Effective Date, TID shall submit to PG&E for its review and approval TID's design and work plan for the non-metallic fence (Section 1(b) of the Lease Agreement), TID's secondary spill containment plan for the Leased Premises (Section 6(i) of the Lease Agreement), and TID's Environmental Plans for the Lease Premises (Section 6(k) of the Lease Agreement). PG&E shall review such materials and provide any comments to TID within 60 days of its receipt of the last of such materials. TID shall make such changes as are requested by PG&E within 30 days of its receipt of the last of PG&E's comments. Any dispute between TID and PG&E regarding any of the matters described herein shall be resolved under Section 4.9 "Dispute Resolution." TID and PG&E shall execute the Salado Lease Agreement promptly after TID has made the changes, if any, requested by PG&E or after any disputes with respect to such changes have been resolved.

(e) **Execution of the Patterson Lease Agreement.** Within 90 days of the Effective Date, TID shall submit to PG&E for its review and approval TID's secondary spill containment plan for the Leased Premises (Section 6(f) of the Lease Agreement), and TID's Environmental Plans for the Lease Premises (Section 6(g) of the Lease Agreement). PG&E shall review such materials and provide any comments to TID within 60 days of its receipt of the last of such materials. TID shall make such changes as are requested by PG&E within 30 days of its receipt of the last of PG&E's comments. Any dispute between TID and PG&E regarding any of the matters described herein shall be resolved under Section 4.9 "Dispute Resolution." TID and PG&E shall execute the Patterson Lease Agreement promptly after TID has made the changes, if any, requested by PG&E or after any disputes with respect to such changes have been resolved.

(f) **Operating Agreement.** An operating agreement, in a form mutually acceptable to the Parties, to establish procedures of performing the daily operations of each of the Party's electric facilities insofar as they affect the other Parties' operations within the Westside Zone, in a coordinated and safe manner, including such things as switching operations and communications with each others' operations control centers, to the extent not covered in the Interconnection Agreement.

(g) **Interconnection Agreement.** PG&E has filed with the Federal Energy Regulatory Commission (FERC), pursuant to Section 205 of the Federal Power Act, and the FERC has accepted an Interconnection Agreement relating to the interconnection of PG&E electric facilities with the electric facilities to be transferred pursuant to the Asset Sale Agreement. PG&E shall use reasonable efforts to make such a filing as quickly as possible but in any event shall do so by no later than March 29, 2002. In the event that PG&E has not filed an Interconnection Agreement as described above by March 29, 2002, then TID, PID and WPA shall have the right to take such action before the FERC to provide for the interconnection of the electric facilities to be transferred pursuant to the Asset Sale Agreement with the PG&E electric facilities.

(h) **Receipt of Governmental Approvals.** The Parties have received and approved (in their good faith discretion) the Bankruptcy Court Approval, the CPUC Approval, the FERC Approval, and all other authorizations and approvals of Governmental Authorities required by applicable law in connection with the consummation of the transactions contemplated by the Agreements. Subject to Section 4.12(b) "Renegotiation Efforts," each Party will notify the other Party in writing if it disapproves such Bankruptcy Court Approval, CPUC Approval, FERC Approval, or any other order or decision of a Governmental Authority within ten (10) Business Days after receipt thereof.

(i) **No Adverse Proceedings or Events.** No suit, action or other proceeding against any Party or its Affiliates is pending before any court or Governmental Authority which seeks to restrain or prohibit any of the transactions contemplated by this Agreement or to obtain material damages or other material relief in connection with this Agreement or the transactions contemplated hereby.

(j) **Deliveries.** Each Party has delivered, or caused to be delivered, to the appropriate other Party at the Closing the documents and payments required of such Party referenced in Schedule 2.1(j) "Closing Deliveries."

(k) **No Termination.** Neither Party has exercised any termination right pursuant to Section 4.12 "Termination Prior to the Closing Date."

(l) **Completion of Severance Work.** Except as provided in Section 4.2(c) of the Asset Sale Agreement, PG&E has completed all Severance Work required under the Asset Sale Agreement.

(m) **Completion of Purchaser System Work.** Except as provided in Section 4.2(c) of the Asset Sale Agreement, TID has completed all Purchaser System Work required

under the Asset Sale Agreement.

(n) **Salado Substation Work.** TID has constructed the non-metallic fence and gate in accordance with Section 1(b) of the Salado Lease Agreement.

2.2 **Closing.** Provided the conditions set forth in Section 2.1 have been either satisfied (or waived in writing by the Party for whose benefit such conditions precedent exist), the closing of this transaction (the “Closing”) will take place at the offices of PG&E, 77 Beale Street, San Francisco, California, at 10:00 a.m. local time on the Monday specified by Purchaser in a notice given to PG&E after the Conditions Satisfaction Date, which date specified by Purchaser must be (i) no earlier than ten (10) Business Days after PG&E’s receipt of Purchaser’s notice, (ii) no earlier than 130 days after the CPUC Approval Date, (iii) no later than sixty (60) days after the Conditions Satisfaction Date, and (iv) no earlier than ten (10) Business Days after the date of the Bankruptcy Court Approval. The date of Closing is hereinafter called the “Closing Date.”

2.3 **Conditions Satisfaction Meeting.** The Parties shall hold a Conditions Satisfaction meeting at the same location as the Closing at a date to be mutually determined by PG&E and TID. At such meeting, the Parties shall review all Transaction Agreements and deliveries, determine whether all of the Closing Conditions have been met, and calculate the amounts of TID’s payment to PG&E and any PG&E payment to TID at Closing.

2.4 **Effect of Closing Over Known Unsatisfied Conditions.** If any Party elects to proceed with the Closing knowing of any failure of any condition in its favor to be satisfied or any breach of any representation, warranty or covenant by another Party, the condition that is unsatisfied or the representation, warranty or covenant which is breached at the Closing Date will be deemed waived by such Party, and such Party will be deemed to fully release and forever discharge the other Party on account of any and all claims, demands or charges, known or unknown, with respect to the same.

### **ARTICLE 3** **COMMERCIALLY REASONABLE BEST EFFORTS; CPUC FILING**

3.1 **Commercially Reasonable Best Efforts.** The Parties agree to use commercially reasonable best efforts to support and comply with all provisions of the Transaction Agreements, and to support the efforts of each other with respect to pursuing approval and implementation of the Transaction Agreements before the public and all regulatory, legislative and judicial bodies. Further, the Parties will take no action, whether formal or informal, direct or indirect, which impairs the effectiveness of any of the Transaction Agreements or any of their respective terms or provisions, or the ability of a Party to meet its obligations or enjoy the benefits provided in any Transaction Agreement, provided, however, this Section shall not limit PG&E’s ability to enter into a transaction with the State of California or its nominee to sell or lease or otherwise transfer ownership or control of part or all of the assets that are the subject of the Asset Sale Agreement, the Salado Lease Agreement, the Patterson Lease Agreement, or the Tap Line Agreement.

3.2 **CPUC Filing.** On or before January 4, 2002, PG&E, TID, PID and WPA will file an application with CPUC for approval of the transactions contemplated hereunder, including (i) approval of PG&E's proposed accounting and ratemaking treatment of the sale, (ii) finding that the NBC responsibility of PG&E's retail customers in the Westside Zone is fully satisfied (with the exception of charges for public purpose programs, for which retail customers in the Westside Zone must satisfy Purchaser's charges) and is not subject to further review or true-up and that PG&E and its shareholders are not required to assume any liability or responsibility in respect to any NBC obligations associated with such customers, (iii) finding that limiting areas in which electric power may be distributed in accordance with the Service Area Agreement is in the best interests of the State and of the utility, (iv) issuing an order limiting the area or areas within which PG&E shall have the right and authority to distribute electric power in accordance with the Service Area Agreement, (v) approving the Service Area Agreement, together with finding that such approval is not incompatible with any public interest, (vi) providing for the continuing oversight of the Service Area Agreement by providing that any dispute over the interpretation or performance of the Service Area Agreement shall be resolved by the CPUC or its successor agency (if any) or by any other regulatory agency that the Legislature grants authority over service area agreements between irrigation districts and investor owned utilities on the filing of a complaint by any allegedly aggrieved party, (vii) approving the treatment of Extension Agreements set forth herein, (viii) approving the treatment of termination of Special Facilities Agreements as set forth herein, (ix) approving, without requiring any additional applications to the CPUC, the sale of not more than Seventy-five Thousand Dollars (\$75,000) of replacement parts if available and if needed by Purchaser as set forth in Section 2.11, (x) approving the Salado Lease, (xi) approving the Patterson Lease, (xii) approving the Tap Line Agreement, and (xiii) approving the Private Lines Assignment Agreement.

3.3 **Bankruptcy Court Filing.** As soon as practicable after receipt of CPUC Approval, if legally required, PG&E shall file a motion in the Bankruptcy Court seeking approval of the transactions contemplated herein.

#### **ARTICLE 4** **PROVISIONS APPLICABLE TO ALL TRANSACTION AGREEMENTS**

4.1 **Applicability of Article 4.** The provisions under Article 4 of this Closing Agreement shall apply to all Transaction Agreements unless a Transaction Agreement contains a provision that addresses the same subject matter in which event the agreement-specific provision shall control.

4.2 **Power and Authority.** Each Party represents to the other Party as follows: (a) it has full legal power to enter into, and carry out its obligations under, each and every Transaction Agreement; (b) the execution and delivery of each and every Transaction Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary legal or corporate action required on its part; and (c) assuming due authorization, execution and delivery of each and every Transaction Agreement by the other Party or Parties to each Transaction Agreement, each and every Transaction Agreement constitutes valid and legally binding obligations of it, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization,

moratorium or other similar laws of general application relating to or affecting the enforcement of creditors' rights and by general equitable principles.

**4.3 Entire Document.**

(a) With the exception of the Cost-Sharing Letter Agreement, which is not subject to or superseded by this Closing Agreement, the Transaction Agreements (including all referenced Exhibits and Schedules) contain the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersede all negotiations, representations, warranties, commitments, offers, contracts and writings prior to the execution date of this Closing Agreement, written or oral. No waiver, modification or amendment of any provision of any Transaction Agreement is effective unless made in writing and duly signed by the parties to the Transaction Agreement affected, and then only to the specific provision that is the subject of the waiver, modification or amendment.

(b) In the event of an inconsistency or conflict between any term or condition in this Closing Agreement and any term or condition in any other Transaction Agreement, the term or condition in the applicable Transaction Agreement shall apply.

**4.4 Schedules and Exhibits.** The Schedules and Exhibits delivered pursuant to the terms of any Transaction Agreement are an integral part of that Transaction Agreement to the same extent as if they were set forth verbatim in that Transaction Agreement.

**4.5 Severability.** Subject to Section 4.12(b) "Renegotiation Efforts," if any provision hereof is held invalid or unenforceable by any court or arbitrator or as a result of future legislative action, this holding or action will be strictly construed and will not affect the validity or effect of any other provision hereof. To the extent permitted by law, the Parties waive, to the maximum extent permissible, any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

**4.6 Assignability.** Each and every Transaction Agreement is binding upon and inures to the benefit of the successors and assigns of the Parties, but is not assignable by any Party without the prior written consent of the other Party, which consent may be granted or withheld in such Party's sole discretion. Any such assignment is conditioned on the assignee's agreement in writing to assume the assigning Party's duties and obligations under the Transaction Agreement. Notwithstanding the above, TID may assign the Asset Sale Agreement, the Salado Lease Agreement, the Patterson Lease Agreement, the Private Lines Assignment Agreement, or the Tap Line Agreement to WPA or PID, or both, without the need to obtain PG&E's consent. Nothing herein is intended to require TID to obtain PG&E's consent to lease all or any portion of the Facilities, Land Rights, or any other assets or rights transferred herein to WPA or PID, or both, after the Closing Date. Any assignment effected in accordance with this Section 4.6 "Assignability" will not relieve the assigning Party of its obligations and liabilities under the Agreements.



4.7 **Captions.** The captions of the various Articles, Sections, Exhibits and Schedules of any Transaction Agreement have been inserted only for convenience of reference and do not modify, explain, enlarge or restrict any of the provisions of any Transaction Agreement.

4.8 **Governing Law.** The validity, interpretation and effect of any Transaction Agreement are governed by and will be construed in accordance with the laws of the State of California applicable to contracts made and performed in such State and without regard to conflicts of law doctrines except to the extent that certain matters are preempted by Federal law.

4.9 **Dispute Resolution**

(a) **Intent of the Parties.**

(1) Except as provided in subsection (2) below, the sole remedy available to any Party for any dispute or claim arising out of or relating to any Transaction Agreement (excepting the Service Area Agreement) is the dispute resolution procedure set forth in this **Section 4.9** "Dispute Resolution." For purposes of this Section 4.9, Party shall mean PG&E on the one hand and TID, PID and WPA, or any of them on the other hand. If the Parties cannot resolve a dispute under **Section 4.9(b)** "Management Negotiations" or **Section 4.9(c)** "Mediation," then the dispute shall be settled through binding arbitration under **Section 4.9(d)** "Arbitration."

(2) This Section 4.9 "Dispute Resolution" shall not apply to (i) any disputes solely among or between TID, PID and WPA, or (ii) any dispute over the interpretation or performance of the Service Area Agreement. In addition, either Party may seek a preliminary injunction or other provisional judicial remedy if such action is necessary to prevent irreparable harm or preserve the status quo, in which case the Parties nonetheless will continue to pursue resolution of the dispute by means of the procedure set forth in this Section 4.9 "Dispute Resolution", if applicable.

(b) **Management Negotiations.** The Parties will attempt in good faith to resolve any dispute or claim arising out of or relating to this Agreement or any Transaction Agreement promptly by negotiations between a director (or an officer) of PG&E or his or her designated representative and an executive of similar authority of the ID Group. Any Party may initiate negotiations to resolve a dispute by giving the other Party written notice of any dispute or claim. Within twenty (20) days after delivery of said notice, the executives will meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to exchange information and to attempt to resolve the dispute or claim. If the matter has not been resolved within sixty (60) days of the first meeting, either Party (by notice to the other Party) may initiate a mediation of the controversy pursuant to **Section 9.9(c)** "Mediation."

(c) **Mediation.** If a Party initiates mediation to resolve any dispute or claim as provided in **Section 4.9(b)** "Management Negotiations," the Parties will try in good faith to settle the dispute or claim within sixty (60) days thereafter by mediation in accordance with the then-existing AAA Mediation Rules for Commercial Disputes (the "**Mediation Rules**"). If the matter has not been resolved within the sixty (60) day period, either Party (by notice to the other

Party) may initiate binding arbitration to resolve the dispute or claim pursuant to Section 4.9(d) "Arbitration."

(d) **Arbitration.** Any dispute or claim submitted to arbitration pursuant to Section 4.9(c) "Mediation" will be resolved by binding arbitration in accordance with the then-existing Arbitration Rules for Commercial Disputes, as promulgated by the AAA (the "Arbitration Rules"). Within fifteen (15) days after any dispute or claim has been submitted to arbitration pursuant to Section 4.9(c) "Mediation," each Party will notify the other Party in writing of its selection of an arbitrator. The qualifications of each Party arbitrator shall be entirely at the selecting Party's discretion. Within thirty (30) days after giving notice to submit the dispute or claim to arbitration, the Party arbitrators will attempt to select a neutral third arbitrator by mutual agreement. The Party arbitrators may by agreement compile a list of potential neutral arbitrators and then use a mutually agreed upon methodology to select the neutral arbitrator. If the Party arbitrators cannot agree on an arbitrator, then the Parties shall request the AAA (or a similar organization if the AAA should not at that time exist) to provide a list of seven (7) impartial arbitrators from which to select a single neutral arbitrator. Within fourteen (14) days after receipt of the AAA list, the initiating Party shall have the first choice to strike a name. The Parties shall then alternate in the striking of names until one name remains and that person will be deemed selected as the neutral arbitrator. The neutral arbitrator selected will be independent of the Parties and be otherwise disinterested in the outcome of the arbitration and will have at least ten (10) years experience in complex contract disputes. The neutral arbitrator will serve as the Chairperson of the arbitration panel. The arbitration will be held at a location or locations mutually agreeable to the arbitrators, or as selected by the neutral arbitrator in the absence of agreement of the arbitrators. The arbitrators do not have the authority to make any award that would exceed the authority of a Superior Court judge of the State of California if the matter subject to such arbitration were submitted to such judge for resolution under California law. The arbitrators will have no power to add to, subtract from or change any of the terms or conditions of this Agreement. Judgment on the arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy. All arbitration awards will be made by majority vote of the arbitrators and will be in writing with a statement of reasons for making the award.

(e) Notwithstanding anything in the Procedures or the Rules to the contrary, each Party will bear its own fees and expenses, including Party arbitrator fees and attorneys' fees, incurred in connection with any arbitration or mediation under this Agreement.

4.10 **Notices** All notices relating to this Agreement shall be given in writing and delivered personally, or sent by facsimile transmission, certified mail (return receipt requested) of the United States Postal Service, or nationally recognized overnight courier service and addressed as follows:

If to PG&E:

Pacific Gas & Electric Company  
P.O. Box 770000

San Francisco, California 94177  
Attention: James K. Randolph  
Sr. Vice President & General Manager  
Fax (415) 973-9485

With a copy to:

Pacific Gas & Electric Company  
Law Department  
77 Beale Street, P.O. Box 7442  
San Francisco, California 94120-7442  
Attention: Roger J. Peters  
Sr. Vice President & General Counsel  
Fax (415) 973-0200

If to TID:

General Manager  
Turlock Irrigation District  
333 East Canal Drive, P.O. Box 949  
Turlock, California 95381-0949  
Fax (209) 656-2143

With a copy to:

Griffith & Masuda  
A Professional Law Corporation  
517 E. Olive Street, P.O. Box 510  
Turlock, California 95381  
Fax (209) 667-8176

If to PID:

General Manager  
Patterson Irrigation District  
948 Orange, P. O. Box 685  
Patterson, California 95363  
Fax (209) 892-4013

If to WPA:

Chief Executive Officer, Westside Power Authority  
c/o Turlock Irrigation District  
333 East Canal Drive, P.O. Box 949  
Turlock, California 95381-0949  
Fax (209) 656-2143

Any Party may from time to time change its address for the purpose of notices to that Party by a similar notice specifying a new address, but no such change is effective until it is actually received by the Party sought to be charged with its contents.

All notices and other communications required or permitted under this Agreement which are addressed as provided in this Section 4.10 "Notices" are effective upon delivery, if delivered personally or by overnight mail, and, are effective five (5) days following deposit in the United States mail, postage prepaid if delivered by mail.

**4.11 Time is of the Essence.** Time is of the essence of each term of any Transaction Agreement. Without limiting the generality of the foregoing, all times provided for in any Transaction Agreement for the performance of any act will be strictly construed.

**4.12 Termination Prior to the Closing Date.**

(a) **Rights To Terminate.** All Transaction Agreements, other than the Cost-Sharing Letter Agreement, may, by written notice given on or prior to the Closing Date, in the manner provided in Section 4.10 "Notices," be terminated at any time prior to the Closing Date, subject to Section 4.12(b) "Renegotiation Efforts":

(1) by PG&E if there has been a material default or breach by TID, PID or WPA with respect to any TID, PID or WPA's representations and warranties in any Transaction Agreement or the due and timely performance of any of TID, PID or WPA's covenants and agreements contained in any Transaction Agreement, and such misrepresentation, default or breach is not cured by the earlier of the Closing Date or the date thirty (30) days after receipt by TID, PID or WPA of written notice specifying particularly such misrepresentation, default or breach;

(2) by TID if there has been a material default or breach by PG&E with respect to PG&E's representations and warranties in any Transaction Agreement or the due and timely performance of any of PG&E's covenants and agreements contained in any Transaction Agreement, and such misrepresentation, default or breach is not cured by the earlier of the Closing Date or the date thirty (30) days after receipt by PG&E of written notice specifying particularly such misrepresentation, default or breach;

(3) by mutual agreement of PG&E and TID;

(4) by PG&E or TID if the Closing has not occurred on or before December 31, 2003, for any reason other than (i) a default by that Party or (ii) any Governmental Approval not having finally approved the matters for which the Governmental Approval is sought as a result of an appeal or judicial review;

(5) subject to Section 4.12(b) "Renegotiation Efforts," by PG&E or TID if (i) a decision of the Bankruptcy Court, CPUC or FERC disapproves, in whole or in part, any Transaction Agreement or the transactions contemplated hereby or thereby, or (ii) either TID or PG&E (in its good faith discretion) disapproves one or more of the terms and conditions of the Bankruptcy Court, CPUC or FERC decision, including the terms and conditions of any approval

of PG&E's proposed accounting and ratemaking treatment of the sale and of any modifications imposed on the terms of any Transaction Agreement;

(6) subject to Section 4.12(b) "Renegotiation Efforts", any of the Transaction Agreements have been terminated in accordance with their respective terms;

(7) The Parties acknowledge that they would not have entered into the Transaction Agreements but for the enactment of Assembly Bill 2638 which was approved by the Governor of California on September 30, 2000 ("AB 2638"). The Parties agree that in event the provisions of AB 2638 are changed by legislative action and approved by the Governor prior to the Closing Date so as to materially reduce the benefits of AB 2638 to any Party, as determined by that Party in its reasonable discretion, the affected Party may terminate all of the Transaction Agreements, other than the Cost-Sharing Letter Agreement upon written notice to the other Parties, subject to Section 4.12(d);

(8) The Parties are unable to negotiate a new agreement or agreements as provided in Section 4.12(d) "Renegotiation in Event of Changed Legislation."

(b) **Renegotiation Efforts.** If the Bankruptcy Court, CPUC, FERC or any other Governmental Authority having approval authority or jurisdiction over all or any portion of any Transaction Agreement modifies or requires modification of any Transaction Agreement as a condition of approval such that PG&E, TID, PID or WPA would be required to incur new or different obligations not expressly provided in any Transaction Agreement or would be required to delete or modify any term or condition of any Transaction Agreement, then, prior to executing its right of termination in Section 4.12(a) "Rights To Terminate" above, the Parties shall attempt in good faith to renegotiate the terms and conditions of the affected Transaction Agreement or Agreements so as to restore the original balance of benefits and burdens contemplated by the Parties as of the Effective Date. If a new agreement or agreements cannot be negotiated within three (3) months after the commencement of negotiations, or such longer period as the Parties shall mutually agree, any Party may terminate all Transaction Agreements pursuant to Section 4.12(a) "Rights to Terminate" above. If the Parties agree upon renegotiated terms of the affected Transaction Agreements, the Parties will promptly file application(s) with the applicable Governmental Authorities for approval of the revised Transaction Agreements and the consummation of the transactions contemplated hereunder and thereunder.

(c) **Effect of Termination.** If all of the Transaction Agreements are terminated pursuant to Section 4.12(a) "Rights To Terminate", all further obligations and liabilities of the Parties under the Transaction Agreements will terminate. As provided in the Asset Sale Agreement, the obligations set forth in Section 5.3 "Confidentiality," and Section 5.4(b) "Extraordinary Maintenance" will survive termination. Upon termination, the originals of any items, documents or written materials provided by PG&E to TID, PID or WPA and any copies will be returned by such Parties to PG&E as provided in Section 5.3(a) of the Asset Sale Agreement, and all Confidential Information will be kept confidential by TID, PID and WPA.

(d) **Renegotiation in Event of Changed Legislation.** If any Party determines pursuant to Section 4.12(a)(7) that the benefits to it under AB 2638 have been materially

reduced, the Parties shall attempt in good faith to renegotiate the terms and conditions of the affected Transaction Agreement or Agreements so as to restore the original balance of benefits and burdens contemplated by the Parties as of the Effective Date. If a new agreement or agreements cannot be negotiated within three (3) months after the commencement of negotiations, or such longer period as the Parties shall mutually agree, any Party may terminate all Transaction Agreements pursuant to Section 4.12(a) "Rights to Terminate" above. If the Parties agree upon renegotiated terms of the affected Transaction Agreements, the Parties will promptly file application(s) with the applicable Governmental Authorities for approval of the revised Transaction Agreements and the consummation of the transactions contemplated hereunder and thereunder.

**4.13 PG&E Sale or Lease to State of California.** If PG&E enters into a transaction with the State of California or its nominee to sell or lease or otherwise transfer ownership or control of part or all of the Assets that are the subject of the Asset Sale Agreement, the Patterson Lease Agreement, the Salado Lease Agreement, or the Tap Line Agreement, the Parties shall attempt in good faith to renegotiate the terms and conditions of the affected Transaction Agreement or Agreements so as to restore the original balance of benefits and burdens contemplated by the Parties as of the Effective Date. If a new agreement or agreements cannot be negotiated within three (3) months after the commencement of negotiations, or such longer period as the Parties shall mutually agree, either Party may terminate all Transaction Agreements pursuant to Section 4.12(a) "Rights to Terminate" above.

**4.14 No Third Party Beneficiaries.** Except as may be specifically set forth in this Closing Agreement, nothing in this Closing Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Closing Agreement on any Persons other than the Parties and their respective permitted successors and assigns, nor is anything in this Closing Agreement intended to relieve or discharge the obligation or liability of any third Persons to any Party, nor to give any third Persons any right of subrogation or action against any Party. Neither PID nor WPA is a third party beneficiary of the Asset Sale Agreement, the Salado Lease Agreement, the Patterson Lease Agreement, the Tolling and Release Agreement, the Private Lines Assignment Agreement, or the Tap Line Agreement.

**4.15 Force Majeure.**

(a) No Party shall be liable for any failure to perform the terms of this Agreement when such failure is due to "force majeure." The term "force majeure" shall mean acts of God, strikes, lockouts or industrial disputes or disturbances, civil disturbances, arrests and restraint from rules or people, interruptions by government or court orders, present and future valid orders of any regulatory body having proper jurisdiction, acts of the public enemy, wars, acts of terrorism, riots, blockades, insurrections, inability to secure or delay in securing labor or materials (including delay in securing or inability to secure materials by reason of allocations promulgated by authorized governmental agencies), epidemics, earthquakes, floods, tsunamis, unusually severe weather, explosions, or any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the Party claiming "force majeure."

(b) The "force majeure" shall, so far as possible, be remedied with all

reasonable dispatch. Notwithstanding the above requirement that any "force majeure" shall be remedied with all reasonable dispatch, the settlement of strikes or lockouts or industrial disputes or disturbances shall be entirely within the discretion of the Party having the difficulty.

(c) The Party claiming any failure to perform due to "force majeure" shall provide written notification thereof, including the factual basis of the claimed "force majeure" event, to the other Party as soon as practical after the occurrence of the "force majeure" event.

(d) "Force Majeure" shall not apply to the failure by any Party to pay money or to perform any act or activity that depends upon the payment or allocation of money to perform the act or activity (including, but not limited to, normal maintenance in accordance with Maintenance Plans, Extraordinary Maintenance, or Severance Work) unless the specific payment or allocation of money is barred by order of a Governmental Authority.

4.16 **No Joint Venture.** Nothing contained in this Closing Agreement creates or is intended to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation, or liability on or with regard to any Party.

4.17 **No Brokers.** Each Party represents to the other Parties that its negotiations relating to the Transaction Agreements and the transactions contemplated therein have been without the intervention of any other Person and have not been conducted in such a manner as to give rise to any valid claim against such Party for a brokerage commission, finder's fee or other like payment to any person.

4.18 **Construction of Agreement.** Ambiguities or uncertainties in the wording of any Transaction Agreement will not be construed for or against any Party, but will be construed in the manner that most accurately reflects the Parties' intent as of the date they executed the applicable Transaction Agreement.

4.19 **Counterparts.** Any Transaction Agreement may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.

**IN WITNESS WHEREOF**, the Parties have executed this Closing Agreement as of the date first above written.

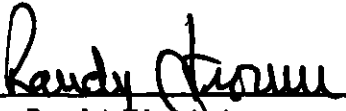
**PACIFIC GAS AND ELECTRIC COMPANY,**  
a California corporation


By \_\_\_\_\_

Name: Gordon R. Smith


Title: President & Chief Executive Officer


**TURLOCK IRRIGATION DISTRICT,**  
a California irrigation district

By   
Name: Randy Fiorini  
Title: President

By   
Name: Barbara A. Hetrick  
Title: Secretary


**PATTERSON IRRIGATION DISTRICT,**  
a California irrigation district

By   
Name: John Barbaste  
Title: President

By   
Name: Joe F. Perry  
Title: Secretary

**WESTSIDE POWER AUTHORITY,**  
a California Joint Powers Agency

By   
Name: Michael Crowell  
Title: President

By   
Name: Barbara A. Hetrick  
Title: Secretary



**EXHIBIT A**

**ASSET SALE AGREEMENT**

\*\*\*\*\*

**EXHIBIT B**

**SERVICE AREA AGREEMENT**

\*\*\*\*\*

**EXHIBIT C**

**TOLLING AND RELEASE AGREEMENT**

\*\*\*\*\*

**EXHIBIT D**

**SALADO LEASE AGREEMENT**

\*\*\*\*\*

**EXHIBIT E**

**PATTERSON LEASE AGREEMENT**

\*\*\*\*\*

**EXHIBIT F**

**PRIVATE LINES ASSIGNMENT AGREEMENT**

\*\*\*\*\*

**EXHIBIT G**

**TAP LINE AGREEMENT**

**EXHIBIT H**

**FORM OF FIRPTA AND CALIFORNIA AFFIDAVIT**

**CERTIFICATION OF NONFOREIGN STATUS**  
**OF**  
**PACIFIC GAS AND ELECTRIC COMPANY**

**PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("PG&E"), is the transferor of certain real property located in Stanislaus County, California (the "Property").

Section 1445 of the Internal Revenue Code of 1986 (the "Code") provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax will not be required in connection with the disposition of the Property pursuant to that certain Asset Sale Agreement dated as of November 30, 2001, by and between PG&E and Turlock Irrigation District, a California irrigation district, the undersigned hereby certifies the following on behalf of PG&E:

1. PG&E is not a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Code and the regulations promulgated thereunder;
2. PG&E's U.S. employer identification number is 94-0742640; and
3. PG&E's address is 77 Beale Street, San Francisco, California 94105.

It is understood that this certificate may be disclosed to the Internal Revenue Service and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, the undersigned declares that it has examined the foregoing certification and, to the best of its knowledge and belief, it is true, correct and complete.

Date: \_\_\_\_\_, 200\_

**SIGNATURE:**

**PACIFIC GAS AND ELECTRIC COMPANY,**  
a California corporation

By \_\_\_\_\_

Name:

Title:

**EXHIBIT I**

**ASSIGNMENT AND ASSUMPTION OF LAND RIGHTS**

This **ASSIGNMENT AND ASSUMPTION** (this "Assignment") is made on \_\_\_\_\_, 200\_, by **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("Assignor") in favor of **TURLOCK IRRIGATION DISTRICT**, a California irrigation district ("Assignee").

For a valuable consideration, the receipt of which is hereby acknowledged, Assignor hereby grants, conveys, transfers and assigns to Assignee all of Assignor's right, title and interest in, to and under the Land Rights which are more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

Assignee hereby accepts the foregoing assignment and agrees to pay, perform and discharge, as and when due, all of the agreements and obligations of Assignor under the Land Rights and agrees to be bound by all of the terms and conditions of the Land Rights.

The provisions of this Assignment are binding upon, and will inure to the benefit of, the successors and assigns of Assignor and Assignee, respectively.

This Assignment is made without any representation or warranty (express or implied) or recourse against Assignor, except that Assignor represents that the copies evidencing the Land Rights transferred under this Assignment and Assumption Agreement are true and correct copies of the documents evidencing the Land Rights. Assignee is responsible for obtaining any required consents to the assignment of Assignor's right, title and interest in, to and under the Land Rights.

This Assignment may be executed in any number of counterparts, each of which is an original, but all of which when taken together constitute one and the same instrument.

**IN WITNESS WHEREOF**, Assignor and Assignee have caused their duly authorized representatives to execute this Assignment as of the date first above written.

**ASSIGNOR:**

**PACIFIC GAS AND ELECTRIC COMPANY,**  
a California corporation

By \_\_\_\_\_

Name:

Title:

**ASSIGNEE:**

**TURLOCK IRRIGATION DISTRICT,**  
a California irrigation district

By \_\_\_\_\_  
Name:  
Title: President

By \_\_\_\_\_  
Name:  
Title: Secretary

**EXHIBIT A [to Exhibit I]**

**Schedule of Land Rights**

[Reference: Schedule 2.1(a)(1) of the Asset Sale Agreement.]

**EXHIBIT J**  
**PG&E CLOSING STATEMENT**

<b>Description</b>	<b>Price</b>
Cost Sharing Letter Agreement costs not paid prior to Closing	

**EXHIBIT K**  
**TID CLOSING STATEMENT**

Description	Price
Assets	\$15,111,825
Patterson Frozen Foods 60 kV Tap Line Equipment and Easements – Downpayment	\$67,220
First Subtotal	\$15,179,045
Any amounts due under the following sections of the Asset Sale Agreement: 4.1(a), 4.1(b), 4.1(d), 4.2(b), 5.1, 5.4(b), 5.6(a), and 5.6(c).	
First Year Patterson Lease Rent	\$3,000
First Year Salado Lease Rent	\$3,000
Cost Sharing Letter Agreement cost not paid prior to Closing	
Credits for amounts to be credited under the following sections of the Asset Sale Agreement: 2.12(b) and 5.2(b)(2).	(credit)
<b>TOTAL</b>	

**EXHIBIT L**

**ASSIGNMENT AND ASSUMPTION  
OF CONTRACTS – SPECIAL FACILITIES**

This **ASSIGNMENT AND ASSUMPTION** (this “Assignment”) is made on \_\_\_\_\_, 200\_, by **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation (“Assignor”) in favor of **TURLOCK IRRIGATION DISTRICT**, a California irrigation district (“Assignee”).

For a valuable consideration, the receipt of which is hereby acknowledged, Assignor hereby grants, conveys, transfers and assigns to Assignee all of Assignor’s right, title and interest in, to and under the contracts and agreements (collectively, “Contracts”) which are more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

Assignee hereby accepts the foregoing assignment and agrees to pay, perform and discharge, as and when due, all of the agreements and obligations of Assignor under the Contracts and agrees to be bound by all of the terms and conditions of the Contracts.

The provisions of this Assignment are binding upon, and will inure to the benefit of, the successors and assigns of Assignor and Assignee, respectively.

This Assignment is made without any representation or warranty (express or implied) or recourse against Assignor, except that Assignor represents that the copies evidencing the Special Facilities transferred under this Assignment and Assumption are true and correct copies of the documents evidencing the Special Facilities. Assignee is responsible for obtaining any required consents to the assignment of Assignor’s right, title and interest in, to and under the Contracts.

This Assignment may be executed in any number of counterparts, each of which is an original, but all of which when taken together constitute one and the same instrument.

**IN WITNESS WHEREOF**, Assignor and Assignee have caused their duly authorized representatives to execute this Assignment as of the date first above written.

**ASSIGNOR:**

**PACIFIC GAS AND ELECTRIC COMPANY**  
a California corporation

By \_\_\_\_\_

Name:

Title:

**ASSIGNEE:**

**TURLOCK IRRIGATION DISTRICT,**  
a California irrigation district



By \_\_\_\_\_  
Name:  
Title: President

By \_\_\_\_\_  
Name:  
Title: Secretary

**EXHIBIT M**

**PARTIAL ASSIGNMENT  
OF CERTAIN TRANSMISSION EASEMENTS**

This **PARTIAL ASSIGNMENT** (this "Assignment") is made on \_\_\_\_\_, 200\_, by **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("**Assignor**") in favor of **TURLOCK IRRIGATION DISTRICT**, a California irrigation district ("**Assignee**").

For a valuable consideration, the receipt of which is hereby acknowledged, Assignor hereby grants, conveys, transfers and assigns to Assignee a portion of Assignor's right, title and interest in the easements ("**Easements**") which are more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

The portion of the Easements transferred by this Assignment shall be as required for Assignee to operate and maintain its electric distribution facilities on the electric transmission poles in the Easements along with the right of ingress and egress.

Assignor expressly reserves from this Assignment all easement rights necessary for the operation and maintenance of any and all electric transmission facilities together with the right of ingress and egress.

The provisions of this Assignment are binding upon, and will inure to the benefit of, the successors and assigns of Assignor and Assignee, respectively.

This Assignment is made without any representation or warranty (express or implied) or recourse against Assignor, except that Assignor represents that the copies evidencing the Easements transferred under this Assignment are true and correct copies of the documents evidencing the Easements.

This Assignment may be executed in any number of counterparts, each of which is an original, but all of which when taken together constitute one and the same instrument.

**IN WITNESS WHEREOF**, Assignor and Assignee have caused their duly authorized representatives to execute this Assignment as of the date first above written.

**ASSIGNOR:**

**PACIFIC GAS AND ELECTRIC COMPANY**  
a California corporation

By \_\_\_\_\_

Name:

Title:

**ASSIGNEE:**

**TURLOCK IRRIGATION DISTRICT,**  
a California irrigation district

By \_\_\_\_\_

**Name:**

**Title: President**

By \_\_\_\_\_

**Name:**

**Title: Secretary**

**CLOSING DELIVERIES**

**1. CLOSING DELIVERIES BY PG&E**

PG&E will deliver, or cause to be delivered, to TID on or before the Closing, the following documents and payments:

1.1. **Payments.** All amounts due TID from PG&E on Closing under the Transaction Agreements which payment items are listed in Exhibit J to this Closing Agreement.

1.2. **Assignment and Assumption of Land Rights.** An Assignment and Assumption substantially in the form of Exhibit I to this Closing Agreement, duly executed by PG&E.

1.3. **Assignment and Assumption of Contracts – Special Facilities.** An Assignment and Assumption substantially in the form of Exhibit L to this Closing Agreement, duly executed by PG&E.

1.4. **Organizational Documents and Good Standing Certificate.** The Articles of Incorporation and Bylaws of PG&E certified as of the Closing Date by the Corporate Secretary of PG&E and a good standing certificate for PG&E from the California Secretary of State.

1.5. **Officer's Certificate.** A certificate of PG&E's Corporate Secretary or Assistant Secretary certifying that the officer(s) signing the Transaction Agreements have been duly authorized to sign and execute such document(s) on behalf of PG&E.

1.6. **Board Resolutions.** A certified copy of the resolutions of the Board of Directors of PG&E and PG&E Corporation as may be required to authorize the transactions contemplated by the Transaction Agreements and authorizing officer(s) of PG&E to execute and deliver each of the Transaction Agreements and any other documents or instruments which they deem necessary and appropriate in connection with the Transaction Agreements, all subject to the release of the Assets from the Mortgage.

1.7. **FIRPTA.** A "FIRPTA" affidavit and a California affidavit regarding foreign persons required by the California and Revenue Taxation Code, substantially in the form of Exhibit H of this Closing Agreement, duly executed by PG&E.

1.8. **Opinion of Counsel.** An opinion of counsel, in form and substance satisfactory to PG&E and TID, opining, among other things, that (a) the execution and delivery of the Transaction Agreements has been duly authorized by all requisite legal action on the part of PG&E, (b) the Transaction Agreements have been duly executed and delivered by PG&E, and (c) the Transaction Agreements constitute the legal, valid and binding obligations of PG&E, enforceable against PG&E in accordance with their respective terms.

1.9. **Disclosure.** PG&E to confirm in writing the representations contained in **Section 5.8(a)** "Disclosure" of the Asset Sale Agreement or state any changes thereto based upon the representations of the PG&E employees having direct operational oversight of the Assets as of the Closing Date.

1.10. **Customer Information.** Customer Information in accordance with **Section 4.1(c)(iv)** of the Asset Sale Agreement.

1.11. **Facilities Information.** Facilities Information in accordance with **Section 2.12(c)** of the Asset Sale Agreement.

1.12. **Partial Assignment of Certain Transmission Easements.** A Partial Assignment of Certain Transmission Easements substantially in the form of **Exhibit M** to this Closing Agreement, duly executed by PG&E.

## **2. CLOSING DELIVERIES BY TID**

TID will deliver, or cause to be delivered, to PG&E on or before the Closing, the following documents and payments:

2.1. **Purchase Price and Other Payments.** All amounts due PG&E from TID on Closing under the Transaction Agreements which payment items are listed in **Exhibit K** to this Closing Agreement.

2.2. **Assignment and Assumption of Land Rights.** An Assignment and Assumption, substantially in the form of **Exhibit I** to this Closing Agreement, duly executed by TID.

2.3. **Assignment and Assumption of Contracts – Special Facilities.** An Assignment and Assumption substantially in the form of **Exhibit L** to this Closing Agreement, duly executed by TID.

2.4. **Joint Poles and Anchors.** Evidence satisfactory to TID and PG&E that all of the distribution joint poles and joint anchors described in **Section 2.10** "Joint Poles and Anchors" of the Asset Sale Agreement have been withdrawn from the NCJPA and that separate joint pole agreements has been entered into between TID and Evans Telephone and Pacific Bell, respectively, or either of their successors.

2.5. **Northern California Joint Pole Association.** Evidence satisfactory to PG&E that TID has joined the NCJPA for the limited purposes set forth in **Section 2.10** "Joint Poles and Anchors" of the Asset Sale Agreement

2.6. **Organizational Documents.** The formation documents of TID certified as current as of the Closing by the Secretary to the Board of Directors of TID.

2.7. **Officer's Certificate.** A certificate of TID's Secretary to the Board of

Directors certifying that the officers signing the Transaction Agreements and any other documents delivered by TID in connection with the Closing have been duly authorized to sign and execute such documents on behalf of TID.

2.8. **TID's Resolutions.** A certified copy of the resolutions of the TID's board of directors as may be required to authorize the transactions contemplated by the Transaction Agreements and authorizing officer(s) of TID to execute and deliver the Transaction Agreements.

2.9. **Opinion of Counsel.** An opinion of counsel, in form and substance satisfactory to PG&E and TID, opining, among other things, that (a) the execution and delivery of the Transaction Agreements has been duly authorized by all requisite legal action on the part of TID, (b) the Transaction Agreements have been duly executed and delivered by TID, and (c) the Transaction Agreements constitute the legal, valid and binding obligations of TID, enforceable against TID in accordance with their respective terms.

2.10. **Electric Line Severance Agreement—Matthews Property.** An agreement that the Diablo Grande private line will be severed at the location and in a manner provided in the Electric Line Severance Agreement substantially in the form attached hereto as Exhibit N.

2.11. **Salado Lease Agreement.** Disclosure required by Section 6(b) of the Salado Lease Agreement and evidence of compliance with Section 7(a) thereof.

2.12. **Patterson Lease Agreement.** Disclosure required by Section 6(b) of the Patterson Lease Agreement and evidence of compliance with Section 7(a) thereof, if applicable.

2.13. **Partial Assignment of Certain Transmission Easements.** A Partial Assignment of Certain Transmission Easements, substantially in the form of Exhibit M to this Closing Agreement, duly executed by TID.

### **3. CLOSING DELIVERIES BY PID**

3.1. **Agreement Regarding Reversionary Interest Real Property between PID and PG&E.** Agreement regarding PID transfer of its reversionary interest in the real property underlying the Patterson substation to PG&E.

3.2. **Quitclaim Deed.** Deed effecting transfer of PID's reversionary interest in the real property underlying the Patterson substation to PG&E.

3.3. **Organizational Documents.** The formation documents of PID certified as current as of the Closing by the Secretary to the Board of Directors of PID.

3.4. **Officer's Certificate.** A certificate of PID's Secretary to the Board of Directors certifying that the officers signing the Closing Agreement, the Service Area Agreement, the agreement regarding reversionary interest described in Section 3.1 above, and any other documents delivered by PID in connection with the Closing (collectively, the "PID Agreements")

have been duly authorized to sign and execute such documents on behalf of PID.

3.5. **PID's Resolutions.** A certified copy of the resolutions of the PID's board of directors as may be required to authorize the transactions contemplated by the PID Agreements and authorizing officer(s) of PID to execute and deliver the PID Agreements.

3.6. **Opinion of Counsel.** An opinion of counsel, in form and substance satisfactory to PG&E and PID, opining, among other things, that (a) the execution and delivery of the PID Agreements has been duly authorized by all requisite legal action on the part of PID, (b) the PID Agreements have been duly executed and delivered by PID, and (c) the PID Agreements constitute the legal, valid and binding obligations of PID, enforceable against PID in accordance with their respective terms.

#### **4. CLOSING DELIVERIES BY WPA**

4.1. **Organizational Documents.** The formation documents of WPA certified as current as of the Closing by the Secretary to the Board of Directors of WPA.

4.2. **Officer's Certificate.** A certificate of WPA's Secretary to the Board of Directors certifying that the officers signing the Closing Agreement, the Service Area Agreement, and any other documents delivered by WPA in connection with the Closing (collectively, the "WPA Agreements") have been duly authorized to sign and execute such documents on behalf of WPA.

4.3. **WPA's Resolutions.** A certified copy of the resolutions of the WPA board of directors as may be required to authorize the transactions contemplated by the WPA Agreements and authorizing officer(s) of WPA to execute and deliver the WPA Agreements.

4.4. **Opinion of Counsel.** An opinion of counsel, in form and substance satisfactory to PG&E and WPA, opining, among other things, that (a) the execution and delivery of the WPA Agreements has been duly authorized by all requisite legal action on the part of WPA, (b) the WPA Agreements have been duly executed and delivered by WPA, and (c) the WPA Agreements constitute the legal, valid and binding obligations of WPA, enforceable against WPA in accordance with their respective terms.

D



**LEASE AGREEMENT  
FOR A PORTION OF THE SALADO SUBSTATION**

This Lease Agreement ("Lease") is entered into by and between Pacific Gas and Electric Company ("the Company"), a California corporation, and Turlock Irrigation District, a California irrigation district ("TID"), hereafter also referred to individually as "Party" and collectively as "Parties," and in consideration of the mutual promises and agreements set forth herein, the Parties hereby agree as follows:

**PURPOSE:**

- A. The Parties have entered into an Asset Sale Agreement, dated as of December \_\_, 2001, pursuant to which TID will purchase certain electric distribution assets from Company;
- B. Certain of the assets being purchased by TID are located at the Company's Salado substation (the "TID Salado Assets");
- C. TID desires to leave the TID Salado Assets at their current location for a period of time after the Closing Date;
- D. The Company is willing to grant a lease to TID for the purpose of siting the TID Salado Assets at the Salado substation, subject to the terms and conditions set forth below.

**1. SCOPE OF LEASE:**

(a) **GRANT:** The Company hereby grants to TID a lease, on the terms and conditions stated herein, to maintain the TID Salado Assets within the real property of the Company shown on Exhibit A, attached hereto and incorporated herein, for the purpose stated in paragraph D above. The portion of the Salado substation leased by TID shall be referred to as the "Leased Premises," the remaining portion of the Salado substation reserved by the Company shall be referred to as the "Primary Substation Property," and collectively shall be referred to the "Substation Property."

**(b) ALLOWED USE OF THE LEASED PREMISES:**

The scope of the Lease shall be limited to the operation and maintenance of the TID Salado Assets at the Leased Premises identified on Exhibit A and the necessary ingress and egress to and from the Leased Premises. All other rights of use of and access to the Leased Premises are expressly reserved by and to the Company.

Before the Closing Date, TID shall construct (i) a non-metallic fence separating the Leased Premises from the Primary Substation Property and (ii) a gate in the outer perimeter of the existing substation fence adjacent to the county road in order to allow TID ingress and egress to and from the Leased Premises. The Company has reviewed and approved the design and work plan for the non-metallic fence and gate submitted by TID to the Company, including, but not limited to, that the proposed location of all excavations for the fence will not adversely impact any PG&E underground

facilities. Prior to construction, TID shall mark excavation locations within the Leased Premises for final review and approval by the Company. TID agrees to reimburse the Company for the cost of one (1) Company representative monitoring the marking and on-site construction of the non-metallic fence.

In no event shall TID perform any activities or have the right to use any space or access within the Primary Substation Property, except with the Company's prior written consent, which shall not be unreasonably withheld. The Parties contemplate that, if work that TID plans on the Leased Premises requires the use of a crane within the Primary Substation Property, the Company will consent to the crane operating within the Primary Substation Property on the condition that a Company representative be present, at TID's expense, at all times while the crane is being operated on the Primary Substation Property.

All infrastructure and facility environmental plans existing on or for the Leased Premises have been installed or developed for the Company's facilities. If Company is required to modify or add facilities or plans in order for TID to operate or maintain the TID Salado Assets, TID shall bear all such costs; provided, however, that Company must give TID at least sixty (60) day's prior written notice of any such modification or additional facilities or plans, unless Company is required to modify or add additional facilities by the CPUC or any other Governmental Authority, in which case Company shall provide notice to TID as soon as practical under the circumstances. TID shall have the option of terminating this Lease in lieu of paying any such costs. As of the date of this Lease and except as set forth in this Lease or as contemplated by the Parties in connection with the Purchaser System Work and Severance Work in the Asset Sale Agreement, no such modification or additional facilities or plans are required.

**(c) TERM OF LEASE:**

(1) The term of this Lease shall be for a maximum period of seven (7) years from and including the Closing Date. Unless this Lease is extended by mutual agreement, in writing, by both Parties subject to the approval of the CPUC, it shall automatically and without further notice or action by the Company terminate at the expiration or its term, or upon cessation of TID's activities, whichever occurs first. This Lease is subject to revocation or termination pursuant to the provisions of Article 3.

(2) Notwithstanding anything to the contrary in this Lease, no provision of this Lease shall be effective or binding on any Party unless and until the Asset Sale Closing occurs, except that TID shall construct the non-metallic fence as described in Section 1(b) above and subject to the conditions set forth therein.

**(d) TRANSMISSION OF ELECTRICITY AND INTERCONNECTIONS:** Interconnection of the TID Salado Assets and any other electrical equipment of TID to the Company's electric facilities and the transmission of electricity are not covered under this Agreement.

**2. RENT AND COMPANY ACCESS TO THE LEASED PREMISES:**

(a) **RENT:** On the Closing Date and each anniversary thereafter so long as this Lease is in effect, TID shall pay to the Company, at the address set forth herein or at such other place as the Company shall designate in writing, as the annual rental payment for the use of the Leased Premises, the sum of Three Thousand Dollars (\$3,000.00). On termination of this Lease, the Company shall prorate the annual rental payment and reimburse TID for the remaining months or portion thereof of the Lease.

(b) **COMPANY ACCESS TO THE LEASED PREMISES:**

(1) The Company shall have access to the Leased Premises for emergency purposes at all times to protect the Company's property and adjoining facilities. For purposes of this provision, "emergency" means a sudden unexpected happening within the Leased Premises that creates an immediate hazard or immediate threat of harm or injury to persons or property requiring immediate remedial action. The Company shall notify TID's Power Control Center at (209) 883-8480 as soon as possible and preferably prior to entry onto the Leased Premises so that TID can take immediate action in response to the emergency. The Company is not expected or required to take action to remediate an emergency.

(2) The Company may at any time take samples of any air, soil or groundwater at its sole discretion but at its own expense, as long as such activity does not unreasonably interfere with TID's activities and, except in emergencies, on the conditions that (i) a TID representative be present, at no cost to the Company and (ii) the Company gives TID at least seven (7) days prior notification. Company agrees that it will not require TID to shut down the substation at any time in order to perform any testing activities, unless necessary to comply with an order or directive of a Governmental Authority. Company shall be required to notify TID's Power Control Center at (209) 883-8480 prior to any emergency or non-emergency entry onto the Leased Premises. The Company shall provide TID with a copy of all test results and related reports on all samples taken within ten (10) Business Days following receipt thereof by the Company.

(3) Not more than once per quarter, a Company representative may enter the Leased Premises to verify safety and protection of Company's property and facilities. The cost of such inspections are included as part of the rent.

**3. TERMINATION:**

(a) If TID fails to make any payment due within the time frame specified or otherwise comply with any material term or condition of this Agreement, and such failure to pay is not cured within ten (10) days after notice has been given to TID by the Company, the Company, at its sole discretion, upon thirty (30) days written notice to TID, may terminate without further liability the Lease granted to TID as to all or any portion of the Leased Premises, and TID shall immediately relinquish use of the Leased Premises specified in the notice, in accordance with this Agreement, prior to the effective date of termination.

(b) This Agreement shall also terminate in whole or in part, upon the happening of any of the following events:

(1) at the option and sole discretion of either Party, upon the termination or abandonment by TID of the use of the Leased Premises;

(2) at the option of TID, upon sixty (60) days notice to Company, provided TID is otherwise in compliance with the terms of this Lease;

(3) at the option of the Company, after notice from the applicable Governmental Authority that TID has failed to obtain or maintain the appropriate authorizations or permits necessary to operate and maintain the TID Salado Assets at the Leased Premises and after any period given by the Governmental Authority to cure such deficiency has expired;

(4) at the option and sole discretion of the non-defaulting Party and without limiting the rights or remedies of the non-defaulting Party, upon a breach or default by the other Party of any material obligation hereunder and the continuance thereof following the expiration of a thirty (30) days remedy period, provided, however, that if the breach or default cannot reasonably be cured within thirty (30) days, the Party shall not be in breach if that Party commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default; or

(5) upon the written mutual agreement of the Parties.

(c) Upon termination of this Lease, TID shall immediately comply with the provisions of Section 3(d) below.

(d) Within 30 days after the expiration or earlier termination of this Lease, TID shall at its sole expense remove from the Leased Premises all of TID's personal property, fixtures and improvements, including without limitation the TID Salado Assets, and all debris and waste material resulting from TID's activities, including but not limited to any soil or other material excavated by TID. Such restoration shall not include the removal of any concrete foundations or underground conduits or facilities that existed prior to TID's entry upon the Leased Premises. Such restoration shall include, but not be limited to Remediation (or at Company's discretion payment to the Company within 30 days of receipt of an invoice for Company's cost of Remediation) of contamination, if any, of soil or ground water or both by Hazardous Substances resulting from TID's operations or activities on the Leased Premises. However, TID shall not be responsible for Remediation of any contamination by Hazardous Substances that existed in soil or groundwater or both on the Leased Premises prior to the TID's occupation of the Leased Premises or any migration of Hazardous Substances through soil or groundwater or both from within or outside of the Leased Premises, unless the release of such contamination was caused by TID. TID shall provide Company at least ten (10) Business Days notice of the schedule for the removal of its personal property, fixtures and improvements. In the event TID fails to remove its personal property, fixtures and improvements or fails to restore the Leased Premises, the Company may elect to remove and dispose of TID's personal property, fixtures and improvements and perform such removal, disposal or restoration as necessary, and TID shall pay the Company for the costs and expenses incurred by the Company in connection with such removal, disposal and restoration, within 30 days of receipt of an invoice from the Company.

**4. NO ACQUIRED RIGHTS:** TID's use of the Leased Premises hereunder shall not convey to TID any title, or right in or to the Leased Premises, and TID agrees not to make any claim of right or title, or assail the Company's title, to the Leased Premises.

**5. CONDITION OF LEASED PREMISES:**

(a) TID acknowledges that there may be a presence of Hazardous Substances, including but not limited to arsenic, asbestos, PCBs, radon gas, formaldehyde, lead based paint, other lead contamination, fuel or chemical storage tanks, electric and magnetic fields or other substances, material, products or conditions on the Leased Premises, hereinafter referred to as "Potential Environmental Hazards."

The Parties have jointly taken soil samples at six locations within the Leased Premises at the Parties' joint expense. Those soil samples indicate the soil within the Leased Premises that was analyzed does not show any adverse environmental conditions, and do not presently require Remediation. A detailed description of sampling methodology and analytical results may be found in the report titled "Phase 1 Environmental Site Assessment Report and Soil Sampling Program" prepared by Secor International in January 2001. Upon vacation of the Leased Premises by TID, the Parties agree to take soil samples at the exact same locations and in the same manner and at the same depths as the original soil samples and the soil samples will be analyzed for the same elements as in the original soil samples and at the same measurements of acuity, consistent with then current analytical standards, unless the Parties agree to a different level of testing ("Termination Testing"). In addition, Termination Testing shall include tests for any additional Hazardous Substances used or stored in the Leased Premises by TID. The Parties agree to share equally in the cost of taking and analyzing both sets of soil samples.

(b) TID accepts the Leased Premises as is but is strongly advised by the Company to consider, if it has not already done so, the condition and suitability of all aspects of the Leased Premises and all matters affecting its suitability for the uses specifically granted herein, including, but not limited to, the Potential Environmental Hazards listed herein.

(c) The Parties agree that TID shall not be responsible for Remediation of any contamination by Hazardous Substances that (1) existed in soil or groundwater or both on the Leased Premises prior to the TID's occupation of the Leased Premises whether or not revealed by any soil testing or inspection prior to TID's occupancy of the Leased Premises, (2) migrated through soil or groundwater or both from outside of the Leased Premises (unless the contamination outside of the Leased Premises was caused by TID), or (3) is caused solely by the Company.

**6. TID'S CONDUCT ON THE LEASED PREMISES:**

(a) TID shall use the Leased Premises at its sole risk and expense.

(b) On or before the Closing Date and on the first business day of January of each year after the Closing Date, including the first business day of January of the year after the

termination of this Agreement, TID shall disclose to the Company the names and amounts of any and all Hazardous Substances which are generated, stored, or used on the Leased Premises, or which TID intends to generate, store or use on the Leased Premises. In addition, TID shall provide the Company with copies of all reports and notices relating to Hazardous Substances generated, stored, or used on the Lease Premises submitted to Governmental Authorities or created to comply with any law or regulation. No other Hazardous Substances may be generated, stored or used on the Leased Premises. TID shall not dispose of any Hazardous Substances on the Leased Premises.

(c) TID shall comply with all local, state, and federal laws, regulations, rules and orders which pertain or are applicable to the activities of TID hereunder including, but not limited to, those laws whether existing or new which relate to the use, storage, handling, treatment, or disposal of Hazardous Substances, and those which relate to health, safety, noise, environmental protection, or air and water quality. Upon the Company's request and not more frequently than once per year, TID shall furnish satisfactory evidence of such compliance, consisting of the type and detail of information the Company would normally provide to a Governmental Authority or a reasonably prudent lessor in similar circumstances.

(d) TID shall notify the Company within one hour by telephone or as soon as practicable and in writing within 24 hours of any release of Hazardous Substances on the Substation Property or any part thereof by TID, its employees, agents or invitees. TID shall provide the Company with copies of any required filings that it makes with Governmental Authorities with respect to such release. The Company representative to be notified is:

Joseph W. Lafferty  
Maintenance Supervisor, Transmission/Substation Maintenance & Construction  
Merced/Los Banos Areas  
Wilson Substation  
4400 East Highway 140 and Tower Road  
Merced, CA 95344  
Phone: (209)726-7633; Fax: (209) 726-7635

With copy to: Anne Conner  
Environmental Affairs Department  
Pacific Gas and Electric Company  
Mail Code B24A  
P.O. Box 7640  
San Francisco, CA 94120  
Phone: (415) 973-4203; Fax: (415) 973-9201

(e) TID shall notify the Company in writing within three (3) Business Days of any investigation, order or enforcement proceeding against TID that in any way relates to the Leased Premises, or to any suspected contamination of any soil or groundwater or both on the Leased Premises. Such notice shall include a complete copy of any order, complaint, agreement, or other document that has been issued, executed or proposed, whether in draft or final form, received by the TID from any Governmental Authority.

(f) TID shall not in any way interfere or permit any interference with the use by the Company of the Primary Substation Property. Interference shall include, but not be limited to, any activity by TID that places any of the Company's gas or electric facilities in violation of any of the provisions of CPUC General Order Nos. 95 (Overhead Electric), and 128 (Underground Electric) or any other applicable provisions of the laws and regulations of any Governmental Authority under which the operations of utility facilities are controlled or regulated.

(g) TID shall not erect, handle, or operate any tools, machinery, apparatus, equipment, or materials closer to any of the Company's high-voltage electric conductors than the minimum clearances set forth in the High-Voltage Electrical Safety Orders of the California Division of Industrial Safety contained at California Code of Regulations, Title 8, Section 2496, Table 2, which minimum clearances are incorporated herein by reference, but in no event closer than ten (10) feet to any energized electric conductors or appliances.

(h) TID shall not drill, bore, or excavate within ten (10) feet of any Company underground facility, including, but not limited to, gas pipelines, valves, regulators or electric conduits, and the grounding grid at the substation without prior written approval from Company, which approval shall not be unreasonably withheld.

(i) TID shall protect the Leased Premises from new oil-filled equipment, including replacement transformers, by installing and/or maintaining secondary spill containments as appropriate. The Company has reviewed and approved TID's secondary spill containment plan.

(j) In the event the Company determines that TID's activities in any way endanger the Substation Property, any of the Company's property, utility facilities, the environment, or the health or safety of any person or persons, the Company may, at its sole discretion, shall inform TID of the specific nature of the endangerment and direct TID to temporarily halt TID's activities until proper and appropriate protective measures may be taken to eliminate such endangerment, provided that any such temporary halt shall be limited in scope as to time and activities necessary to eliminate the endangerment and with the objective of maintaining electric service to customers to the extent reasonably possible. TID shall indemnify and hold the Company harmless from any claims in any way resulting from any delay or action caused or taken by the Company under this paragraph. The Company's right to halt activities under this Section 6(j) shall not in any way affect or alter TID's obligations under Article 8 "INDEMNIFICATION" below, nor shall it release TID from any of its obligations hereunder that pertain to health, safety, or the protection of the environment.

(k) TID shall comply with all of the Company's environmental, health and safety requirements applicable to Substation Property. TID shall, at its sole expense, prepare all environmental plans related to TID's use of the Leased Premises ("Environmental Plans") as required by local, state, and federal Governmental Authorities, laws, regulations or rules. These may include a Facility Environmental Emergency Plan, Spill Prevention Control and Countermeasure Plan, or Hazardous Materials Business Plan, and other filings and plans. Company has reviewed and approved TID's Environmental Plans.

(l) TID shall notify the Company in writing three (3) Business Days prior to the commencement of any excavation, construction, installation, or any other significant non-routine activities on the Leased Premises. The Company may have representatives on site to witness such activities. TID shall not undertake any construction activity on the Leased Premises that will change the general storm water runoff of the Substation Property without Company's prior approval.

(m) Nothing in this Lease is intended to prevent TID from conducting, at its sole discretion and expense, sampling of air, soil, or groundwater during the term of the Lease when such sampling is legally required. All other sampling shall be subject to the Company's prior written approval which may be withheld in the Company's reasonable discretion. TID shall provide the Company with a copy of all test results and related reports on all samples taken within ten (10) Business Days following receipt thereof by TID.

## **7. PERMITS, AUTHORIZATIONS AND NOTIFICATIONS:**

(a) TID shall obtain all required permits and authorizations from and provide all notifications to all Governmental Authorities, as required for TID's use of or activities on the Leased Premises, and the operation and maintenance of the TID Salado Assets. The following permits and authorizations must be obtained by TID from the applicable Governmental Authorities prior to occupancy of the Leased Premises:

(1) Encroachment permit from the County of Stanislaus for the main gate entrance to the Leased Premises.

(2) Encroachment permit from the California Department of Transportation ("CalTrans") if TID elects to construct a secondary gate entrance to the Leased Premises that would cross CalTrans property.

(b) In the event that any Governmental Authority imposes any conditions or requirements that affect the Leased Premises or either Party in any manner (such as but not limited to environmental requirements), the following shall apply:

(1) The Party receiving such notice from the Governmental Authority shall immediately notify the other Party of such conditions or requirements.

(2) The Parties shall meet and confer to determine the validity of such conditions or requirements and which Party is responsible under this Lease for complying with such conditions or requirements. The Parties agree that unless this Lease specifies that the Company is responsible for complying, then TID shall proceed to comply with such conditions or requirements in accordance with Section 7(b)(3)-(6) and by so proceeding TID shall not waive its right to later dispute its responsibility pursuant to Section 11.1.

(3) The Party responsible for complying with such conditions or requirements (hereafter referred to as the "Responsible Party") shall prepare plans for complying with such conditions or requirements for the other Party's review and, if it adversely impacts the other



Party's legal rights or utility operations, for the other Party's approval, which approval shall not be unreasonably withheld or delayed.

(4) If the other Party agrees with such conditions or requirements (where the other Party's agreement is required) and the Responsible Party's compliance plans, the Responsible Party shall implement the plans at the Responsible Party's sole expense, including any continuing conditions or requirements, including, but not limited to, the monitoring of environmental conditions. The Parties agree that any work shall be carried out with the least possible interference to the operation of the substation consistent with PG&E or TID Utility Practices, as applicable.

(5) If the condition or requirement would adversely impact the Company even if TID agrees to remedy the condition or satisfy the requirement and the Company, in its sole but commercially reasonable judgment, disagrees with any such condition or requirement or disagrees with TID's compliance plans, the Company may terminate this Lease upon 120-days prior written notice to TID or such shorter notice period as is consistent with the condition or requirement imposed by a Governmental Authority.

(6) The Responsible Party shall indemnify and hold the other Party harmless for and from any and all costs and expenses that the other Party may reasonably incur as a result of the Responsible Party's failure to comply with the provisions of this Section.

(7) Nothing in this Section 7(b) shall prevent either Party from complying with an order or directive of a Governmental Authority.

## **8. INDEMNIFICATION:**

(a) TID shall indemnify, hold harmless and defend the Company, its affiliates, subsidiaries, parent company, officers, managers, directors, agents, and employees, from and against all claims, demands, losses, damages, costs (including, but not limited to, the cost of any repairs to or protection of any of the Company's facilities and any additional maintenance costs that result from or arise out of TID's use of the Leased Premises), expenses, and liability (legal, contractual, or otherwise), which arise from or are in any way connected with any:

- (i) Injury to or death of persons, including but not limited to employees of the Company or TID.
- (ii) Injury or damage to property of the Company, TID, or any third party;
- (iii) Violation of a local, state or federal common law, statute, regulation, or ordinance, including but not limited to environmental laws or regulations; or
- (iv) Strict liability imposed by any law or regulation;

so long as such injury, damage, violation, or strict liability (as set forth in (i) - (iv) above) arises from or is in any way connected with TID's use of the Leased Premises or performance of, or

failure to perform, this Agreement, however caused, regardless of any strict liability or negligence of the Company, whether active or passive, excepting only to the extent such loss, damage, cost, expense, liability, strict liability, or violation of law or regulation that is caused by the negligence or willful misconduct of the Company, its officers, managers, or employees.

(b) TID acknowledges that any claims, demands, losses, damages, costs, expenses, and liability that (i) arise from or are in any way connected with the presence, movement, use, release or spill of any legally designated Hazardous Substance, brought or released onto the Leased Premises by TID or (ii) arise from or are in any way connected with TID's use of the Leased Premises are expressly within the scope of the Section 8(a) indemnity. Likewise, the costs, expenses, and legal liability for environmental investigations, monitoring, Remediation, penalties, and fines arising from strict liability or the violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs incurred as a result of such presence, movement, use, releases or spills are expressly within the scope of this indemnity.

(c) TID shall, at the Company's request, defend any action, claim, or suit asserting a claim that might be covered by an indemnity under this Section 8. TID shall pay all costs and expenses that may be incurred by the Company in enforcing the Section 8 indemnity, including reasonable attorney's fees.

(d) In no event shall either Party be liable to the other Party for any special, punitive, incidental, indirect, or consequential damages arising out of or in connection with this Agreement, however caused, whether arising in contract, tort (including negligence) strict liability, or otherwise.

**9. INSURANCE:** TID shall maintain in effect during the term of this Lease insurance as set forth on Exhibit "B," attached hereto and incorporated herein.

**10. TAXES:** In addition to any rent set forth in Article 2 "RENT" above, TID shall reimburse the Company for any assessments validly levied against the Company by the city, county, or state, for any of TID's personal property, fixtures or improvements installed on the Leased Premises. TID shall have the right at its sole cost and expense to contest the validity of any such assessment, and Company shall cooperate reasonably with TID.

**11.1 DISPUTE RESOLUTION:** Any dispute between the Parties shall be resolved in accordance with the dispute resolution provisions in Section 4.9 of the Closing Agreement. Each Party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement.

**11.2 INJUNCTION:** Notwithstanding the foregoing provisions, a Party may seek a preliminary injunction or other provisional judicial remedy if in its judgment such action is necessary to avoid irreparable damage.

**11.3 JURISDICTION:** All disputes that are not submitted to Arbitration shall be litigated in the Superior Court of the State of California and for the County of Stanislaus, or if jurisdiction

cannot be obtained in Stanislaus County Superior Court then in a Federal Court of competent jurisdiction; and the Parties hereby agree to the jurisdiction of such courts.

**11.4 GOVERNING LAW:** The validity, interpretation and effect of this Lease are governed by and will be construed in accordance with the laws of the State of California applicable to contracts made and performed in such State and without regard to conflicts of law doctrines except to the extent that certain matters are preempted by Federal law.

**11.5 CPUC JURISDICTION:** This Lease shall at all times be subject to the jurisdiction of the CPUC and to such changes or modifications as the CPUC may, from time to time, direct in the exercise of its jurisdiction.

**12. LIENS:** In the event that any liens or encumbrances are filed or placed on the Leased Premises as a result of or in connection with the furnishing of materials or services by anyone to TID, or otherwise in connection with the Lease granted hereunder or the use of the Leased Premises by TID, TID shall immediately take all action necessary to obtain the release of all such liens and encumbrances, hold the Company harmless from and pay the Company for all costs incurred and amounts paid to obtain any such release.

**13. NOTICES:** All notices relating to this Agreement shall be given in writing and delivered personally, or sent by facsimile transmission, certified mail (return receipt requested) of the United States Postal Service, or nationally recognized overnight courier service and addressed as follows:

**Company:** PACIFIC GAS AND ELECTRIC COMPANY  
P.O. Box 770000, Mail Code B8L  
San Francisco, CA 94177  
Attn.: Director, Service Analysis  
Fax Number: (415) 973-7018

**With copy to:** Senior Vice President and General Counsel  
Pacific Gas and Electric Company  
P.O. Box 7442  
San Francisco, CA 94120  
Fax: (415) 973-0200

**TID:** TURLOCK IRRIGATION DISTRICT  
333 East Canal Drive  
P.O. Box 949  
Turlock, CA 95381-0949  
Attn: General Manager  
Fax Number: (209) 656-2143

**14. NO ASSIGNMENT:** This Lease is binding upon and inures to the benefit of the successors and assigns of the Parties, but is not assignable by any Party without the prior written consent of the other Party, which consent may be granted or withheld in such Party's sole discretion. Any such assignment is conditioned on the assignee's agreement in writing to assume

the assigning Party's duties and obligations under this Lease. Notwithstanding the above, TID may assign this Lease to the Westside Power Authority and/or the Patterson Irrigation District without PG&E's consent. Any assignment effected in accordance with this Section 14 "No Assignment" will not relieve the assigning Party of its obligations and liabilities under this Lease.

**15. NO JOINT VENTURE:** Nothing contained in this Agreement shall be interpreted as creating a joint venture, partnership, or any other relationship between the Parties, other than the relation of a lessor and a lessee as described in this Agreement.

**16. SURVIVAL:** Upon termination or expiration of this Agreement or the Lease granted hereunder, all provisions of this Agreement that by their nature are intended to survive shall survive such termination or expiration, including but not limited to Sections 3(c) and 3(d), Article 8 (and the indemnification provisions in Articles 6 and 7), Articles 10, 11, and 12.

**17. REPRESENTATION BY LEGAL COUNSEL:** Each Party was represented by counsel in the negotiation and execution of this Agreement.

**18. DEFINED TERMS:** Unless specifically defined elsewhere in this Agreement, capitalized terms when used in this Agreement shall have the meaning specified in the Asset Sale Agreement.

**19. TID RELEASE OF PG&E REGARDING PG&E'S ENVIRONMENTAL PLANS:** TID has reviewed copies of Company's current Facility Environmental Emergency Plan and Spill Prevention Control and Countermeasure Plan for the Substation Property. TID expressly acknowledges that Company makes no representation or warranty of any kind as to whether its current Facility Environmental Emergency Plan and Spill Prevention Control and Countermeasure Plan are adequate or in compliance with law. In developing its own Facility Environmental Emergency Plan and Spill Prevention Control and Countermeasure Plan, TID has not relied the Company's Facility Environmental Emergency Plan and Spill Prevention Control and Countermeasure Plan or upon any representation by the Company, but has made its own independent assessment of what is needed in those plans. TID, on behalf of itself, its directors, officers, employees, and agents, hereby fully and completely compromises, settles, waives, releases and forever discharges any and all claims, demands, obligations, causes of action, debts, losses or damages of any kind or nature, whether legal or equitable, known or unknown, actual or contingent, asserted or unasserted, against the Company or its predecessors and successors in interest, heirs, assigns, as well as past and present officers, directors, shareholders, agents, attorneys and employees, parent and subsidiary corporations and their respective heirs, successors and assigns, related in any way to the Company's Facility Environmental Emergency Plan and Spill Prevention Control and Countermeasure Plan.

**20. FORCE MAJEURE.** Neither Party shall be liable for any failure to perform the terms of this Agreement when such failure is due to "force majeure." The term "force majeure" shall mean acts of God, strikes, lockouts or industrial disputes or disturbances, civil disturbances, arrests and restraint from rules or people, interruptions by government or court orders, present and future valid orders of any regulatory body having proper jurisdiction, acts of the public

enemy, wars, acts of terrorism, riots, blockades, insurrections, inability to secure or delay in securing labor or materials (including delay in securing or inability to secure materials by reason of allocations promulgated by authorized governmental agencies), epidemics, landslides, lightning, earthquakes, fire, storm, floods, tsunamis, washouts, explosions, or any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the Party claiming "force majeure." The "force majeure" shall, so far as possible, be remedied with all reasonable dispatch. Notwithstanding the above requirement that any "force majeure" shall be remedied with all reasonable dispatch, the settlement of strikes or lockouts or industrial disputes or disturbances shall be entirely within the discretion of the Party having the difficulty. The Party claiming any failure to perform due to "force majeure" shall provide verbal notification thereof to the other Party as soon as practical after the occurrence of the "force majeure" event.

**21. EXECUTION:** The Parties and the individuals executing this Agreement on behalf of the Parties, each represent, by executing this Agreement, that he or she is duly authorized to do so and to bind the respective Party to its terms.

**TURLOCK IRRIGATION DISTRICT      PACIFIC GAS AND ELECTRIC COMPANY**

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: **President**

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: **Secretary**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "A"**  
**MAP OF LEASED PREMISES**

**EXHIBIT "B"**  
**INSURANCE REQUIREMENTS**  
**LEASE AGREEMENT**

TID shall maintain the following insurance coverage. PG&E reserves the right to alter insurance requirements based on project scope. TID is also responsible for its agents and contractors' maintaining sufficient limits of the appropriate insurance coverage.

**A. Workers' Compensation and Employers' Liability**

1. **Workers' Compensation insurance or self-insurance indicating compliance with any applicable labor codes, acts, laws or statutes, state or federal, where TID performs work.**
2. **Employers' Liability insurance shall not be less than \$1,000,000 for injury or death each accident.**

**B. Commercial General Liability**

1. **Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions.**
2. **The limit shall not be less than \$2,000,000 each occurrence for bodily injury, property damage and personal injury.**
3. **Coverage shall: a) By "Additional Insured" endorsement add as insureds PG&E, its directors, officers, agents and employees with respect to liability arising out of work performed by or for the TID; b) Be endorsed to specify that the TID's insurance is primary and that any insurance or self-insurance maintained by PG&E shall not contribute with it.**

**C. Business Auto**

1. **Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 "any auto."**
2. **The limit shall not be less than \$ 3,000,000 each accident for bodily injury and property damage.**
3. **Coverage shall be endorsed in accordance with Section 30 of the Motor Carrier Act of 1980 (Category 2).**

**D. Pollution Liability**

1. **Coverage for bodily injury, property damage, including clean-up costs and defense costs resulting from sudden and gradual pollution conditions including the**

**EXHIBIT "B"**  
**INSURANCE REQUIREMENTS**  
**LEASE AGREEMENT**

discharge, dispersal, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, hydrocarbons, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water.

2. The limit shall not be less than \$ 3,000,000 each occurrence for bodily injury and property damage.

**F. Additional Insurance Provisions**

1. Before commencing performance of work under this Lease agreement, TID shall furnish PG&E with certificates of insurance and endorsements of all required insurance for TID.
2. The documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to PG&E.
3. The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to:

Pacific Gas and Electric Company  
Insurance Department - B24H  
Post Office Box 770000  
San Francisco, CA 94177

A copy of all such insurance documents shall be sent to PG&E's Land Agent as specified under Notices in the body of this Lease agreement.

4. PG&E may inspect the original policies or require complete certified copies, at any time.
5. Upon request, TID shall furnish PG&E the same evidence of insurance for its agents or contractors as PG&E requires of TID.



E

## **PATTERSON SUBSTATION LAND LEASE AGREEMENT**

This Lease Agreement ("Lease") is entered into by and between Pacific Gas and Electric Company ("the Company"), a California corporation, and Turlock Irrigation District, a California irrigation district ("TID"), hereafter also referred to individually as "Party" and collectively as "Parties," and in consideration of the mutual promises and agreements set forth herein, the Parties hereby agree as follows:

### **PURPOSE:**

- A. The Parties have entered into an Asset Sale Agreement, dated as of December \_\_, 2001, pursuant to which TID will purchase certain electric distribution assets from Company;
- B. Certain of the assets being purchased by TID are located at the Company's Patterson substation (the "TID Patterson Assets");
- C. TID desires to leave the TID Patterson Assets at their current location for a period of time after the Closing Date;
- D. The Company is willing to grant a lease to TID for the purpose of siting the TID Patterson Assets at the Patterson substation, subject to the terms and conditions set forth below.

### **1. SCOPE OF LEASE:**

(a) **GRANT:** The Company hereby grants to TID a lease, on the terms and conditions stated herein, to maintain the TID Patterson Assets within the real property of the Company shown on Exhibit A, attached hereto and incorporated herein, for the purpose stated in paragraph D above. The real property leased by TID shall be referred to as the "Leased Premises."

#### **(b) ALLOWED USE OF THE LEASED PREMISES:**

The scope of the Lease shall be limited to the operation and maintenance of the TID Patterson Assets at the Leased Premises identified on Exhibit A and the necessary ingress and egress to and from the Leased Premises. All other rights of use of and access to the Leased Premises are expressly reserved by and to the Company.

#### **(c) TERM OF LEASE:**

(1) The term of this Lease shall be for a maximum period of seven (7) years from and including the Closing Date. Unless this Lease is extended by mutual agreement, in writing, by both Parties, subject to the approval of the CPUC, it shall automatically and without further notice or action by the Company terminate at the expiration of its term, or upon cessation of TID's activities, whichever occurs first. This Lease is subject to revocation or termination pursuant to the provisions of Article 3.

(2) Notwithstanding anything to the contrary in this Lease, no provision of this Lease shall be effective or binding on any Party unless and until the Asset Sale Closing occurs.

(d) **TRANSMISSION OF ELECTRICITY AND INTERCONNECTIONS:** Interconnection of the TID Patterson Assets and any other electrical equipment of TID to the Company's electric facilities and the transmission of electricity are not covered under this Agreement.

**2. RENT AND COMPANY ACCESS TO THE LEASED PREMISES:**

(a) **RENT:** On the Closing Date and each anniversary thereafter so long as this Lease is in effect, TID shall pay to the Company, at the address set forth herein or at such other place as the Company shall designate in writing, as the annual rental payment for the use of the Leased Premises, the sum of Three Thousand Dollars (\$3,000.00). On termination of this Lease, the Company shall prorate the annual rental payment and reimburse TID for the remaining months or portion thereof of the Lease.

(b) **COMPANY ACCESS TO THE LEASED PREMISES:**

(1) The Company at Company's expense shall have the right to enter the Leased Premises at all reasonable times to determine whether the Leased Premises are in good condition and whether TID is complying with its obligations under this Lease.

(2) The Company may at any time take samples of any air, soil or groundwater at its sole discretion but at its own expense, as long as such activity does not unreasonably interfere with TID's activities and, except in emergencies, on the conditions that (i) a TID representative be present, at no cost to the Company and (ii) the Company gives TID at least seven (7) days prior notification. Company agrees that it will not require TID to shut down the substation at any time in order to perform any testing activities, unless necessary to comply with an order or directive of a Governmental Authority. For purposes of this provision, "emergency" means a sudden unexpected occurrence within or adjacent to the Leased Premises that creates an immediate release or threat of release of Hazardous Substances in or adjacent to the Leased Premises.

(3) Company shall have the right to install at the Company's sole cost and expense a protective cap over all or any portion of the exposed soil within the Leased Premises and shall have the right to conduct any Remediation of Hazardous Substances within or about the Leased Premises that is required by a Governmental Authority. Unless a lesser time period is agreed to, Company shall give TID at least thirty (30) days' prior written notice of the date the protective cap work or the Remediation is intended to begin on the Leased Premises. Company agrees that it will not interfere unreasonably with the operation of the substation while performing the protective cap work or any Remediation and further agrees that the Company will not require TID to shut down the substation at any time in order to perform the protective cap work or conduct any Remediation, unless necessary to comply with an order or directive of a

Governmental Authority. TID agrees to cooperate reasonably with the Company's performance of the protective cap work or any Remediation. Each Party agrees to take reasonable steps to minimize the other Party's costs and to minimize disruption to the proper functioning of the substation in connection with such work or Remediation to the extent feasible.

(4) Company shall be required to notify TID's Power Control Center at (209) 883-8480 prior to emergency or non-emergency entry onto the Leased Premises. The Company shall provide TID with a copy of all test results and related reports on all samples taken within ten (10) Business Days following receipt thereof by the Company.

### **3. TERMINATION:**

(a) If TID fails to make any payment due within the time frame specified or otherwise comply with any material term or condition of this Agreement, and such failure to pay is not cured within ten (10) days after notice has been given to TID by the Company, the Company, at its sole discretion, upon thirty (30) days written notice to TID, may terminate without further liability the Lease granted to TID as to all or any portion of the Leased Premises, and TID shall immediately relinquish use of the Leased Premises specified in the notice, in accordance with this Agreement, prior to the effective date of termination.

(b) This Agreement shall also terminate in whole or in part, upon the happening of any of the following events:

(1) at the option and sole discretion of either Party, upon the termination or abandonment by TID of the use of the Leased Premises;

(2) at the option of TID, upon sixty (60) days notice to Company, provided TID is otherwise in compliance with the terms of this Lease;

(3) at the option of the Company, after notice from the applicable Governmental Authority that TID has failed to obtain or maintain the appropriate authorizations or permits necessary to operate and maintain the TID Patterson Assets at the Leased Premises and after any period given by the Governmental Authority to cure such deficiency has expired;

(4) at the option and sole discretion of the non-defaulting Party and without limiting the rights or remedies of the non-defaulting Party, upon a breach or default by the other Party of any material obligation hereunder and the continuance thereof following the expiration of a thirty (30) days remedy period, provided, however, that if the breach or default cannot reasonably be cured within thirty (30) days, the Party shall not be in breach if that Party commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default; or

(5) upon the written mutual agreement of the Parties.

(c) Upon termination of this Lease, TID shall immediately comply with the provisions of Section 3(d) below.

(d) Within 30 days after the expiration or earlier termination of this Lease, TID shall at its sole expense remove from the Leased Premises all of TID's personal property, fixtures and improvements, including without limitation the TID Patterson Assets, and all debris and waste material resulting from TID's activities, including but not limited to any soil or other material excavated by TID. Such restoration shall not include the removal of any concrete foundations or underground conduits or facilities that existed prior to TID's entry upon the Leased Premises. Such restoration shall include, but not be limited to Remediation (or at Company's discretion payment to the Company within 30 days of receipt of an invoice for Company's cost of Remediation) of contamination, if any, of soil or ground water or both by Hazardous Substances resulting from TID's operations or activities on the Leased Premises. However, TID shall not be responsible for Remediation of any contamination by Hazardous Substances that existed in soil or groundwater or both on the Leased Premises prior to the TID's occupation of the Leased Premises or any migration of Hazardous Substances through soil or groundwater or both from within or outside of the Leased Premises, unless the release of such contamination was caused by TID. TID shall provide Company at least ten (10) Business Days notice of the schedule for the removal of its personal property, fixtures and improvements. In the event TID fails to remove its personal property, fixtures and improvements or fails to restore the Leased Premises, the Company may elect to remove and dispose of TID's personal property, fixtures and improvements and perform such removal, disposal or restoration as necessary, and TID shall pay the Company for the costs and expenses incurred by the Company in connection with such removal, disposal and restoration, within 30 days of receipt of an invoice from the Company.

4. **NO ACQUIRED RIGHTS:** TID's use of the Leased Premises hereunder shall not convey to TID any title, or right in or to the Leased Premises, and TID agrees not to make any claim of right or title, or assail the Company's title, to the Leased Premises.

5. **CONDITION OF LEASED PREMISES:**

(a) TID acknowledges that there may be a presence of Hazardous Substances, including but not limited to arsenic, asbestos, PCBs, radon gas, lead based paint, other lead contamination, fuel or chemical storage tanks, electric and magnetic fields or other substances, material, products or conditions on the Leased Premises, hereinafter referred to as "Potential Environmental Hazards."

Soil samples have been taken at thirty-seven (37) locations within the Leased Premises. The results of the soil analyses are shown on attached Tables 1 through 5, which are attached hereto as Exhibit C.

A detailed description of sampling methodology and analytical results may be found in the following reports: (1) "Phase 1 Environmental Site Assessment Report and Soil Sampling Program" prepared by Secor International in January 2001 and (2) "Soil and Groundwater Investigation Report PG&E Patterson Substation" prepared by Geomatrix in October 2001. Collectively the tests shall be referred to as "Pre-Closing Testing." Upon vacation of the Leased Premises by TID, the Parties agree to take soil samples at the exact same locations and in the same manner and at the same depths as the original soil samples and the soil samples will be

analyzed for the same elements as in the original soil samples and at the same measurements of acuity, consistent with then current analytical standards, unless the Parties agree to a different level of testing ("Termination Testing"). In addition, Termination Testing shall include tests for any additional Hazardous Substances used or stored in the Leased Premises by TID. The Parties agree to share equally in the cost of taking and analyzing the soil samples taken in connection with Termination Testing.

If the Termination Testing shows that no soil sample exceeds the concentrations found in the Pre-Closing Testing by ten percent (10%), then TID shall not be responsible for any Remediation costs. If the Termination Testing shows that any soil sample exceeded any concentration found in the Pre-Closing Testing by more than ten percent (10%), then TID shall be responsible for the full proportionate cost of remediating the applicable sampling site area or areas unless it can be shown that the additional contamination was caused by PG&E or was due to migration (through no fault of TID) of a Hazardous Substance identified in the Pre-Closing Testing. In addition, TID shall be responsible for the full cost of remediating any soil and groundwater contamination which is revealed by the Termination Testing for additional Hazardous Substances used or stored in the Leased Premises by TID.

(b) TID accepts the Leased Premises as is but is strongly advised by the Company to consider, if it has not already done so, the condition and suitability of all aspects of the Leased Premises and all matters affecting its suitability for the uses specifically granted herein, including, but not limited to, the Potential Environmental Hazards listed herein.

(c) The Parties agree that TID shall not be responsible for Remediation of any contamination by Hazardous Substances that (1) existed in soil or groundwater or both on the Leased Premises prior to the TID's occupation of the Leased Premises whether or not revealed by any soil testing or inspection prior to TID's occupancy of the Leased Premises, (2) migrated through soil or groundwater or both from outside of the Leased Premises (unless the contamination outside of the Leased Premises was caused by TID), or (3) is caused solely by the Company.

## **6. TID'S CONDUCT ON THE LEASED PREMISES:**

(a) TID shall use the Leased Premises at its sole risk and expense.

(b) On or before the Closing Date, and on the first business day of January of each year thereafter, TID shall disclose to the Company the names and amounts of any and all Hazardous Substances which are generated, stored or used on the Lease Premises or which TID intends to generate, store or use on the Leased Premises. In addition, TID shall provide the Company with copies of all reports and notices relating to Hazardous Substances generated, stored, or used on the Lease Premises submitted to Governmental Authorities or created to comply with any law or regulation. No other Hazardous Substances may be generated, stored or used on the Leased Premises. TID shall not dispose of any Hazardous Substances on the Leased Premises and shall not bring onto the Leased Premises any arsenic, arsenic compound or material that contains arsenic.

(c) TID shall comply with all local, state, and federal laws, regulations, rules and orders which pertain or are applicable to the activities of TID hereunder including, but not limited to, those laws whether existing or new which relate to the use, storage, handling, treatment, or disposal of Hazardous Substances, and those which relate to health, safety, noise, environmental protection, or air and water quality. Upon the Company's request and not more frequently than once per year, TID shall furnish satisfactory evidence of such compliance, consisting of the type and detail of information the Company would normally provide to a Governmental Authority or a reasonably prudent lessor in similar circumstances.

(d) TID shall notify the Company within one hour by telephone or as soon as practicable and in writing within 48 hours of any release of Hazardous Substances on the Leased Premises or any part thereof. TID shall provide the Company with copies of any required notices or filings that it makes with Governmental Authorities with respect to such release. The Company representative to be notified is:

Joseph W. Lafferty  
Maintenance Supervisor, Transmission/Substation Maintenance & Construction  
Merced/Los Banos Areas  
Wilson Substation  
4400 East Highway 140 and Tower Road  
Merced, CA 95344  
Phone: (209) 726-7633; Fax: (209) 726-7635

With copy to: Anne Conner  
Environmental Affairs Department  
Pacific Gas and Electric Company  
Mail Code B24A  
P.O. Box 7640  
San Francisco, CA 94120  
Phone: (415) 973-4203; Fax: (415) 973-9201

(e) TID shall notify the Company in writing within three (3) Business Days of any investigation, order or enforcement proceeding against TID which in any way relates to the Leased Premises, or to any suspected contamination of any soil or groundwater or both on the Leased Premises. Such notice shall include a complete copy of any order, complaint, agreement, or other document which has been issued, executed or proposed, whether in draft or final form, received by the TID from any Governmental Authority.

(f) TID shall protect the Leased Premises from new oil-filled equipment, including replacement transformers, by installing and/or maintaining secondary spill containments as appropriate. The Company has reviewed and approved TID's secondary spill containment plan.

(g) TID shall, at its sole expense, prepare all environmental plans related to TID's use of the Leased Premises ("Environmental Plans") as required by local, state, and federal Governmental Authorities, laws, regulations or rules. These may include a Facility

Environmental Emergency Plan, Spill Prevention Control and Countermeasure Plan, or Hazardous Materials Business Plan, and other filings and plans. Company has reviewed and approved TID's Environmental Plans. Because of the presence of arsenic in the soil within the Leased Premises, TID agrees to provide the Company with a copy of TID's site Health and Safety Plan, which will address employee health and safety procedures and site excavation and soil disturbance procedures relating to arsenic if not otherwise addressed in the above Environmental Plans.

(h) TID shall notify the Company in writing three (3) Business Days prior to the commencement of any excavation, construction, installation, or any other significant non-routine activities on the Leased Premises. The Company may have representatives on site to witness such activities. TID shall not undertake any construction activity on the Leased Premises that will change the general storm water runoff of the Leased Premises without the Company's prior written approval. TID shall be responsible for any costs incurred by the Company as a result of any excavation, construction, installation or any activities of TID, its employees or contractors on the Leased Premises, including, without limitation, damage to any protective cap installed by the Company. Unless requested by the Company, TID shall not be required to repair damage to the protective cap after TID removes the TID Patterson Assets from the Leased Premises.

(i) Nothing in this Lease is intended to prevent TID from conducting, at its sole discretion and expense, sampling of air, soil, or groundwater during the term of the Lease when such sampling is legally required. All other sampling shall be subject to the Company's prior written approval which may be withheld in the Company's reasonable discretion. TID shall provide the Company with a copy of all test results and related reports on all samples taken within ten (10) Business Days following receipt thereof by TID.

## **7. PERMITS, AUTHORIZATIONS AND NOTIFICATIONS:**

(a) TID shall obtain all required permits and authorizations from and provide all notifications to all Governmental Authorities, as required for TID's use of or activities on the Leased Premises, and the operation and maintenance of the TID Patterson Assets. Neither party is aware of any specific permits and authorizations that must be obtained by TID from the applicable Governmental Authorities prior to occupancy of the Leased Premises.

(b) In the event that any Governmental Authority imposes any conditions or requirements that affect the Leased Premises or either Party in any manner (such as but not limited to environmental requirements), the following shall apply:

(1) The Party receiving such notice from the Governmental Authority shall immediately notify the other Party of such conditions or requirements.

(2) The Parties shall meet and confer to determine the validity of such conditions or requirements and which Party is responsible under this Lease for complying with such conditions or requirements. The Parties agree that unless this Lease specifies that the Company is responsible for complying (including, but not limited to Remediation of certain Hazardous Substances pursuant to Section 5(c)), then TID shall proceed to comply with such conditions or



requirements in accordance with Section 7(b)(3)-(6) and by so proceeding TID shall not waive its right to later dispute its responsibility pursuant to Section 11.1.

(3) The Party responsible for complying with such conditions or requirements (hereafter referred to as the "Responsible Party") shall prepare plans for complying with such conditions or requirements for the other Party's review and, if it adversely impacts the other Party's legal rights or utility operations, for the other Party's approval, which approval shall not be unreasonably withheld or delayed.

(4) If the other Party agrees with such conditions or requirements (where the other Party's agreement is required) and the Responsible Party's compliance plans, the Responsible Party shall implement the plans at the Responsible Party's sole expense, including any continuing conditions or requirements, including, but not limited to, the monitoring of environmental conditions. The Parties agree that any work shall be carried out with the least possible interference to the operation of the substation consistent with PG&E or TID Utility Practices, as applicable.

(5) If the condition or requirement would adversely impact the Company even if TID agrees to remedy the condition or satisfy the requirement and the Company, in its sole but commercially reasonable judgment, disagrees with any such condition or requirement or disagrees with TID's compliance plans, the Company may terminate this Lease upon 120-days prior written notice to TID or such shorter notice period as is consistent with the condition or requirement imposed by a Governmental Authority.

(6) The Responsible Party shall indemnify and hold the other Party harmless for and from any and all costs and expenses that the other Party may reasonably incur as a result of the Responsible Party's failure to comply with the provisions of this Section.

(7) Nothing in this Section 7(b) shall prevent either Party from complying with an order or directive of a Governmental Authority.

## **8. INDEMNIFICATION:**

### **(a) TID Indemnification.**

(1) TID shall indemnify, hold harmless and defend the Company, its affiliates, subsidiaries, parent company, officers, managers, directors, agents, and employees, from and against all claims, demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise), which arise from or are in any way connected with any:

- (i) Injury to or death of persons, including but not limited to employees of the Company or TID.
- (ii) Injury or damage to property of the Company, TID, or any third party;
- (iii) Violation of a local, state or federal common law, statute, regulation, or ordinance, including but not limited to environmental laws or regulations;  
or
- (iv) Strict liability imposed by any law or regulation;

so long as such injury, damage, violation, or strict liability (as set forth in (i) - (iv) above) arises from or is in any way connected with TID's use of the Leased Premises or performance of, or failure to perform, this Agreement, however caused, regardless of any strict liability or negligence of the Company, whether active or passive, excepting only to the extent such loss, damage, cost, expense, liability, strict liability, or violation of law or regulation that is caused by the sole negligence or willful misconduct of the Company, its officers, managers, or employees.

(2) TID shall indemnify, hold harmless and defend the Company, its affiliates, subsidiaries, parent company, officers, managers, directors, agents, and employees, from and against all claims, demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise), which arise from or are in any way connected with the failure of TID-installed fuse protection between the existing by-pass switch (CB 72) and the Substation's transformers.

(3) TID acknowledges that any claims, demands, losses, damages, costs, expenses, and liability that (i) arise from or are in any way connected with the presence, movement, use, release or spill of any legally designated Hazardous Substance brought or released onto the Leased Premises by TID or (ii) arise from or are in any way connected with TID's use of the Leased Premises are expressly within the scope of the Section 8(a) indemnity. Likewise, the costs, expenses, and legal liability for environmental investigations, monitoring, Remediation, penalties, and fines arising from strict liability or the violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs incurred as a result of such presence, movement, use, releases or spills are expressly within the scope of this indemnity.

### **(b) Company Indemnification.**

(1) Company shall indemnify, hold harmless and defend TID, its respective officers,

managers, directors, agents, and employees, from and against all claims, demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise), which arise from or are in any way connected with any:

- (i) Injury to or death of persons, including but not limited to employees of the Company or TID.
- (ii) Injury or damage to property of the Company, TID, or any third party;
- (iii) Violation of a local, state or federal common law, statute, regulation, or ordinance, including but not limited to environmental laws or regulations;  
or
- (iv) Strict liability imposed by any law or regulation;

so long as such injury, damage, violation, or strict liability (as set forth in (i) - (iv) above) arises out of the Company's sole negligence or willful misconduct in connection with the Leased Premises.

(2) The Company acknowledges that any claims, demands, losses, damages, costs, expenses, and liability that arise from or are in any way connected with the condition of the Leased Premises prior to the occupation by TID or the presence, movement, use, release or spill of any legally designated Hazardous Substance that arise from or are in any way connected with Company's use of the Premises prior to TID's occupation of the Leased Premises are expressly within the scope of the Section 8(b) indemnity. TID shall not be responsible for remediating any soil or groundwater contamination which existed on the Leased Premises prior to TID's occupancy, and, if such remediation is required during the term of this Lease, PG&E will undertake it.

(c) Each Party shall, at the other Party's request, defend any action, claim, or suit asserting a claim that might be covered by an indemnity under this Section 8. The applicable Party shall pay all costs and expenses that may be incurred by the other Party in enforcing the Section 8 indemnity, including reasonable attorney's fees.

(d) In no event shall either Party be liable to the other Party for any special, punitive, incidental, indirect, or consequential damages arising out of or in connection with this Agreement, however caused, whether arising in contract, tort (including negligence) strict liability, or otherwise.

**9. INSURANCE:** TID shall maintain in effect during the term of this Lease insurance as set forth on Exhibit "B," attached hereto and incorporated herein.

**10. TAXES:** In addition to any rent set forth in Article 2 "RENT" above, TID shall reimburse Company for any assessments validly levied against the Company by the city, county, or state, for any of TID's personal property, fixtures or improvements installed on the Leased

**Premises.** TID shall have the right at its sole cost and expense to contest the validity of any such assessment, and Company shall cooperate reasonably with TID.

**11.1 DISPUTE RESOLUTION:** Any dispute between the Parties shall be resolved in accordance with the dispute resolution provisions in Section 4.9 of the Closing Agreement. Each Party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement.

**11.2 INJUNCTION:** Notwithstanding the foregoing provisions, a Party may seek a preliminary injunction or other provisional judicial remedy if in its judgment such action is necessary to avoid irreparable damage.

**11.3 JURISDICTION:** All disputes that are not submitted to Arbitration shall be litigated in the Superior Court of the State of California and for the County of Stanislaus, or if jurisdiction cannot be obtained in Stanislaus County Superior Court then in a Federal Court of competent jurisdiction; and the Parties hereby agree to the jurisdiction of such courts.

**11.4 GOVERNING LAW:** The validity, interpretation and effect of this Lease are governed by and will be construed in accordance with the laws of the State of California applicable to contracts made and performed in such State and without regard to conflicts of law doctrines except to the extent that certain matters are preempted by Federal law.

**11.5 CPUC JURISDICTION:** This Lease shall at all times be subject to the jurisdiction of the CPUC and to such changes or modifications as the CPUC may, from time to time, direct in the exercise of its jurisdiction.

**12. LIENS:** In the event that any liens or encumbrances are filed or placed on the Leased Premises as a result of or in connection with the furnishing of materials or services by anyone to TID, or otherwise in connection with the Lease granted hereunder or the use of the Leased Premises by TID, TID shall immediately take all action necessary to obtain the release of all such liens and encumbrances, hold the Company harmless from and pay the Company for all costs incurred and amounts paid to obtain any such release.

**13. NOTICES:** All notices relating to this Agreement shall be given in writing and delivered personally, or sent by facsimile transmission, certified mail (return receipt requested) of the United States Postal Service, or nationally recognized overnight courier service and addressed as follows:

**Company:** PACIFIC GAS AND ELECTRIC COMPANY  
P.O. Box 770000, Mail Code B8L  
San Francisco, CA 94177  
Attn.: Director, Service Analysis  
Fax Number: (415) 973-7018

With copy to: Senior Vice President and General Counsel  
Pacific Gas and Electric Company  
P.O. Box 7442  
San Francisco, CA 94120  
Fax: (415) 973-0200

TID: TURLOCK IRRIGATION DISTRICT  
333 East Canal Drive  
P.O. Box 949  
Turlock, CA 95381-0949  
Attn: General Manager  
Fax Number: (209) 656-2143

**14. NO ASSIGNMENT:** This Lease is binding upon and inures to the benefit of the successors and assigns of the Parties, but is not assignable by any Party without the prior written consent of the other Party, which consent may be granted or withheld in such Party's sole discretion. Any such assignment is conditioned on the assignee's agreement in writing to assume the assigning Party's duties and obligations under this Lease. Notwithstanding the above, TID may assign this Lease to the Westside Power Authority and/or the Patterson Irrigation District without PG&E's consent. Any assignment effected in accordance with this Section 14 "No Assignment" will not relieve the assigning Party of its obligations and liabilities under this Lease.

**15. NO JOINT VENTURE:** Nothing contained in this Agreement shall be interpreted as creating a joint venture, partnership, or any other relationship between the Parties, other than the relation of a lessor and a lessee as described in this Agreement.

**16. SURVIVAL:** Upon termination or expiration of this Agreement or the Lease granted hereunder, all provisions of this Agreement that by their nature are intended to survive shall survive such termination or expiration, including but not limited to Sections 3(c) and 3(d), Article 8 (and the indemnification provisions in Articles 6 and 7), Articles 10, 11, and 12.

**17. REPRESENTATION BY LEGAL COUNSEL:** Each Party was represented by counsel in the negotiation and execution of this Agreement.

**18. DEFINED TERMS:** Unless specifically defined elsewhere in this Agreement, capitalized terms when used in this Agreement shall have the meaning specified in the Asset Sale Agreement.

**19. TID RELEASE OF PG&E REGARDING PG&E'S ENVIRONMENTAL PLANS:** TID has reviewed copies of Company's current Facility Environmental Emergency Plan and Spill Prevention Control and Countermeasure Plan for the Leased Premises. TID expressly acknowledges that Company makes no representation or warranty of any kind as to whether its current Facility Environmental Emergency Plan and Spill Prevention Control and Countermeasure Plan are adequate or in compliance with law. In developing its own Facility Environmental Emergency Plan and Spill Prevention Control and Countermeasure Plan, TID has

not relied upon the Company's Facility Environmental Emergency Plan and Spill Prevention Control and Countermeasure Plan or upon any representation by the Company, but has made its own independent assessment of what is needed in those plans. TID, on behalf of itself, its directors, officers, employees, and agents, hereby fully and completely compromises, settles, waives, releases and forever discharges any and all claims, demands, obligations, causes of action, debts, loses or damages of any kind or nature, whether legal or equitable, known or unknown, actual or contingent, asserted or unasserted, against the Company or its predecessors and successors in interest, heirs, assigns, as well as past and present officers, directors, shareholders, agents, attorneys and employees, parent and subsidiary corporations and their respective heirs, successors and assigns, related in any way to the Company's Facility Environmental Emergency Plan and Spill Prevention Control and Countermeasure Plan.

**20. FORCE MAJEURE.** Neither Party shall be liable for any failure to perform the terms of this Agreement when such failure is due to "force majeure." The term "force majeure" shall mean acts of God, strikes, lockouts or industrial disputes or disturbances, civil disturbances, arrests and restraint from rules or people, interruptions by government or court orders, present and future valid orders of any regulatory body having proper jurisdiction, acts of the public enemy, wars, acts of terrorism, riots, blockades, insurrections, inability to secure or delay in securing labor or materials (including delay in securing or inability to secure materials by reason of allocations promulgated by authorized governmental agencies), epidemics, landslides, lightning, earthquakes, fire, storm, floods, tsunamis, washouts, explosions, or any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the Party claiming "force majeure." The "force majeure" shall, so far as possible, be remedied with all reasonable dispatch. Notwithstanding the above requirement that any "force majeure" shall be remedied with all reasonable dispatch, the settlement of strikes or lockouts or industrial disputes or disturbances shall be entirely within the discretion of the Party having the difficulty. The Party claiming any failure to perform due to "force majeure" shall provide verbal notification thereof to the other Party as soon as practical after the occurrence of the "force majeure" event.

**21. EXECUTION:** The Parties and the individuals executing this Agreement on behalf of the Parties, each represent, by executing this Agreement, that he or she is duly authorized to do so and to bind the respective Party to its terms.

**TURLOCK IRRIGATION DISTRICT      PACIFIC GAS AND ELECTRIC COMPANY**

By \_\_\_\_\_  
Name:  
Title: President

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title: Secretary

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "A"**  
**MAP OF LEASED PREMISES**

**EXHIBIT "B"**  
**INSURANCE REQUIREMENTS**  
**LEASE AGREEMENT**

TID shall maintain the following insurance coverage. PG&E reserves the right to alter insurance requirements based on project scope. TID is also responsible for its agents and contractors' maintaining sufficient limits of the appropriate insurance coverage.

**A. Workers' Compensation and Employers' Liability**

1. Workers' Compensation insurance or self-insurance indicating compliance with any applicable labor codes, acts, laws or statutes, state or federal, where TID performs work.
2. Employers' Liability insurance shall not be less than \$1,000,000 for injury or death each accident.

**B. Commercial General Liability**

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions.
2. The limit shall not be less than \$2,000,000 each occurrence for bodily injury, property damage and personal injury.
3. Coverage shall: a) By "Additional Insured" endorsement add as insureds PG&E, its directors, officers, agents and employees with respect to liability arising out of work performed by or for the TID; b) Be endorsed to specify that the TID's insurance is primary and that any insurance or self-insurance maintained by PG&E shall not contribute with it.

**C. Business Auto**

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 "any auto."
2. The limit shall not be less than \$ 3,000,000 each accident for bodily injury and property damage.
3. Coverage shall be endorsed in accordance with Section 30 of the Motor Carrier Act of 1980 (Category 2).

**D. Pollution Liability**



**EXHIBIT "B"**  
**INSURANCE REQUIREMENTS**  
**LEASE AGREEMENT**

1. Coverage for bodily injury, property damage, including clean-up costs and defense costs resulting from sudden and gradual pollution conditions including the discharge, dispersal, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, hydrocarbons, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water.

2. The limit shall not be less than \$ 3,000,000 each occurrence for bodily injury and property damage.

**F. Additional Insurance Provisions**

1. Before commencing performance of work under this Lease agreement, TID shall furnish PG&E with certificates of insurance and endorsements of all required insurance for TID.

2. The documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to PG&E.

3. The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to:

Pacific Gas and Electric Company  
Insurance Department - B24H  
Post Office Box 770000  
San Francisco, CA 94177

A copy of all such insurance documents shall be sent to PG&E's Land Agent as specified under Notices in the body of this Lease agreement.

4. PG&E may inspect the original policies or require complete certified copies, at any time.

5. Upon request, TID shall furnish PG&E the same evidence of insurance for its agents or contractors as PG&E requires of TID.

EXHIBIT "C"

**Table 1  
Soil Analysis  
Organic Compounds  
(Detected Constituents\*)**

**PG&E Patterson Substation  
Patterson, California**

Sample ID	Sample Depth (feet)	Date Sampled	MTBE (mg/kg)	BTEX (mg/kg)	Pesticides (**) (mg/kg)	PCBs (all forms) (mg/kg)
SB 1-1	1	11/28/00	ND	ND	ne	ND
SB 1-3	3	11/28/00	ND	ND	ne	ND
SB 2-1	1	11/28/00	ne	ne	ne	0.064*
SB 2-3	3	11/28/00	ne	ne	ne	ND
SB 3-1	1	11/28/00	ne	ne	ne	ND
SB 3-3	3	11/28/00	ne	ne	ne	ND
SB 4-1	1	11/28/00	ne	ne	ne	ND
SB 4-3	3	11/28/00	ne	ne	ne	ND
SB 5-1	1	11/28/00	ne	ne	ne	ND
SB 5-3	3	11/28/00	ne	ne	ne	ND
SB 6-1	1	11/28/00	ne	ne	ne	ND
SB 6-3	3	11/28/00	ne	ne	ne	ND
SB 7-1	1	11/28/00	ne	ne	ne	ND
SB 7-3	3	11/28/00	ne	ne	ne	ND
SB 8-1	1	11/28/00	ne	ne	ne	ND
SB 8-3	3	11/28/00	ne	ne	ne	ND
SB 9-1	1	11/28/00	ND	ND	ne	ND
SB 9-3	3	11/28/00	ND	ND	ne	ND
SB 10-1	1	11/28/00	ne	ne	ND	ND
SB 10-3	3	11/28/00	ne	ne	ND	ND
SB 11-1	1	11/28/00	ND	ND	ND	ND
SB 11-3	3	11/28/00	ND	ND	ND	ND
SB 12-1	1	11/29/00	ne	ne	ND	ND
SB 12-3	3	11/29/00	ne	ne	ND	ND
SB 13-1	1	11/29/00	ne	ne	ne	ND
SB 13-3	3	11/29/00	ne	ne	ne	ND
SB 14-1	1	11/29/00	ND	ND	ND	ND
SB 14-3	3	11/29/00	ND	ND	ND	ND
SB 15-1	1	11/29/00	ne	ne	ne	ND
SB 15-3	3	11/29/00	ne	ne	ne	ND

(mg/kg) = milligrams per kilogram

ND = Not detected

ne = Not established

\*Note: Aroclor 1260 - USEPA Primary Remediation Goal (PRG) for this constituent is 0.22 mg/kg.

\*\*Note: All forms detected by USEPA Method 8080

EXHIBIT "C"

EXHIBIT "C"

**Table 2**  
**Soil Analysis**  
**Total Petroleum Hydrocarbons**  
**(as gasoline, diesel, motor oil, and transformer oil\*)**

**PG&E Patterson Substation**  
**Patterson, California**

<b>Sample ID</b>	<b>Sample Depth (feet)</b>	<b>Date Sampled</b>	<b>TPH-g (gasoline) (mg/kg)</b>	<b>TPH-mo (motor oil) (mg/kg)</b>	<b>TPH-min (transformer oil) (mg/kg)</b>
SB 1-1	1	11/28/00	ND	ND	ND
SB 1-3	3	11/28/00	ND	ND	ND
SB 2-1	1	11/28/00	ND	100	130
SB 2-3	3	11/28/00	ND	37	110
SB 3-1	1	11/28/00	ND	ND	ND
SB 3-3	3	11/28/00	ND	ND	ND
SB 4-1	1	11/28/00	ND	ND	ND
SB 4-3	3	11/28/00	ND	ND	ND
SB 5-1	1	11/28/00	ND	39	92
SB 5-3	3	11/28/00	ND	ND	ND
SB 6-1	1	11/28/00	ND	7.8	13
SB 6-3	3	11/28/00	ND	ND	ND
SB 7-1	1	11/28/00	ND	8.2	10
SB 7-3	3	11/28/00	ND	ND	ND
SB 8-1	1	11/28/00	ND	ND	ND
SB 8-3	3	11/28/00	ND	5.8	10
SB 9-1	1	11/28/00	ND	ND	ND
SB 9-3	3	11/28/00	ND	ND	ND
SB 10-1	1	11/28/00	ND	6.2	7.7
SB 10-3	3	11/28/00	ND	ND	ND
SB 11-1	1	11/28/00	ND	49	74
SB 11-3	3	11/28/00	ND	ND	ND
SB 12-1	1	11/29/00	ND	ND	ND
SB 12-3	3	11/29/00	ND	ND	ND
SB 13-1	1	11/29/00	ND	ND	ND
SB 13-3	3	11/29/00	ND	ND	ND
SB 14-1	1	11/29/00	ND	5.1	7.5
SB 14-3	3	11/29/00	ND	ND	ND
SB 15-1	1	11/29/00	ND	ND	ND
SB 15-3	3	11/29/00	ND	ND	ND

(mg/kg) = milligrams per kilogram

ND = Not detected

ne = Not established

\*Note: Although TPH-d and TPH-mo were reported in several samples, the laboratory representative indicated that the

EXHIBIT "C"

samples exhibited a fuel pattern which did not resemble the laboratory standards for diesel fuel or motor oil. The laboratory further stated that they were required by the USEPA to quantify any detections within the diesel fuel or motor oil standard range as these constituents.

**EXHIBIT "C"**

**Table 3  
Soil Analysis  
Metal Constituents  
(CAM 17 Metals)**

**PG&E Patterson Substation  
Patterson California**

Sample ID	SB 4-1*	SB 4-3	SB 11-1	SB 11-3	SB 12-1	SB 12-3	SB 14-1	SB 14-3	PRG <sup>1</sup>	Back
units in milligrams/kilogram (mg/kg)										
<b>Metals</b>										
Antimony	ND	ND	ND	ND	ND	ND	ND	ND	31	
Arsenic	140	13	6	3.2	120	7.1	210	22	0.39	
Barium	130	110	140	190	130	140	130	110	5400	
Beryllium	0.44	0.37	0.34	0.39	0.44	0.42	0.4	0.36	150	
Cadmium	2	1.6	1.6	1.6	3.3	3	2.6	2	37 <sup>3</sup>	
Chromium	26	22	30	20	32	30	25	20	210	
Cobalt	9.8	9.1	8.1	8.1	11	10	8.7	7.8	4700	
Copper	31	26	29	24	34	27	25	19	2900	
Lead	8	6.7	230	6.8	8.3	7.2	8.1	6.2	400	
Mercury	ND	0.025	0.027	0.023	ND	0.025	0.025	0.02	23	
Molybdenum	ND	ND	ND	ND	ND	ND	ND	ND	390	
Nickel	65	64	54	52	72	70	57	52	150 <sup>3</sup>	
Selenium	0.35	ND	0.26	0.31	1.1	0.85	0.98	0.71	390	
Silver	ND	ND	ND	ND	ND	ND	ND	ND	390	
Thallium <sup>4</sup>	0.46	0.25	0.27	ND	0.44	0.45	0.36	0.34	ne	
Vanadium	32	23	24	22	42	36	33	23	550	
Zinc	52	43	68	41	65	51	48	36	23000	

ND = Not Detected

ne = Not Established

<sup>1</sup>Preliminary Remediation Goal (PRG) established by the USEPA (preliminary remediation goals for residential soils).

<sup>2</sup>Background values established using values in Kearney Foundation Special Report, UC Riverside (Maximum detection limit for all California soils).

<sup>3</sup>PRG established by the California Department of Toxic Substances Control.

<sup>4</sup>PRGs have only been established for specific thallium compounds

<sup>5</sup>CAM17 metals analysis was only performed on soil samples listed

EXHIBIT "C"

**Table 4  
Soil Analysis  
(Need Title)**

**PG&E Patterson Substation  
Patterson, California**

<u>Boring No.</u>	<u>Date</u>	<u>Sample No.</u>	<u>Sample Depth</u>	<u>Arsenic (mg/Kg)</u>
B-1	8/13/2001	B1-1.0	0.5 to 1	320
		B1-1.5	1 to 1.5	160
		B1-3.0	2.5 to 3	5.4
B-2 MW-2	8/13/2001	B2 1.0	0.5 to 1	140
		B2-1.5	1 to 1.5	160
		B2- 3.0	2.5 to 3	73
	9/6/2001	B2A-5.0	4.5 to 5	7.6
		B2A-7.0	6.5 to 7	5.3
B-3	8/13/2001	B3-1.0	0.5 to 1	250
		B3-1.5	1 to 1.5	200
		B3-3.0	2.5 to 3	43
B-4	9/6/2001	B3A-5.0	4.5 to 5	8
	8/14/2001	B4-1.5	1 to 1.5	200
		B4-3.0	2.5 to 3	56
	9/7/2001	B4A-5.0	4.5 to 5	36
		B4-7.0	6.5 to 7	6.8
B-5 MW-3	8/13/2001	B5-0.5	0 to 0.5	470
		B5-1.5	1 to 1.5	470
		B5-3.0	2.5 to 3	300
		B5A-5.0	4.5 to 5	6.4
		B5A-7.0	6.5 to 7	6.5
B-6	8/13/2001	B6-0.5	0 to 0.5	530
		B6-1.5	1 to 1.5	110
		B6 3.0	2.5 to 3	8.5
B-7	8/13/2001	B7-0.5	0 to 0.5	160
		B7-1.5	1 to 1.5	46
		B7- 3.0	2.5 to 3	51
	9/6/2001	B7A-5.0	4.5 to 5	85
		B7A-7.0	6.5 to 7	73
B-8 MW-4	8/14/2001	B8-1.0	0.5 to 1	120
		B8 1.5	1 to 1.5	190
		B8 3.0	2.5 to 3	150
	9/6/2001	B8A-5.0	4.5 to 5	36
		B8A-7.0	6.5 to 7	30
B-9	8/14/2001	B9-1.0	0.5 to1	250
		B9-1.5	1 to 1.5	6.4
B-10	8/14/2001	B10-1.0	0.5 to1	26

EXHIBIT "C"

		B10-1.5	1 to 1.5	120
		B10-3.0	2.5 to 3	5.3
B-11	8/14/2001	B11-1.0	0.5 to 1	110
		B11-1.5	1 to 1.5	98
		B11-3.0	2.5 to 3	9.3
B-12	8/14/2001	B12-1.0	0.5 to 1	100
		B12-1.5	1 to 1.5	43
		B12-3.0	2.5 to 3	10
B-13	8/14/2001	B13-1.0	0.5 to 1	6.4
		B13-1.5	1 to 1.5	8
B-14	8/14/2001	B14-1.0	0.5 to 1	5.9
		B14-1.5	1 to 1.5	6.3
B-15	8/15/2001	B15-1.0	0.5 to 1	29
		B15-1.5	1 to 1.5	14
		B15-3.0	2.5 to 3	7.7
B-16	8/15/2001	B16-1.0	0.5 to 1	260
	9/6/2001	B16A-3.0	2.5 to 3	13
		B16A-5.0	4.5 to 5	7
B-17	9/15/2001	B17-1.0	0.5 to 1	350
		B17A-3.0	2.5 to 3	130
		B17A-5.0	4.5 to 5	52
		B17A-7.0	6.5 to 7	22
B-18	8/15/2001	B18-0.5	0 to 0.5	250
	9/6/2001	B18A-3.0	2.5 to 3	9.4
		B18A-5.0	4.5 to 5	7.8
B-19/MW-1	8/15/2001	B19-1.0	0.5 to 1	8.2
		B-19-1.5	1 to 1.5	6.2
B-20	8/14/2001	B20-1.0	0.5 to 1	210
		B20-1.5	1 to 1.5	64
		B20-3.0	2.5 to 3	13
B-21	8/14/2001	B21-1.0	0.5 to 1	440
		B21-1.5	1 to 1.5	190
		B21-3.0	2.5 to 3	120
	9/7/2001	B21A-5.0	4.5 to 5	8.5
B-22	8/13/2001	B22-1.0	0.5 to 1	170
		B22-1.5	1 to 1.5	110
		B22-3.0	2.5 to 3	17



EXHIBIT "C"

**Table 5  
Soil Analysis**

**PG&E Patterson Substation  
Patterson, California**

<b>Well ID</b>	<b>Date</b>	<b>Elevation</b>	<b>Depth to GW</b>	<b>Water Level</b>	<b>Arsenic</b>
	<b>Measured</b>	<b>(feet)</b>	<b>(feet)</b>	<b>Elevation</b>	<b>(mg/Kg)</b>
MW-1	9/11/2001	99.35	7.05	92.3	<0.005 *
MW-2	9/11/2001	99.03	6.85	92.18	<0.005
MW-3	9/11/2001	98.99	7.0	91.99	<0.005
MW-4	9/11/2001	99.38	7.2	92.18	<0.005

\* "<" indicates chemical concentration not detected at or above the laboratory method reporting limit shown.  
groundwater samples analyzed by STLC Chromalab of Pleasanton, Ca, in accordance with EPA Method 6010B.

**F**

## **TOLLING AND MUTUAL RELEASE AGREEMENT**

This Tolling and Mutual Release Agreement ("Tolling Agreement") is made, as of December 18, 2001, by and between **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("**PG&E**"), and **TURLOCK IRRIGATION DISTRICT**, a California irrigation district ("**TID**"). PG&E and TID are sometimes individually referred to herein as a "**Party**" and collectively as the "**Parties**."

### **BACKGROUND**

**A.** PG&E and TID are parties to a Service Area Agreement dated December 28, 1953 ("the 1953 Agreement") and approved by the California Public Utilities Commission ("CPUC") in its Decision No. 49937 (1954).

**B.** PG&E and TID have an ongoing dispute regarding the continuing validity and scope of the 1953 Agreement. PG&E maintains that the 1953 Agreement is valid and enforceable and that TID has breached the 1953 Agreement. TID maintains that the 1953 Agreement is no longer valid or enforceable and that even if it is valid and enforceable TID has not breached the 1953 Agreement.

**C.** In August 1999, PG&E filed Application 99-08-018 at the CPUC, seeking, among other things, an order from the CPUC regarding the continued validity of the 1953 Agreement and Decision No. 49937 (1954). As part of Application No. 99-08-018, PG&E asserted that TID has breached the Agreement by offering to sell and distribute electric energy in the Western Stanislaus County and Western Merced County portions of the PG&E's service area, which PG&E alleges is prohibited by paragraph 2 of the Agreement. In Decision No. 00-06-002, the CPUC denied Application No. 99-08-018 on the grounds that it sought an advisory opinion. Among other things, Decision No. 00-06-002 noted that PG&E could pursue this dispute in court if appropriate.

**D.** TID and Patterson Irrigation District formed the Westside Power Authority, a California joint powers agency, to sell and distribute electric energy within the Western Stanislaus County portion of the PG&E service area. TID alleges its participation as a member of the Westside Power Authority does not violate the 1953 Agreement and that the 1953 Agreement is no longer valid.

**E.** TID and PG&E have agreed to the sale by PG&E to TID, and the purchase by TID from PG&E of the electric distribution facilities, and some of the electric transmission facilities, serving the general approximate geographic area described as south of Del Puerto Creek, north of Fink Road, west of the San Joaquin River and east of Interstate Highway 5 together with the Diablo Grande Development and certain territory between the Diablo Grande Development and Interstate Highway 5, together with certain territory between Interstate Highway 5 and the western Stanislaus County line, and described with particularity in an Asset Sale Agreement by and between PG&E and TID (the "Asset Sale Agreement") executed concurrently with this Agreement.

**F.** As part of their overall agreement, the Parties are entering into a revised Service Area Agreement, which, if approved by the CPUC, will terminate the 1953 Agreement and replace it with the new Service Area Agreement.

**G.** As part of their overall agreement, the Parties desire to enter into this Tolling Agreement to set forth their agreement tolling all legal and equitable periods of limitations PG&E's and TID's claims related to the 1953 Agreement and, if the new Service Area Agreement becomes effective, mutually release each other from any claims regarding the 1953 Agreement;

**H.** Capitalized terms not otherwise defined herein shall have the meaning set forth in the Asset Sale Agreement.

**NOW, THEREFORE,** in consideration of each Party deferring initiating legal, equitable, or regulatory proceedings regarding their respective claims relating to the 1953 Agreement, the Parties agree as follows:

1. To the extent any statutory or equitable period limiting legal or equitable actions is applicable to the following issues relating to the 1953 Agreement, and such period has not already expired, the same is hereby tolled from August 31, 2000 until the Asset Sale Agreement is terminated or until the Closing Date:

a. Whether the 1953 Agreement is still valid;

b. Whether the Westside Power Authority is a legal entity separate and apart from its member agencies;

c. Whether TID would be in violation of the 1953 Agreement if the Westside Power Authority sold and distributed, or offered to sell or distribute, electric energy within Western Stanislaus County and Western Merced County or any portion thereof without the consent of PG&E; and,

d. Whether TID has breached the 1953 Agreement by its conduct as to Western Stanislaus County and Western Merced County or any portion thereof prior to August 31, 2000.

2. **Mutual Release.** Upon the occurrence of the Closing Date, the Parties agree to mutually release each other from any claims regarding the 1953 Agreement as follows:

Effective as of the Closing Date and in consideration of the benefits accruing to each Party under the revised Service Area Agreement and the Asset Sale Agreement and related agreements, each Party, on behalf of itself, its directors, officers, employees, agents and shareholders, its parent and subsidiary organizations and affiliates, hereby mutually fully and completely waives, releases, forever discharges and promises never to assert any and all claims, demands, causes of action, debts, losses or damages, liabilities or obligations of every kind and nature arising out of or in connection with the 1953 Agreement, whether known or unknown, suspected or unsuspected, that such Party ever had, now has or might have as of the Closing Date

against the other Party or its predecessors, parent, affiliates, subsidiaries, shareholders, owners, directors, officers, employees, agents, attorneys, successors or assigns.

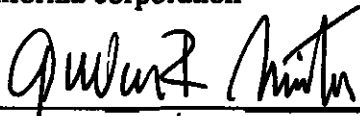
The Parties acknowledge that there may exist facts or claims in addition to or different from those which are now known or believed by either Party to exist. Nonetheless, this waiver and release extends to all claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected, past or present, and the Parties specifically waive all rights under Section 1542 of the California Civil Code which provides that:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

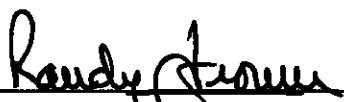
3. The Parties understand and agree that execution of this Tolling Agreement does not constitute and shall not be construed as an admission or agreement that any valid cause of action exists, or existed at any time.

IN WITNESS WHEREOF, the Parties have executed this Tolling Agreement as of the date first above written.

**PACIFIC GAS AND ELECTRIC COMPANY,**  
a California corporation

By   
Name: GORDON R. SMITH  
Title: PRESIDENT AND CEO

**TURLOCK IRRIGATION DISTRICT,**  
a California irrigation district

By   
Name: Randy Fiorini  
Title: President

By   
Name: Barbara A. Hetrick  
Title: Secretary

G

**Installment Sales Agreement**  
**Patterson Frozen Foods 60 kV Tap Line**

This **Installment Sales Agreement** (this "Agreement") is made, as of December 18, 2001, by and between **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("**PG&E**"), and **TURLOCK IRRIGATION DISTRICT**, a California irrigation district ("**Purchaser**" or "**TID**"), with reference to the following:

**Recitals**

A. PG&E desires to sell to TID, and TID desires to purchase from PG&E, certain assets that constitute the electric distribution and some of the electric transmission facilities serving the general approximate geographic area described as south of Del Puerto Creek, north of Fink Road, west of the San Joaquin River and east of Interstate Highway 5, together with certain territory between Interstate Highway 5 and the western Stanislaus County Line, all on the terms and conditions set forth in the Asset Sale Agreement.

B. Within the above described Westside Zone, PG&E owns a 60 kV tap line to Patterson Frozen Foods in the City of Patterson, Stanislaus County, California.

C. The Parties agree that it is in their respective best interests that PG&E sells and TID purchases such tap line pursuant to an installment sales agreement.

NOW, THEREFORE, in consideration of the mutual promises of the parties, the Parties agree as follows:

**1. DESCRIPTION OF PROPERTY SOLD.**

1.1. Subject to the terms and conditions of this Agreement, PG&E will sell, convey, assign, transfer, and deliver to TID and TID will purchase and acquire from PG&E, all of PG&E's right, title and interest in and to the following assets:

a. The Electric Facilities listed in Exhibit "A," which is attached hereto and incorporated herein by reference, hereafter referred as the "Electric Facilities."

b. The Easements attached hereto as Exhibit "B" and incorporated herein by reference, hereafter referred to as the "Easements."

1.2. All the above-described Electric Facilities and Easements- shall be referred to collectively as the "Property" and are the subject of this Agreement.

**2. PURCHASE PRICE AND TERMS OF PAYMENT**

2.1. Total Purchase Price. The total purchase price for the Property is Sixty-Seven Thousand Two Hundred Twenty-One Dollars (\$67,221).

2.2. Downpayment. The amount of Sixty-Seven Thousand Two Hundred Twenty Dollars (\$67,220) shall be payable on the Closing Date as defined in the Asset Sale Agreement.

2.3. Final Payment. The Final Payment of One Dollar (\$1) shall be payable on or before the expiration of seven (7) years after the Closing Date.

**3. POSSESSION AND LEGAL TITLE.** TID shall be entitled to possession of the Property as of the Closing Date. TID shall be entitled to continue in possession of the Property so long as TID is not in default in the performance of this Agreement. PG&E shall retain legal title as a security interest in the Property until the Final Payment is made as provided herein.

**4. ENCUMBRANCES.**

4.1. TID, after the date of this Agreement, shall not in any manner encumber the Property without the written consent of PG&E, which consent shall not be unreasonably withheld. **5. CONVEYANCE.**

5.1. When the Final Payment is made to PG&E, PG&E will execute and deliver to TID a good and sufficient assignment of easement and a bill of sale covering the personal property, conveying and transferring the Property free and clear of all liens and encumbrances assumed, incurred or accrued by PG&E other than the lien of the Mortgage. PG&E shall endeavor to take all steps necessary to remove the lien to the Mortgage from the Property within 30 days after the delivery of the assignment and the bill of sale. PG&E shall indemnify TID's title company, if any, against any loss resulting from PG&E's failure to remove the lien of the Mortgage from the Property.

**6. ENVIRONMENTAL CONDITIONS.**

6.1. TID acknowledges that there may be a presence of Hazardous Substances, including but not limited to arsenic, asbestos, PCBs, radon gas, lead based paint, other lead contamination, fuel or chemical storage tanks, electric and magnetic fields or other substances, material, products or conditions within the Easements.

6.2. The Parties agree that TID shall not be responsible for Remediation of any contamination by Hazardous Substances that (a) existed in soil or groundwater or both within the Easements prior to the TID's occupation of the Easements whether or not revealed by any soil testing or inspection prior to TID's occupancy of the Easements or (b) is caused solely by the Company.

6.3. This Section 6 shall inure to the benefit of, and is binding on, the parties, their respective heirs, personal representatives, successors, and assigns.

**7. MAINTENANCE AND IMPROVEMENTS BY TID.**

7.1. During the life of this Agreement, TID shall maintain the Property in substantially its present condition and shall keep the electric facilities in good working order, and repair and replace the facilities as required. No existing improvement shall be demolished or removed prior to full performance under this Agreement by TID without the written consent of PG&E, which consent shall not be unreasonably withheld. TID may make improvements to the Property. All improvements shall be maintained in good condition.

7.2. TID shall not make any connections to customers or electric generators from any point on the Property between the point of interconnection to PG&E's transmission system and the metering point at the Patterson substation without PG&E's prior written consent, which may be withheld in PG&E's sole discretion.



## **8. INDEMNIFICATION:**

### **8.1. TID Indemnification.**

a. TID shall indemnify, hold harmless and defend the Company, its affiliates, subsidiaries, parent company, officers, managers, directors, agents, and employees, from and against all claims, demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise), which arise from or are in any way connected with any:

- (i) Injury to or death of persons, including but not limited to employees of the Company or TID.
- (ii) Injury or damage to property of the Company, TID, or any third party;
- (iii) Violation of a local, state or federal common law, statute, regulation, or ordinance, including but not limited to environmental laws or regulations; or
- (iv) Strict liability imposed by any law or regulation;

so long as such injury, damage, violation, or strict liability (as set forth in (i) - (iv) above) arises from or is in any way connected with TID's use of the Property or performance of, or failure to perform, this Agreement, however caused, regardless of any strict liability or negligence of the Company, whether active or passive, excepting only to the extent such loss, damage, cost, expense, liability, strict liability, or violation of law or regulation that is caused by the sole negligence or willful misconduct of the Company, its officers, managers, or employees.

b. TID acknowledges that any claims, demands, losses, damages, costs, expenses, and liability that (i) arise from or are in any way connected with the presence, movement, use, release or spill of any legally designated Hazardous Substance brought or released onto the Easement by TID or (ii) arise from or are in any way connected with TID's use of the Property are expressly within the scope of the Section 8.1 indemnity. Likewise, the costs, expenses, and legal liability for environmental investigations, monitoring, Remediation, penalties, and fines arising from strict liability or the violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs incurred as a result of such presence, movement, use, releases or spills are expressly within the scope of this indemnity.

8.2. TID shall, at PG&E's request, defend any action, claim, or suit asserting a claim that might be covered by an indemnity under this Section 8. TID shall pay all costs and expenses that may be incurred by PG&E in enforcing the Section 8 indemnity, including reasonable attorney's fees.

8.3. In no event shall either Party be liable to the other Party for any special, punitive, incidental, indirect, or consequential damages arising out of or in connection with this Agreement, however caused, whether arising in contract, tort (including negligence) strict liability, or otherwise.

9. **INSURANCE:** TID shall maintain in effect during the term of this Lease insurance as set forth on Exhibit "C," attached hereto and incorporated herein. TID shall have the option in its sole discretion of carrying property damage insurance on the Electric Facilities.

10. **RISK OF LOSS.** TID shall assume on the Closing Date all risk of damage or loss by casualty of the Electric Facilities described in Exhibit "A." No such damage or loss shall constitute a failure of consideration or cause for rescission of this Agreement by TID. In the event of any damage or loss to any Electric Facilities, TID shall be entitled to the benefit of all insurance proceeds payable for such damage or loss.

11. **INSPECTION.** PG&E shall have the right to enter on and inspect the Property and improvement on the Property at reasonable times.

12. **PAYMENT OF TAXES, ASSESSMENTS, AND OTHER CHARGES AGAINST PROPERTY.** All taxes, assessments, and other expenses relative to the Property of every kind and character, shall be paid by TID when due and prior to delinquency. If TID fails to make any such payment prior to delinquency, PG&E shall have the option of paying the payment and adding the amount to the principal balance remaining due on the purchase price, or pursuing any other remedy available at law or in equity.

13. **DEFINED TERMS.** Unless specifically defined elsewhere in this Agreement, capitalized terms when used in this Agreement shall have the meaning specified in the Asset Sale Agreement.

14. **PG&E'S REMEDY ON TID DEFAULT; ACCELERATION.** If TID default in the payment of any sums due under this Agreement or in the performance of any other obligation imposed on TID, and the default continues for thirty (30) days after notice of the default has been given by PG&E to TID, PG&E may declare the entire balance of the purchase price then outstanding to be immediately due and payable and sue to recover that amount, or pursue any other remedy available at law or in equity.

15. **SURVIVAL.** Upon termination of or Final Payment under this Agreement, all provisions of this Agreement that by their nature are intended to survive shall survive such termination or Final Payment, including, but not limited to, Sections 6.2 and 8.

16. **ATTORNEY FEES.** In the event any action is filed to enforce or recover under any provision of this Agreement, the prevailing party in the suit shall be entitled to reasonable attorney fees, in addition to the ordinary costs of suit.

17. **NOTICES:** All notices relating to this Agreement shall be given in writing and delivered personally, or sent by facsimile transmission, certified mail (return receipt requested) of the United States Postal Service, or nationally recognized overnight courier service and addressed as follows:

**PG&E:** PACIFIC GAS AND ELECTRIC COMPANY  
P.O. Box 770000  
San Francisco, CA 94177  
Attn.: James K. Randolph  
Fax Number: (415) 973-9485

**TID:** TURLOCK IRRIGATION DISTRICT

333 East Canal Drive  
P.O. Box 949  
Turlock, CA 95381-0949  
Attn: General Manager  
Fax Number: 209-656-2143

18. **ASSIGNMENT:** This Agreement is binding upon and inures to the benefit of the successors and assigns of the Parties, but is not assignable by any Party without the prior written consent of the other Party, which consent may be granted or withheld in such Party's sole discretion. Any such assignment is conditioned on the assignee's agreement in writing to assume the assigning Party's duties and obligations under this Agreement. Notwithstanding the above, TID may assign this Agreement to the Westside Power Authority and/or the Patterson Irrigation District without PG&E's consent. Nothing herein is intended to require TID to obtain PG&E's consent to lease all or any portion of the Assets transferred under this Agreement to the Westside Power Authority and/or the Patterson Irrigation District after the Closing Date. Any assignment effected in accordance with this Section 18 "No Assignment" will not relieve the assigning Party of its obligations and liabilities under this Agreement.

19. **WAIVER.** The waiver of any breach of this Agreement by either party shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or another provision of this Agreement.

**20. DISPUTE RESOLUTION; JURISDICTION; GOVERNING LAW.**

20.1. Any dispute between the Parties shall be resolved in accordance with the dispute resolution provisions in Section 4.9 of the Closing Agreement. Each Party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement.

20.2. All disputes that are not submitted to Arbitration shall be litigated in the Superior Court of the State of California and for the County of Stanislaus, or if jurisdiction cannot be obtained in Stanislaus County Superior Court then in a Federal Court of competent jurisdiction; and the Parties hereby agree to the jurisdiction of such courts.

20.3. The validity, interpretation and effect of this Lease are governed by and will be construed in accordance with the laws of the State of California applicable to contracts made and performed in such State and without regard to conflicts of law doctrines except to the extent that certain matters are preempted by Federal law.

21. **NO JOINT VENTURE.** Nothing contained in this Agreement shall be interpreted as creating a joint venture, partnership, or any other relationship between the Parties, other than the relation of a licensor and a TID as described in this Agreement.

22. **REPRESENTATION BY LEGAL COUNSEL.** Each Party was represented by counsel in the negotiation and execution of this Agreement.

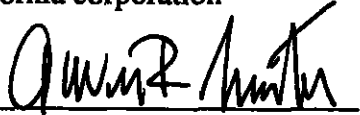
23. **FORCE MAJEURE.** Neither Party shall be liable for any failure to perform the terms of this Agreement when such failure is due to "force majeure." The term "force majeure" shall mean acts of God, strikes, lockouts or industrial disputes or disturbances, civil disturbances, arrests and restraint from rules or people, interruptions by government or court orders, present and future valid orders of any regulatory body having proper jurisdiction, acts of the public enemy, wars, riots, blockades, insurrections, inability to secure or delay in securing labor or materials (including delay in securing or inability to secure materials by reason of allocations promulgated by authorized governmental agencies), epidemics, landslides, lightning, earthquakes, fire, storm, floods, tsunamis, washouts, explosions, or any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the Party claiming "force majeure." The "force majeure" shall, so far as possible, be remedied with all reasonable dispatch. Notwithstanding the above requirement that any "force majeure" shall be remedied with all reasonable dispatch, the settlement of strikes or lockouts or industrial disputes or disturbances shall be entirely within the discretion of the Party having the difficulty. The Party claiming any failure to perform due to "force majeure" shall provide verbal notification thereof to the other Party as soon as practical after the occurrence of the "force majeure" event.

24. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement of the parties. No promise or undertaking has been made by any party, and no understanding exists with respect to property or the income or production therefrom on the part of any party, except as expressly set forth. TID have examined property and all components of property and accept property in its present condition.

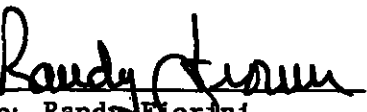
25. EXECUTION. The Parties and the individuals executing this Agreement on behalf of the Parties, each represent, by executing this Agreement, that he or she is duly authorized to do so and to bind the respective Party to its terms.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**PACIFIC GAS AND ELECTRIC COMPANY,**  
a California corporation

By   
Name: Gordon R. Smith  
Title: President & Chief Executive Officer

**TURLOCK IRRIGATION DISTRICT,**  
a California irrigation district

By   
Name: Randy Fiorini  
Title: President of the Board of Directors


By   
Name: Barbara A. Hetrick  
Title: Secretary

EXHIBIT "A"

Patterson Frozen Foods 60kv Tap  
List of Electric Facilities

Description	QTY
EA. POLE JOINT w/12kv 60 FT.	4
EA. POLE SOLELY OWNED 60 FT.	4
EA. POLE JOINT w/12kv 65 FT.	3
EA. POLE JOINT w/12kv 70FT.	4
EA. POLE SOLELY OWNED 70FT.	7
EA. 3-WIRE TRI. INSULATOR ASSEMBLY	13
EA. 3-WIRE INSULATOR ASSEMBLY DE	9
EA. ANCHOR GUY ASSEMBLY	12
/FT. CABLE ALUMINUM BARE 4/0	16,446
EA. 60KV. AIR SWITCH	1

**Exhibit B**

**PATERSON FROZEN FOODS 60KV TAP  
LIST OF RIGHTS-OF-WAY**

**Recorded Overhead:**

<b>Grantor</b>	<b>Document Date</b>	<b>Recording Information</b>	<b>PG&amp;E Number</b>
Township 5 South, Range 8 East, MDB&M			
Carpenter, Howard R, Carpenter, Arlene J. Agadoni, Clayton A., Agadoni, Goldie M. Burke, Robert M., Stetson Burke, Teresa M. Burke, Gerald P., Burke, Marilyn C. Burke, Donald M., Burke, Jean M.	4/8/94	94-0084477-00 94-0084478-00	2205-08-0195 Counterpart 1 of 2 and 2 of 2
Wade, Shirley Hauert, Dora Carpenter, Howard R., Carpenter, Arlene J. Agadoni, Clayton A., Agadoni, Goldie M. Rupprecht, Pamela Maffei, Donna Burke, Robert M., Burke, Theresa M. Burke, Gerald P., Burke, Marilyn C. Burke, Donald M., Burke, Jean M.	4/7/94	94-0084481-00 94-0084480-00 94-0084479-00	2205-08-0196 Counterpart 1 of 3 2 of 3 and 3 of 3

2205-08-0196

POLE LINE TRANSMISSION  
13-003 (REV. 1-90)

AFTER RECORDING, RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY  
77 Beale Street, Room H-2110  
San Francisco, California 94106  
Attn: Title Administration Unit

Stanislaus Co Recorder's Office  
Karen Mathews, County Recorder

DOC - 94-0084481-00  
Acct 401-Over The Counter Documents  
Thursday, AUG 25, 1994 13:47:36  
REC \$6.00:M00 \$5.00:MIC \$1.00  
STF \$3.00:DTT \$5.50  
Ttl Pd \$20.50  
Nor-0000115311  
RIW

Location: City/County  
Recording Fee \$16.00  
Document Transfer Tax \$5.50  
( ) Computed on Full Value of Property Conveyed, or  
( ) Computed on Full Value Less Liens & Encumbrances  
Remaining at Time of Recording  
*Shirley Wade*  
Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

EASEMENT DEED

3013-0449 (1 9) 3 94 2  
Patterson Frozen Foods

Counterpart 1 of 3

4-7-94

SHIRLEY WADE  
DORA HUBERT HAUERT

HOWARD R. CARPENTER and ARLENE J. CARPENTER, as trustees of the Howard R. Carpenter and Arlene J. Carpenter Family Trust dated May 20, 1993,  
CLAYTON A. AGADONI and GOLDIE M. AGADONI, as trustees of the Agadoni Family Living Trust dated May 5, 1993,  
PAMELA RUFFRECHT  
DONNA MAFFEI  
ROBERT M. BURKE and THERESA M. BURKE, husband and wife,  
GERALD P. BURKE and MARILYN C. BURKE, husband and wife,  
and DONALD M. BURKE and JEAN M. BURKE, husband and wife,

hereinafter called Grantor, in consideration of value paid by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called PG&E, the receipt whereof is hereby acknowledged, hereby grants to PG&E the right to erect, construct, reconstruct, replace, remove, maintain and use a line of poles with such wires and cables as PG&E shall from time to time suspend therefrom for the transmission of electric energy, and for communication purposes, and all necessary and proper crossarms, guys, anchors and other appliances and fixtures for use in connection with said poles, wires and cables, together with a right of way, on, along and in all of the hereinafter described easement area lying within Grantor's lands which are situate in the \_\_\_\_\_ County of Stanislaus, State of California, and are described as follows:

(APN 048-08-24)

The parcel of land, situate in Sections 29 and 32, Township 5 South, Range 8 East, M.D.B. & M., conveyed by Clayton A. Agadoni to Clayton A. Agadoni and Goldie M. Agadoni, as trustees by deed dated May 5, 1993 and recorded as Document Number 93-0055971-00, Records of said County of Stanislaus; excepting therefrom the portion thereof lying within the county road known as Locust Avenue (50 feet wide) traversing said Sections 29 and 32.

PG&E CO.  
COPY

B 4

0844810624



The aforesaid easement area is described as follows:

A strip of land of the uniform width of 22 feet lying contiguous to and northeasterly of the northeasterly boundary line of said Locust Avenue and extending from the southeasterly boundary line of said lands northwesterly approximately 660 feet (measured along said northeasterly boundary line) to the northwesterly boundary line of said lands.

The foregoing description is based on a survey made by PG&E in February 1994.

Grantor further grants to PG&E:

(a) the right of ingress to and egress from said easement area 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 Grantor, provided, that such right of ingress and egress shall not extend to any portion of said lands which is isolated from said easement area by any public road or highway, now crossing or hereafter crossing said lands;

(b) the right from time to time to trim and to cut down and clear away or otherwise destroy any and all trees and brush now or hereafter on said easement area and to trim and to cut down and clear away any trees on either side of said easement area which now or hereafter in the opinion of PG&E may be a hazard to the facilities installed hereunder by reason of the danger of falling thereon, or may interfere with the exercise of PG&E's rights hereunder; provided, however, that all trees which PG&E is hereby authorized to cut and remove, if valuable for timber or wood, shall continue to be the property of Grantor, but all branches, brush, and refuse wood shall be burned, removed, or chipped and scattered, by PG&E;

(c) the right from time to time to enlarge, improve, reconstruct, relocate and replace any poles with any other number or type of poles either in the original location or at any alternate location or locations within said easement area;

(d) the right to install, maintain and use gates in all fences which now cross or shall hereafter cross said easement area; and

(e) the right to mark the location of said easement area by suitable markers set in the ground; provided that said markers shall be placed in fences or other locations which will not interfere with any reasonable use Grantor shall make of said easement area.

PG&E hereby covenants and agrees:

(a) not to fence said easement area;

(b) to repair any damage it shall do to Grantor's private roads or lanes on said lands; and

(c) to indemnify Grantor against any loss and damage which shall be caused by the exercise of the rights herein granted, or by any wrongful or negligent act or omission of PG&E or of its agents or employees in the course of their employment, provided, however, that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by Grantor's comparative negligence or willful misconduct.

084481 AVE 25 94

PG&E CO. COPY

Grantor reserves the right to use said easement area for purposes which will not interfere with PG&E's full enjoyment of the rights hereby granted; provided that Grantor shall not erect or construct any building or other structure, or drill or operate any well, or construct any reservoir or other obstruction within said easement area, or construct any fences that will interfere with the maintenance and operation of the facilities constructed by PG&E within said easement area.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the land.

Dated 4-7, 1994.

*D.H. 4-7-94*  
Dora Hauert  
Dora Hauert HAUERT

Pamela Rupprecht  
Pamela Rupprecht

Howard R. Carpenter  
Howard R. Carpenter,  
as trustee aforesaid

Donna Maffei Youell  
Donna Maffei

Arlene J. Carpenter  
Arlene J. Carpenter,  
as trustee aforesaid

Clayton A. Agadoni  
Clayton A. Agadoni,  
as trustee aforesaid

Robert M. Burke  
Robert M. Burke

Goldie M. Agadoni  
Goldie M. Agadoni,  
as trustee aforesaid

Theresa M. Stetson Burke  
Theresa M. Burke

Gerald F. Burke  
Gerald F. Burke

*L.W. 4/7/94*  
Shirley Wade  
SHIRLEY WADE

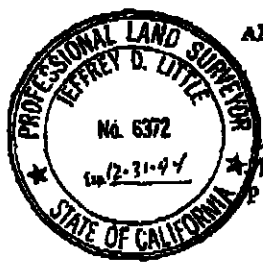
Marilyn C. Burke  
Marilyn C. Burke

Executed in the presence of:  
Michael D. Grinstead  
Witness

Donald M. Burke  
Donald M. Burke

Jean M. Burke  
Jean M. Burke

Sar. Joaquin Region  
Yosemite Division  
GM 4110383  
Dwg. 358434 sb.1  
T5S, R8E, MDB&M  
SEC 29: SW4  
SEC 32: NW4  
03-93-029  
Prepared: AF



APPROVED AS TO DESCRIPTION  
Jeffrey D. Little  
JEFFREY D. LITTLE  
P.L.S. 6372 - Expires 12/31/94

PG&E CO.  
COPY

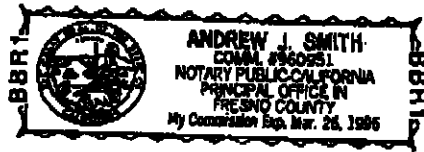
084481 AUG 23 94

STATE OF CALIFORNIA  
COUNTY OF FRESNO

On June 1, 1994 before me, the undersigned, a Notary Public for said State, personally appeared Michael D. Grinstead, personally known to me to be the person whose name is subscribed to this instrument as a witness thereto, who, being duly sworn, deposed and said that he resides in the County of San Joaquin, State of California, and that he was present and saw Dora Hauert, Howard R. Carpenter, Arlene J. Carpenter, Robert M. Burke, Theresa M. Stetson Burke, Shirley Wade, Donna Maffei Youell, Clayton A. Agadoni, Goldie M. Agadoni, Gerald P. Burke and Marilyn C. Burke, (known to the witness to be the persons whose names are subscribed to this instrument) execute it, and acknowledged to the witness that they executed it in their authorized capacities, and that at their request the witness thereupon subscribed his name as a witness thereto.

WITNESS my hand and official seal.

Andrew J. Smith  
Signature



084481 AUG 25 94

100401 NOV 29 94

2205-08-0196

POLE LINE TRANSMISSION  
DEEDS (REV. 1/93)

AFTER RECORDING, RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY  
77 Beale Street, Room M-2110  
San Francisco, California 94106  
Attn: Title Administration Unit

Stanislaus Co Recorder's Office  
Karen Mathews, County Recorder

DOC - 94-0084480-00  
Acct 401-Over The Counter Documents  
Thursday, AUG 25, 1994 15:46:56  
REC \$6.00:MOD \$5.00:MIC \$1.00  
STF \$3.00:  
Tel Pd \$15.00 Nbr-0000115310  
RIN

Location: City/County  
Recording Fee \$15.00  
Document Transfer Tax \$  
 Computed on Full Value of Property Conveyed, or  
 Computed on Full Value Less Liens & Encumbrances  
Existing at Time of Sale  
*[Signature]*  
Signature of Declarant or agent authorizing tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

**EASEMENT DEED**

3013-0449 (1 9) 3 9 2  
Patterson Prozen Foods

Counterpart 2 of 3

4-7-94

**SHIRLEY WADE  
DORA HAZRET HAUERT**

HOWARD R. CARPENTER and ARLENE J. CARPENTER, as trustees of the Howard R. Carpenter and Arlene J. Carpenter Family Trust dated May 20, 1993,  
CLAYTON A. AGADONI and GOLDIE M. AGADONI, as trustees of the Agadoni Family Living Trust dated May 5, 1993,  
PAMELA RUPPRECHT  
DONNA MAFFEI  
ROBERT M. BURKE and THERESA M. BURKE, husband and wife,  
GERALD P. BURKE and MARILYN C. BURKE, husband and wife,  
and DONALD M. BURKE and JEAN M. BURKE, husband and wife,

hereinafter called Grantor, in consideration of value paid by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called PG&E, the receipt whereof is hereby acknowledged, hereby grants to PG&E the right to erect, construct, reconstruct, replace, remove, maintain and use a line of poles with such wires and cables as PG&E shall from time to time suspend therefrom for the transmission of electric energy, and for communication purposes, and all necessary and proper crossarms, guys, anchors and other appliances and fixtures for use in connection with said poles, wires and cables, together with a right of way, on, along and in all of the hereinafter described easement area lying within Grantor's lands which are situate in the \_\_\_\_\_ County of Stanislaus, State of California, and are described as follows:

(APN 048-08-24)

The parcel of land, situate in Sections 29 and 32, Township 5 South, Range 8 East, M.D.S. & M., conveyed by Clayton A. Agadoni to Clayton A. Agadoni and Goldie M. Agadoni, as trustees by deed dated May 5, 1993 and recorded as Document Number 93-0035971-00, Records of said County of Stanislaus; excepting therefrom the portion thereof lying within the county road known as Locust Avenue (50 feet wide) traversing said Sections 29 and 32.

PG&E CO.  
COPY

084480 AUG 25 94  
B  
4

The sforesaid easement area is described as follows:

A strip of land of the uniform width of 22 feet lying contiguous to and northeasterly of the northeasterly boundary line of said Locust Avenue and extending from the southeasterly boundary line of said lands northwesterly approximately 660 feet (measured along said northeasterly boundary line) to the northwesterly boundary line of said lands.

The foregoing description is based on a survey made by PG&E in February 1994.

Grantor further grants to PG&E:

(a) the right of ingress to and egress from said easement area 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 Grantor, provided, that such right of ingress and egress shall not extend to any portion of said lands which is isolated from said easement area by any public road or highway, now crossing or hereafter crossing said lands;

(b) the right from time to time to trim and to cut down and clear away or otherwise destroy any and all trees and brush now or hereafter on said easement area and to trim and to cut down and clear away any trees on either side of said easement area which now or hereafter in the opinion of PG&E may be a hazard to the facilities installed hereunder by reason of the danger of falling thereon, or may interfere with the exercise of PG&E's rights hereunder; provided, however, that all trees which PG&E is hereby authorized to cut and remove, if valuable for timber or wood, shall continue to be the property of Grantor, but all branches, brush, and refuse wood shall be burned, removed, or chipped and scattered, by PG&E;

(c) the right from time to time to enlarge, improve, reconstruct, relocate and replace any poles with any other number or type of poles either in the original location or at any alternate location or locations within said easement area;

(d) the right to install, maintain and use gates in all fences which now cross or shall hereafter cross said easement area; and

(e) the right to mark the location of said easement area by suitable markers set in the ground; provided that said markers shall be placed in fences or other locations which will not interfere with any reasonable use Grantor shall make of said easement area.

PG&E hereby covenants and agrees:

(a) not to fence said easement area;

(b) to repair any damage it shall do to Grantor's private roads or lanes on said lands; and

(c) to indemnify Grantor against any loss and damage which shall be caused by the exercise of the rights herein granted, or by any wrongful or negligent act or omission of PG&E or of its agents or employees in the course of their employment, provided, however, that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by Grantor's comparative negligence or willful misconduct.

PG&E CO.  
COPY

081480 A05 25 94

Grantor reserves the right to use said easement area for purposes which will not interfere with PG&E's full enjoyment of the rights hereby granted; provided that Grantor shall not erect or construct any building or other structure, or drill or operate any well, or construct any reservoir or other obstruction within said easement area, or construct any fences that will interfere with the maintenance and operation of the facilities constructed by PG&E within said easement area.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the land.

Dated 4-7, 1994.

*D.H. 4-7-94*  
Dora Hauert  
Dora Hauert MAUERT

Pamela Rupprecht  
Pamela Rupprecht

Howard R. Carpenter  
Howard R. Carpenter,  
as trustee aforesaid

Donna Maffei  
Donna Maffei

Arlens J. Carpenter  
Arlens J. Carpenter,  
as trustee aforesaid

Clayton A. Agadoni  
Clayton A. Agadoni,  
as trustee aforesaid

Robert M. Burke  
Robert M. Burke

Goldie M. Agadoni  
Goldie M. Agadoni,  
as trustee aforesaid

Theresa M. Burke  
Theresa M. Burke

Gerald P. Burke  
Gerald P. Burke

*A.W. 4-7-94*  
Shirley Wade  
SHIRLEY WADE  
Executed in the presence of:

Marilyn C. Burke  
Marilyn C. Burke

Witness

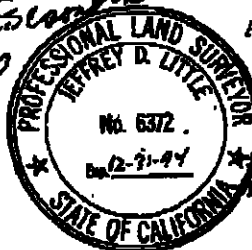
Donald M. Burke  
Donald M. Burke

Marjorie F. Bain  
Marjorie F. BAIN

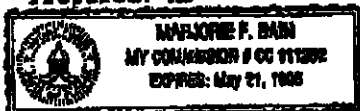
Jean M. Burke  
Jean M. Burke

San Joaquin Region *State of Florida*  
Yosemite Division *County of Escambia*  
GM 4110383  
Dwg. 358434 sh.1  
TSS, R&E, M&B&M  
SEC 29: SW4  
SEC 32: NW4  
03-93-029  
Prepared: AS  
*Commissioner's Office*  
*5-21-95*  
*CC 111292*

APPROVED AS TO DESCRIPTION



*J.D.L.*  
JEFFREY D. LITTLE  
P.L.S. 6372 - Expires 12/31/94



081180 2594 084480 AUG 25 94 084480 2594

FLORIDA SHORT-FORM INDIVIDUAL ACKNOWLEDGMENT (F.S. 695.25)

No. 6101

STATE OF FLORIDA

COUNTY OF Eschscholtz

The foregoing instrument was acknowledged before me this 4-29-94 (Date)

Patricia Supersicht who is personally known to me (Name of person acknowledging)

or who has produced personally known to me (Type of identification)

as identification and who ~~did~~ (did not) take an oath.



Margorie F. Bain Notary Public, Commission No. CC 111292 (Signature)

Margorie F. Bain (Name of Notary typed, printed or stamped)

(SEAL ABOVE)

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to unauthorized document.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

Title or Type of Document Lease Agreement Deed

Number of Pages 4 Date of Document 4-7-94

Signer(s) Other than Named Above N/A

2205-08-0196

FOUR LINE TRANSMISSION  
22-405 (REV. 1-90)

AFTER RECORDING, RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY  
77 Beale Street, Room H-2110  
San Francisco, California 94106  
Attn: Title Administration Unit

Stanislaus Co Recorder's Office  
Karen Mathews: County Recorder

DOC - 94-0054479-00  
Acc: 401-Over The Counter Documents  
Thursday, AUG 25, 1994 15:46:26  
REC \$6.00/MOD \$5.00/MIC \$1.00  
STF \$3.00  
Ttl Pd \$15.00  
Nbr-0000115308  
RIW

Location: Stanislaus  
Recording Fee: \$12.00  
Document Transfer Tax \$ 3  
CG Computed on Full Value of Property Conveyed, or  
( ) Computed on Full Value Less Liens & Encumbrances  
existing at Time of Sale.  
Shirley Wade  
Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

**EASEMENT DEED**

3013-0449 (1.9) 3 94 2  
Patterson Frozen Foods

Counterpart 3 of 3

*lw*

*D.H.  
4-7-94*

**SHIRLEY WADE  
DORA HARRETT HAUERT**

HOWARD R. CARPENTER and ARLENE J. CARPENTER, as trustees of the Howard R. Carpenter and Arlene J. Carpenter Family Trust dated May 20, 1993,  
CLAYTON A. AGADONI and GOLDIE M. AGADONI, as trustees of the Agadoni Family Living Trust dated May 5, 1993,  
PAMELA RUPPRECHT  
DONNA MAFFEI  
ROBERT M. BURKE and THERESA M. BURKE, husband and wife,  
GERALD P. BURKE and MARILYN C. BURKE, husband and wife,  
and DONALD M. BURKE and JEAN M. BURKE, husband and wife.

hereinafter called Grantor, in consideration of value paid by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called PG&E, the receipt whereof is hereby acknowledged, hereby grants to PG&E the right to erect, construct, reconstruct, replace, remove, maintain and use a line of poles with such wires and cables as PG&E shall from time to time suspend therefrom for the transmission of electric energy, and for communication purposes, and all necessary and proper crossarms, guys, anchors and other appliances and fixtures for use in connection with said poles, wires and cables, together with a right of way, on, along and in all of the hereinafter described easement area lying within Grantor's lands which are situate in the \_\_\_\_\_ County of Stanislaus, State of California, and are described as follows:

(APN 048-08-24)

The parcel of land, situate in Sections 29 and 32, Township 5 South, Range 8 East, M.D.B. & M., conveyed by Clayton A. Agadoni to Clayton A. Agadoni and Goldie M. Agadoni, as trustees by deed dated May 5, 1993 and recorded as Document Number 93-0055971-00, Records of said County of Stanislaus; excepting therefrom the portion thereof lying within the county road known as Locust Avenue (50 feet wide) traversing said Sections 29 and 32.

DUPLICATE ORIGINAL  
RETAIN FOR YOUR RECORDS

084479 AUG 25 94

*H*  
*20*



The aforesaid easement area is described as follows:

A strip of land of the uniform width of 22 feet lying contiguous to and northeasterly of the northeasterly boundary line of said Locust Avenue and extending from the southeasterly boundary line of said lands northwesterly approximately 660 feet (measured along said northeasterly boundary line) to the northwesterly boundary line of said lands.

The foregoing description is based on a survey made by PG&E in February 1994.

Grantor further grants to PG&E:

(a) the right of ingress to and egress from said easement area 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 Grantor, provided, that such right of ingress and egress shall not extend to any portion of said lands which is isolated from said easement area by any public road or highway, now crossing or hereafter crossing said lands;

(b) the right from time to time to trim and to cut down and clear away or otherwise destroy any and all trees and brush now or hereafter on said easement area and to trim and to cut down and clear away any trees on either side of said easement area which now or hereafter in the opinion of PG&E may be a hazard to the facilities installed hereunder by reason of the danger of falling thereon, or may interfere with the exercise of PG&E's rights hereunder; provided, however, that all trees which PG&E is hereby authorized to cut and remove, if valuable for timber or wood, shall continue to be the property of Grantor, but all branches, brush, and refuse wood shall be burned, removed, or chipped and scattered, by PG&E;

(c) the right from time to time to enlarge, improve, reconstruct, relocate and replace any poles with any other number or type of poles either in the original location or at any alternate location or locations within said easement area;

(d) the right to install, maintain and use gates in all fences which now cross or shall hereafter cross said easement area; and

(e) the right to mark the location of said easement area by suitable markers set in the ground; provided that said markers shall be placed in fences or other locations which will not interfere with any reasonable use Grantor shall make of said easement area.

PG&E hereby covenants and agrees:

(a) not to fence said easement area;

(b) to repair any damage it shall do to Grantor's private roads or lanes on said lands; and

(c) to indemnify Grantor against any loss and damage which shall be caused by the exercise of the rights herein granted, or by any wrongful or negligent act or omission of PG&E or of its agents or employees in the course of their employment, provided, however, that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by Grantor's comparative negligence or willful misconduct.

084479 AUG 25 94

PG&E CO. COPY

Grantor reserves the right to use said easement area for purposes which will not interfere with PG&E's full enjoyment of the rights hereby granted; provided that Grantor shall not erect or construct any building or other structure, or drill or operate any well, or construct any reservoir or other obstruction within said easement area, or construct any fences that will interfere with the maintenance and operation of the facilities constructed by PG&E within said easement area.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the land.

Dated 4-7, 1994.

*D.H. 4-7-94*  
Dora Hauert  
Dora Hauert HAUERT

\_\_\_\_\_  
Pamela Rupprecht

Howard R. Carpenter  
Howard R. Carpenter,  
as trustee aforesaid

\_\_\_\_\_  
Donna Maffei

Arlene J. Carpenter  
Arlene J. Carpenter,  
as trustee aforesaid

\_\_\_\_\_  
Clayton A. Agadoni,  
as trustee aforesaid

\_\_\_\_\_  
Robert M. Burke

\_\_\_\_\_  
Goldie M. Agadoni,  
as trustee aforesaid

\_\_\_\_\_  
Theresa M. Burke

\_\_\_\_\_  
Gerald P. Burke

*L.W. 4/7/94*  
Shirley Wade  
SHIRLEY WADE  
Executed in the presence of:

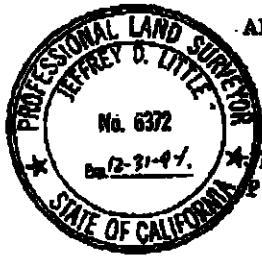
\_\_\_\_\_  
Marilyn G. Burke

Donna J. [Signature]  
Witness

Donald M. Burke  
Donald M. Burke

Jean M. Burke  
Jean M. Burke

BEAL IMPRESSES  
San Joaquin Region  
Yosemite Division  
GM 4110383  
Dwg. 358434 sh.1  
T55, R8E, MDB6M  
SEC 29: SW4  
SEC 32: NW4  
03-93-029  
Prepared: AS



APPROVED AS TO DESCRIPTION

Jeffrey D. Little  
JEFFREY D. LITTLE  
P.L.S. 6372 - Expires 12/31/94

PG&E CO.  
COPY

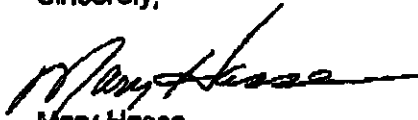
084479 AUG 25 94

Stanislaus County Recorder  
Box 1008  
Modesto, California 95353

Gentlemen:

I am a notary public located in the State of North Dakota. In North Dakota we do not issue notary certificate to show that a document has been notarized. A document is considered notarized when a notary public puts their seal on the document and signs the document next to the seal.

Sincerely,



Mary Hasse  
Notary Public for the State of North Dakota

084479 sub 25 94

2205-08-0195

P.G. & E. LINE TRANSMISSION  
AS PER (REV. 1/90)

AFTER RECORDING, RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY  
77 Beale Street, Room H-2110  
San Francisco, California 94106  
Attn: Title Administration Unit

Stanislaus Co Recorder's Office  
Karen Mathews, County Recorder

DOC - 94-0084477-00  
Acct 401-Over The Counter Documents  
Thursday, AUG 25, 1994 15:45:22  
REC \$6.00:MOO \$5.00:MIC \$1.00  
STF \$3.00:DTT \$5.50:  
Ttl Pd \$20.50 Nbr-0000115306  
RIM

Location: City/County  
Recording Fee: \$15.00  
Document Transfer Tax: \$ 5.50  
i) Computed on Full Value of Property Conveyed, or  
ii) Computed on Full Value Less Liens & Encumbrances  
Existing at Time  
*Barbara Callaghan*  
Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

EASEMENT DEED

3013-0448 (1.9) 3 94 2  
Fatterson Frozen Foods

Counterpart 1 of 2

HOWARD R. CARPENTER and ARLENE J. CARPENTER, as trustees of the Howard R. Carpenter and Arlene J. Carpenter Family Trust dated May 20, 1993,  
GLAYTON A. AGADONI and GOLDIE M. AGADONI, as trustees of the Agadoni Family Living Trust dated May 5, 1993,  
ROBERT M. BURKE and THERESA M. STETSON BURKE, husband and wife,  
GERALD P. BURKE and MARILYN C. BURKE, husband and wife,  
DONALD M. BURKE and JEAN M. BURKE, husband and wife,  
~~and SHERLEY WADDE;~~

hereinafter called Grantor, in consideration of value paid by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called PG&E, the receipt whereof is hereby acknowledged, hereby grants to PG&E the right to erect, construct, reconstruct, replace, remove, maintain and use a line of poles with such wires and cables as PG&E shall from time to time suspend therefrom for the transmission of electric energy, and for communication purposes, and all necessary and proper crossarms, guys, anchors and other appliances and fixtures for use in connection with said poles, wires and cables, together with a right of way, on, along and in all of the hereinafter described easement area lying within Grantor's lands which are situate in the \_\_\_\_\_ County of Stanislaus, State of California, and are described as follows:

(APN 048-08-23)

The parcel of land, situate in Section 32, Township 5 South, Range 8 East, M.D.B. & M., conveyed by Louis Burke to Robert M. Burke and others by deed dated February 16, 1993 and recorded as Document Number 93-0064244-00, Records of said County of Stanislaus; excepting therefrom the portion thereof lying within the county road known as Locust Avenue (50 feet wide) traversing said Section 32.

The aforesaid easement area is described as follows:

A strip of land of the uniform width of 40 feet extending from the southeasterly boundary line of said lands northwesterly to the northwesterly boundary line of said lands and lying 20 feet on each side of the line described as follows:

P.G. & E. CO.  
COPY

Ps 4

084477 AUG 25 94

Beginning at a point in said southeasterly boundary line and running thence

(1) north 60° 54.6' west, approximately 45 feet to a point distant 27 feet northeasterly from (measured at a right angle to) the center line of said Locust Avenue, said point bears north 6° 21.7' west 67.3 feet distant from the found 3/4 inch iron pipe accepted as marking the intersection of the center line of said Locust Avenue and said southeasterly boundary line; thence running along a line which is parallel with the center line of said Locust Avenue

(2) north 30° 00.0' west, approximately 600 feet to a point in said northwesterly boundary line; excepting therefrom the portion thereof lying within the boundary lines of said Locust Avenue.

The foregoing description is based on a survey made by PG&E in February 1994. The bearings used are based on the center line of said Locust Avenue, said center line has a bearing of north 30° 00' 00" west.

Grantor further grants to PG&E:

(a) the right of ingress to and egress from said easement area 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 Grantor, provided, that such right of ingress and egress shall not extend to any portion of said lands which is isolated from said easement area by any public road or highway, now crossing or hereafter crossing said lands;

(b) the right from time to time to trim and to cut down and clear away or otherwise destroy any and all trees and brush now or hereafter on said easement area and to trim and to cut down and clear away any trees on either side of said easement area which now or hereafter in the opinion of PG&E may be a hazard to the facilities installed hereunder by reason of the danger of falling thereon, or may interfere with the exercise of PG&E's rights hereunder; provided, however, that all trees which PG&E is hereby authorized to cut and remove, if valuable for timber or wood, shall continue to be the property of Grantor, but all branches, brush, and refuse wood shall be burned, removed, or chipped and scattered, by PG&E;

(c) the right from time to time to enlarge, improve, reconstruct, relocate and replace any poles with any other number or type of poles either in the original location or at any alternate location or locations within said easement area;

(d) the right to install, maintain and use gates in all fences which now cross or shall hereafter cross said easement area; and

(e) the right to mark the location of said easement area by suitable markers set in the ground; provided that said markers shall be placed in fences or other locations which will not interfere with any reasonable use Grantor shall make of said easement area.

PG&E hereby covenants and agrees:

(a) not to fence said easement area;

(b) to repair any damage it shall do to Grantor's private roads or lanes on said lands;

PG&E CO.  
COPY

084477 AUG 25 94

and

(c) to indemnify Grantor against any loss and damage which shall be caused by the exercise of the rights herein granted, or by any wrongful or negligent act or omission of PG&E or of its agents or employees in the course of their employment, provided, however, that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by Grantor's comparative negligence or willful misconduct.

Grantor reserves the right to use said easement area for purposes which will not interfere with PG&E's full enjoyment of the rights hereby granted; provided that Grantor shall not erect or construct any building or other structure, or drill or operate any well, or construct any reservoir or other obstruction within said easement area, or construct any fences that will interfere with the maintenance and operation of the facilities constructed by PG&E within said easement area.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the land.

Dated April 7, 1994.

Howard R. Carpenter  
Howard R. Carpenter,  
as trustee aforesaid

Clayton A. Agadoni  
Clayton A. Agadoni,  
as trustee aforesaid

Arlene J. Carpenter  
Arlene J. Carpenter,  
as trustee aforesaid

Goldie M. Agadoni  
Goldie M. Agadoni,  
as trustee aforesaid

Robert M. Burke  
Robert M. Burke

Gerald P. Burke  
Gerald P. Burke

Theresa M. Statton Burke  
Theresa M. Statton Burke

Marilyn C. Burke  
Marilyn C. Burke

Donald M. Burke

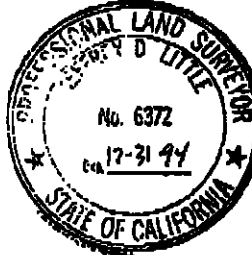
Shirley Wade

Jean M. Burke

Executed in the presence of:  
Michael D. Grinstead  
Witness  
Michael D. Grinstead

San Joaquin Region  
Yosemite Division  
GM 4110383  
Dwg. 358434 sh.1  
TSS, R8E, MDB&M  
SEC 32: NE4 of NW4  
03-93-029

Prepared: AS



APPROVED AS TO DESCRIPTION  
Jeffrey D. Little  
JEFFREY D. LITTLE  
P.L.S. 6372 - Expires 12/31/94

PG&E CO.  
COPY

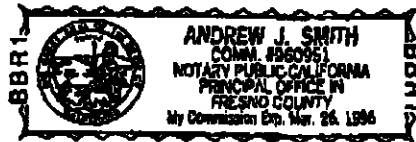
084477 AUG 25 94

STATE OF CALIFORNIA  
COUNTY OF FRESNO

On June 1, 1994 before me, the undersigned, a Notary Public for said State, personally appeared Michael D. Grinstead, personally known to me to be the person whose name is subscribed to this instrument as a witness thereto, who, being duly sworn, deposed and said that he resides in the County of San Joaquin, State of California, and that he was present and saw Howard R. Carpenter, Ariene J. Carpenter, Robert M. Burke, Theresa M. Stetson Burke, Clayton A. Agadoni, Goldie M. Agadoni, Gerald P. Burke and Marilyn C. Burke (known to the witness to be the persons whose names are subscribed to this instrument) execute it, and acknowledged to the witness that they executed it in their authorized capacities, and that at their request the witness thereupon subscribed his name as a witness thereto.

WITNESS my hand and official seal.

Andrew J. Smith  
Signature



084477 AUG 25 94

2205-08-0195

POLE LINE TRANSMISSION  
02-025 (REV. 1/07)

AFTER RECORDING, RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY  
77 Beale Street, Room H-2110  
San Francisco, California 94106  
Attn: Title Administration Unit

Location: City/Union  
Recording Fee 212.00  
Document Transfer Tax 0  
 Computed on Full Value of Property Conveyed, or  
 Computed on Full Value Less Liens & Encumbrances  
Remaining at Time of Sale  
Robert M. Burke  
Signature of declarant or agent determining tax

Stanislaus Co Recorder's Office  
Karen Mathews, County Recorder

DOC - 94-0084478-00  
Acct 401-Over The Counter Documents  
Thursday, AUG 25, 1994 15:45:55  
REC \$6.00;MOD \$5.00;MIC \$1.00  
STF \$3.00  
Ttl Pd \$15.00  
Nbr-0000115307  
RIW

(SPACE ABOVE FOR RECORDER'S USE ONLY)

EASEMENT DEED

3013-0448 (1.9) 3 94 2  
Patterson Frozen Foods

Counterpart 2 of 2

HOWARD R. CARPENTER and ARLENE J. CARPENTER, as trustees of the Howard R. Carpenter and Arlene J. Carpenter Family Trust dated May 20, 1993,  
CLAYTON A. AGADONI and GOLDIE M. AGADONI, as trustees of the Agadoni Family Living Trust dated May 5, 1993,  
ROBERT M. BURKE and THERESA M. STETSON BURKE, husband and wife,  
GERALD F. BURKE and MARILYN C. BURKE, husband and wife,  
DONALD H. BURKE and JEAN M. BURKE, husband and wife,  
~~and SHIRLEY WADE,~~

hereinafter called Grantor, in consideration of value paid by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called PG&E, the receipt whereof is hereby acknowledged, hereby grants to PG&E the right to erect, construct, reconstruct, replace, remove, maintain and use a line of poles with such wires and cables as PG&E shall from time to time suspend therefrom for the transmission of electric energy, and for communication purposes, and all necessary and proper crossarms, guys, anchors and other appliances and fixtures for use in connection with said poles, wires and cables, together with a right of way, on, along and in all of the hereinafter described easement area lying within Grantor's lands which are situate in the \_\_\_\_\_ County of Stanislaus, State of California, and are described as follows:

(APN 048-08-23)

The parcel of land, situate in Section 32, Township 5 South, Range 8 East, M.D.B. & M., conveyed by Louis Burke to Robert M. Burke and others by deed dated February 16, 1993 and recorded as Document Number 93-0064244-00, Records of said County of Stanislaus; excepting therefrom the portion thereof lying within the county road known as Locust Avenue (50 feet wide) traversing said Section 32.

The aforesaid easement area is described as follows:

A strip of land of the uniform width of 40 feet extending from the southeasterly boundary line of said lands northwesterly to the northwesterly boundary line of said lands and lying 20 feet on each side of the line described as follows:

DUPLICATE ORIGINAL  
RETAIN FOR YOUR RECORDS

084478 AUG 25 94

4



Beginning at a point in said southeasterly boundary line and running thence

(1) north 60° 54.6' west, approximately 45 feet to a point distant 27 feet northeasterly from (measured at a right angle to) the center line of said Locust Avenue, said point bears north 6° 21.7' west 67.3 feet distant from the found 3/4 inch iron pipe accepted as marking the intersection of the center line of said Locust Avenue and said southeasterly boundary line; thence running along a line which is parallel with the center line of said Locust Avenue

(2) north 30° 00.0' west, approximately 600 feet to a point in said northwesterly boundary line; excepting therefrom the portion thereof lying within the boundary lines of said Locust Avenue.

The foregoing description is based on a survey made by PG&E in February 1994. The bearings used are based on the center line of said Locust Avenue, said center line has a bearing of north 30° 00' 00" west.

Grantor further grants to PG&E:

(a) the right of ingress to and egress from said easement area 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 Grantor, provided, that such right of ingress and egress shall not extend to any portion of said lands which is isolated from said easement area by any public road or highway, now crossing or hereafter crossing said lands;

(b) the right from time to time to trim and to cut down and clear away or otherwise destroy any and all trees and brush now or hereafter on said easement area and to trim and to cut down and clear away any trees on either side of said easement area which now or hereafter in the opinion of PG&E may be a hazard to the facilities installed hereunder by reason of the danger of falling thereon, or may interfere with the exercise of PG&E's rights hereunder; provided, however, that all trees which PG&E is hereby authorized to cut and remove, if valuable for timber or wood, shall continue to be the property of Grantor, but all branches, brush, and refuse wood shall be burned, removed, or clipped and scattered, by PG&E;

(c) the right from time to time to enlarge, improve, reconstruct, relocate and replace any poles with any other number or type of poles either in the original location or at any alternate location or locations within said easement area;

(d) the right to install, maintain and use gates in all fences which now cross or shall hereafter cross said easement area; and

(e) the right to mark the location of said easement area by suitable markers set in the ground; provided that said markers shall be placed in fences or other locations which will not interfere with any reasonable use Grantor shall make of said easement area.

PG&E hereby covenants and agrees:

(a) not to fence said easement area;

(b) to repair any damage it shall do to Grantor's private roads or lanes on said lands;

PG&E CO.  
COPY

0 0 4 4 7 8 415 25 94

and

(c) to indemnify Grantor against any loss and damage which shall be caused by the exercise of the rights herein granted, or by any wrongful or negligent act or omission of PG&E or of its agents or employees in the course of their employment, provided, however, that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by Grantor's comparative negligence or willful misconduct.

Grantor reserves the right to use said easement area for purposes which will not interfere with PG&E's full enjoyment of the rights hereby granted; provided that Grantor shall not erect or construct any building or other structure, or drill or operate any well, or construct any reservoir or other obstruction within said easement area, or construct any fences that will interfere with the maintenance and operation of the facilities constructed by PG&E within said easement area.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the land.

Dated April 9, 1994.

*Howard R. Carpenter*

Howard R. Carpenter,  
as trustee aforesaid

Clayton A. Agadoni,  
as trustee aforesaid

*Arlene J. Carpenter*

Arlene J. Carpenter,  
as trustee aforesaid

Goldie M. Agadoni,  
as trustee aforesaid

Robert M. Burke

Gerald P. Burke

Theresa M. Stotson Burke

Marilyn C. Burke

*Donald M. Burke*

Donald M. Burke

Shirley Wade

REAL IMPRESSION

*Jean M. Burke*

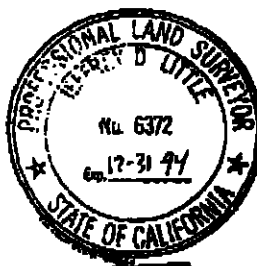
Jean M. Burke

Executed in the presence of:

*Jeffrey D. Little*  
Witness

San Joaquin Region  
Yosemite Division  
GM 4110383  
Dwg. 358434 sh.1  
T5S, R8E, MDB&M  
SEC 32: NE4 of NW4  
03-93-029

Prepared: AS



APPROVED AS TO DESCRIPTION

JEFFREY D. LITTLE  
P.L.S. 6372 - Expires 12/31/94

PG&E CO.  
COPY

084478 AUG 25 94

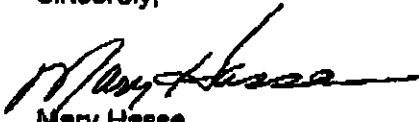
---

Stanislaus County Recorder  
Box 1008  
Modesto, California 95353

Gentlemen:

I am a notary public located in the State of North Dakota. In North Dakota we do not issue notary certificate to show that a document has been notarized. A document is considered notarized when a notary public puts their seal on the document and signs the document next to the seal.

Sincerely,



Mary Hasse  
Notary Public for the State of North Dakota

084478 AUG 25 94

## EXHIBIT "C"

### INSURANCE REQUIREMENTS

TID shall maintain the following insurance coverage. PG&E reserves the right to alter insurance requirements based on project scope. TID is also responsible for its agents and contractors' maintaining sufficient limits of the appropriate insurance coverage.

#### A. Workers' Compensation and Employers' Liability

1. Workers' Compensation insurance or self-insurance indicating compliance with any applicable labor codes, acts, laws or statutes, state or federal, where TID performs work.
2. Employers' Liability insurance shall not be less than \$1,000,000 for injury or death each accident.

#### B. Commercial General Liability

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions.
2. The limit shall not be less than \$2,000,000 each occurrence for bodily injury, property damage and personal injury.
3. Coverage shall: a) By "Additional Insured" endorsement add as insureds PG&E, its directors, officers, agents and employees with respect to liability arising out of work performed by or for the TID; b) Be endorsed to specify that the TID's insurance is primary and that any insurance or self-insurance maintained by PG&E shall not contribute with it.

#### C. Business Auto

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 "any auto."
2. The limit shall not be less than \$ 3,000,000 each accident for bodily injury and property damage.
3. Coverage shall be endorsed in accordance with Section 30 of the Motor Carrier Act of 1980 (Category 2).

#### D. Pollution Liability

1. Coverage for bodily injury, property damage, including clean-up costs and defense costs resulting from sudden and gradual pollution conditions including the discharge, dispersal, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals,

hydrocarbons, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water.

2. The limit shall not be less than \$ 3,000,000 each occurrence for bodily injury and property damage.

**F. Additional Insurance Provisions**

1. Before commencing performance of work under this Lease agreement, TID shall furnish PG&E with certificates of insurance and endorsements of all required insurance for TID.
2. The documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to PG&E.
3. The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to:

**Pacific Gas and Electric Company  
Insurance Department - B24H  
Post Office Box 770000  
San Francisco, CA 94177**

A copy of all such insurance documents shall be sent to PG&E's Land Agent as specified under Notices in the body of this Lease agreement.

4. PG&E may inspect the original policies or require complete certified copies, at any time.
5. Upon request, TID shall furnish PG&E the same evidence of insurance for its agents or contractors as PG&E requires of TID.

H

## **PRIVATE ELECTRICAL LINES**

### **ASSIGNMENT AND ASSUMPTION AGREEMENT**

This **ASSIGNMENT AND ASSUMPTION** (this “**Assignment**”) is made on December 18, 2001, by **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation (“**Assignor**”) in favor of **TURLOCK IRRIGATION DISTRICT**, a California irrigation district (“**Assignee**”).

1. For a valuable consideration, the receipt of which is hereby acknowledged, Assignor hereby grants, conveys, transfers and assigns to Assignee the Assignor’s right, title and interest in, to and under the following private electrical line agreements (the “**Assigned Agreements**”):

a. that certain Settlement Agreement and Mutual Release dated June 3, 1993, among PG&E, John Weaver, Robert Weaver, Everett Souza, Ida Souza, and the E & I Souza Family Trust, as to the entire Crows Landing Private Line, which agreement is incorporated herein by this reference; and

b. that certain letter agreement date October 12, 1970, between PG&E and Mr. and Mrs. Frank Draghi as to the entire Adobe Creek Road Private Line, which agreement is incorporated herein by this reference; and

c. that certain letter agreement dated August 25, 1971, between PG&E and several landowners, as amended by letter dated October 12, 1972, as to only that portion of the Del Puerto Road Private Line within the Westside Zone, which documents are incorporated herein by this reference. The severance point of this private line is set forth in that certain Electrical Line Severance Agreement between Assignor and Assignee.

2. Assignee hereby accepts the foregoing assignment and agrees to pay, perform and discharge, as and when due, all of the agreements and obligations of Assignor under the Assigned Agreements and agrees to be bound by all of the terms and conditions of the Assigned Agreements.

3. The provisions of this Assignment are binding upon, and will inure to the benefit of, the successors and assigns of Assignor and Assignee, respectively.


4. This Assignment is made without any representation or warranty (express or implied) or recourse against Assignor, except that Assignor represents and warrants that the copies of the documents incorporated by reference in Section 1 provided to Assignee are true and correct copies of the private line agreements. Assignee is responsible for obtaining any required consents to the assignment of Assignor’s right, title and interest in, to and under the Assigned Agreements.

5. This Assignment may be executed in any number of counterparts, each of which is an original, but all of which when taken together constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have caused their duly authorized representatives to execute this Assignment as of the date first above written.

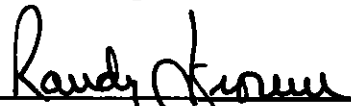
**ASSIGNOR:**

**PACIFIC GAS AND ELECTRIC  
COMPANY,**  
a California corporation

By   
Name: GORDON R. SMITH  
Title: PRESIDENT AND CEO

**ASSIGNEE:**

**TURLOCK IRRIGATION DISTRICT,**  
a California irrigation district

By   
Name: Randy Fiorini  
Title: President

By   
Name: Barbara A. Hetrick  
Title: Secretary





# **TURLOCK IRRIGATION DISTRICT WESTSIDE ACQUISITION PROJECT**

---

## *Mitigated Negative Declaration*

*June 19, 2001*

*Prepared for:*

*Turlock Irrigation District*

225 Bush Street  
Suite 1700  
San Francisco,  
California  
94104  
(415) 896-5900

1000 Broadway  
Suite 410  
Oakland,  
California  
94607  
(510) 839-5066

700 University Avenue  
Suite 130  
Sacramento,  
California  
95825  
(916) 564-4500

4221 Wilshire Boulevard  
Suite 480  
Los Angeles,  
California  
90010  
(323) 933-6111

2685 Ulmerton Road  
Suite 102  
Clearwater,  
Florida  
33762  
(727) 572-5226

**ESA** | Environmental  
Science  
Associates

**TURLOCK IRRIGATION DISTRICT  
WESTSIDE ACQUISITION PROJECT  
PROPOSED MITIGATED NEGATIVE DECLARATION**

**PROJECT TITLE:** Westside Acquisition Project

**PROJECT LOCATION:** 225 square miles in western Stanislaus County, including communities of Patterson and Crows Landing;  
12 miles in western Tuolumne and Mariposa counties.

**DESCRIPTION OF PROJECT:** Turlock Irrigation District plans to acquire the Pacific Gas & Electric Company electrical facilities in the Westside Zone and make the physical changes needed for TID operation and service to customers within the zone. These changes include modifications within two substations, installation of severance facilities at eight points along the periphery of the zone, and construction of up to 8,600 feet of distribution tie-in lines.

TID also plans to acquire from PG&E the right to serve electricity in the South Shore Zone, an area near Don Pedro Reservoir that presently does not contain any PG&E distribution facilities.

**PROJECT PROPONENT:** Turlock Irrigation District  
333 East Canal Drive  
P.O. Box 949  
Turlock, CA 95381-0949

**FINDING:** Turlock Irrigation District, pursuant to the guidelines of the California Environmental Quality Act of 1970, has reviewed the above project and found that it will not have a significant impact on the environment after implementation of the proposed mitigation measures.

**MITIGATION MEASURES IN THE PROJECT:**

- Agriculture-1* Re-till agricultural land used for laydown activities and pole placement to offset compaction caused by heavy material storage and construction activities, as requested by the landowner.
- Agriculture-2* Consult with the landowners concerning the placement of poles in cultivated land and relocate the poles, as practical, to produce the least disturbance to irrigation equipment and farming practices.

- Agriculture-3*** If a landowner is concerned with potential impacts to aerial application of pesticides, adjust the location of the proposed lines and pole height and configuration, where practical, to reduce impacts to flight patterns.
- Biology-1*** If the Fink Road alternative is used, have a qualified biologist conduct pre-construction surveys for nesting raptors where tree trimming or removal appears to be necessary. These surveys would only be necessary for construction between April 1 and September 15. In the event that nesting raptors such as Swainson's hawk or other migratory birds are found nesting in a tree to be removed or trimmed, construction should be delayed until the biologist confirms nesting has been completed and the young are capable of flying and foraging independently.
- Cultural-1*** When landowners have granted the private easements west of Davis Road and east of Medlin Road, perform preconstruction cultural resource surveys of these routes if the relocated routes include areas not disturbed by intensive agricultural operations.
- Cultural-2*** If previously unidentified subsurface archaeological or paleontological features or deposits are uncovered during construction, stop work immediately in the vicinity of a discovery, and contact a qualified cultural resources consultant to determine if the resource is significant.
- Hazards-1*** Prior to construction, educate workers on the identification and handling of hazardous materials, spill-containment methods, and agency notification procedures. Notify agencies and perform the required remediation if there is a release of reportable quantities of PCB oils, petroleum products, or other hazardous substances during construction.
- Hazards-2*** Wet down the sites and implement dust control measures prior to and during any excavation activity at the Patterson Substation to prevent exposure to airborne particulates. Have workers wear gloves or other protective clothing when handling soils at the Patterson Substation.
- Hazards-3*** When excavating in contaminated soil areas, follow applicable requirements of Comprehensive Environmental Response, Compensation, and Liability Act and the California Code of Regulations Title 22 regarding the disposal of wastes.
- Hazards-4*** In the event that the Fink Road alternative through Crows Landing is used to tie the severed distribution lines into the PG&E system, contact the landowner and the Stanislaus County Environmental Health Services Department to identify the extent of the leaking tank on the 1998 Cortese list and locate the replacement poles outside the contaminated area, if possible.
- Hazards-5*** Inspect the acquired distribution lines annually to maintain at least 18 inches of separation between the conductors and nearby flammable vegetation.

# **ENVIRONMENTAL CHECKLIST FORM**

---

- 1. Project Title:** Westside Acquisition Project
- 2. Lead Agency Name and Address:** Turlock Irrigation District  
333 East Canal Drive  
Turlock, CA 95381-0949
- 3. Contact Person and Phone Number:** Kirk Tabar  
(209) 883-8349
- 4. Project Location:** 225 square miles in western Stanislaus County, including communities of Patterson and Crows Landing, and 12 square miles of Tuolumne and Mariposa counties
- 5. Project Sponsor's Name and Address:** Turlock Irrigation District  
333 East Canal Drive  
Turlock, CA 95381-0949
- 6. General Plan Designation:** Agricultural
- 7. Zoning:** A-2
- 8. Description of Project:**
- Acquire Pacific Gas & Electric Company electrical facilities in the Westside zone and make the physical changes needed for TID operation and service to customers in the Westside Zone. These changes include modifications within two substations, installation of severance facilities at eight points along the periphery of the zone, and construction of up to 8,600 feet of distribution tie-in lines. Also acquire right to serve in the South Shore Zone, which presently has limited electrical distribution facilities and would require no construction.
- 9. Surrounding Land Uses and Setting.**
- The Westside Zone is mostly agricultural, with pockets of industrial, commercial, residential and other urban uses. Agricultural and residential uses surround the severance facilities.
- 10. Other public agencies whose approval is required.**
- California Public Utilities Commission  
California Department of Transportation  
City of Patterson

**ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:**


The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.


- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Aesthetics                               | <input checked="" type="checkbox"/> Agriculture Resources   | <input type="checkbox"/> Air Quality                 |
| <input checked="" type="checkbox"/> Biological Resources          | <input checked="" type="checkbox"/> Cultural Resources      | <input type="checkbox"/> Geology / Soils             |
| <input checked="" type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Hydrology / Water Quality          | <input type="checkbox"/> Land Use / Planning         |
| <input type="checkbox"/> Mineral Resources                        | <input type="checkbox"/> Noise                              | <input type="checkbox"/> Population / Housing        |
| <input type="checkbox"/> Public Services<br>Traffic               | <input type="checkbox"/> Recreation                         | <input checked="" type="checkbox"/> Transportation / |
| <input type="checkbox"/> Utilities / Service Systems              | <input type="checkbox"/> Mandatory Findings of Significance |  |

**DETERMINATION: (To be completed by Lead Agency)**

On the basis of this initial evaluation:

- I find that the proposed project **COULD NOT** have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A **MITIGATED NEGATIVE DECLARATION** will be prepared.
- I find that the proposed project **MAY** have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.
- I find that the proposed project **MAY** have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An **ENVIRONMENTAL IMPACT REPORT** is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or **NEGATIVE DECLARATION** pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or **NEGATIVE DECLARATION**, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Date

## EVALUATION OF ENVIRONMENTAL IMPACTS:

- 1) A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
- 4) "Negative Declaration: Less Than Significant With Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less-than-significant level (mitigation measures from Section XVII, "Earlier Analyses," may be cross-referenced).
- 5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
  - a) Earlier Analysis Used. Identify and state where they are available for review.
  - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
  - c) Mitigation Measures. For effects that are "Less than Significant with Mitigation Measures Incorporated," describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
- 6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
- 7) Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
- 8) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
- 9) The explanation of each issue should identify:
  - a) the significance criteria or threshold, if any, used to evaluate each question; and
  - b) the mitigation measure identified, if any, to reduce the impact to less than significant.

## ENVIRONMENTAL IMPACTS:

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
<b>I. AESTHETICS—Would the project:</b>				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>II. AGRICULTURE RESOURCES</b>				
In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. <b>Would the project:</b>				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>III. AIR QUALITY</b>				
Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. <b>Would the project:</b>				
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



<b>Issues (and Supporting Information Sources):</b>	<b>Potentially Significant Impact</b>	<b>Less Than Significant with Mitigation Incorporation</b>	<b>Less Than Significant Impact</b>	<b>No Impact</b>
<b>III. AIR QUALITY (cont.)</b>				
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>IV. BIOLOGICAL RESOURCES— Would the project:</b>				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>V. CULTURAL RESOURCES— Would the project:</b>				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<i>Issues (and Supporting Information Sources):</i>		<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
b)	Cause a substantial adverse change in the significance of a unique archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c)	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d)	Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>VI. GEOLOGY AND SOILS—Would the project:</b>					
a)	Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i)	Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii)	Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii)	Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv)	Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b)	Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c)	Be located on geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d)	Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e)	Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>VII. HAZARDS AND HAZARDOUS MATERIALS</b>					
<b>Would the project:</b>					
a)	Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>Issues (and Supporting Information Sources):</b>	<b>Potentially Significant Impact</b>	<b>Less Than Significant with Mitigation Incorporation</b>	<b>Less Than Significant Impact</b>	<b>No Impact</b>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>VII. HAZARDS AND HAZARDOUS MATERIALS (cont.)</b>				
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>VIII. HYDROLOGY AND WATER QUALITY— Would the project:</b>				
a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<i>Issues (and Supporting Information Sources):</i>		<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
d)	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>VIII. HYDROLOGY AND WATER QUALITY (cont.)</b>					
e)	Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f)	Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g)	Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h)	Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
i)	Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j)	Inundation of seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>IX. LAND USE AND PLANNING—Would the project:</b>					
a)	Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b)	Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c)	Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>X. MINERAL RESOURCES—Would the project:</b>					
a)	Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b)	Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
<b>XI. NOISE—Would the project result in:</b>				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>XI. NOISE (cont.)</b>				
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>XII. POPULATION AND HOUSING—Would the project:</b>				
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Displace substantial numbers of people necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>XIII. PUBLIC SERVICES</b>				
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the public services:				

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
i) Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii) Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii) Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv) Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
v) Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>XIV. RECREATION</b>				
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>XV. TRANSPORTATION / TRAFFIC—</b> Would the project:				
a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume-to-capacity ratio on roads, or congestion at intersections)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Result in inadequate parking capacity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>XVI. UTILITIES AND SERVICE SYSTEMS—</b> Would the project:				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>XVI. UTILITIES AND SERVICE SYSTEMS (cont.)</b>				
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>XVII. MANDATORY FINDINGS OF SIGNIFICANCE</b>				
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Does the project have impacts that are individually limited, but cumulative considerable? ("Cumulative considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

# TABLE OF CONTENTS

## TURLOCK IRRIGATION DISTRICT WESTSIDE ACQUISITION PROJECT MITIGATED NEGATIVE DECLARATION

	<u>Page</u>
<b>ENVIRONMENTAL CHECKLIST FORM</b>	<b>1</b>
<b>Section 1 PROJECT DESCRIPTION</b>	<b>1-1</b>
1.1 Geographic Area	1-1
1.2 Transmission Service	1-3
1.3 Facilities to Be Acquired	1-3
1.4 Severance	1-6
1.5 Schedule	1-10
1.6 Operations and Maintenance	1-10
1.7 Analysis for Exemption	1-11
1.8 Additional Approvals	1-11
<b>Section 2 ENVIRONMENTAL ANALYSIS</b>	<b>2-1</b>
3.1 Aesthetics	2-1
3.2 Agricultural Resources	2-4
3.3 Air Quality	2-7
3.4 Biological Resources	2-10
3.5 Cultural Resources	2-13
3.6 Energy Resources	2-16
3.7 Geology and Soils	2-16
3.8 Hazards and Hazardous Materials	2-19
3.9 Hydrology and Water Quality	2-25
3.10 Land Use and Planning	2-26
3.11 Mineral Resources	2-29
3.12 Noise	2-29
3.13 Population and Housing	2-32
3.14 Public Services	2-34
3.15 Recreation	2-35
3.16 Transportation and Circulation	2-36
3.17 Utilities and Service Systems	2-37
3.18 Mandatory Findings of Significance	2-39
<b>Section 3 REFERENCES</b>	<b>3-1</b>
<b>Appendix A Special-Status Plant and Wildlife Species Documented or Potentially Occurring in the Greater Project Vicinity</b>	<b>A-1</b>
<b>Appendix B Screening Air Toxics Health Risk Assessment for the Metering Pad at the Patterson Substation</b>	<b>B-1</b>



# CHAPTER 1

## PROJECT DESCRIPTION

---

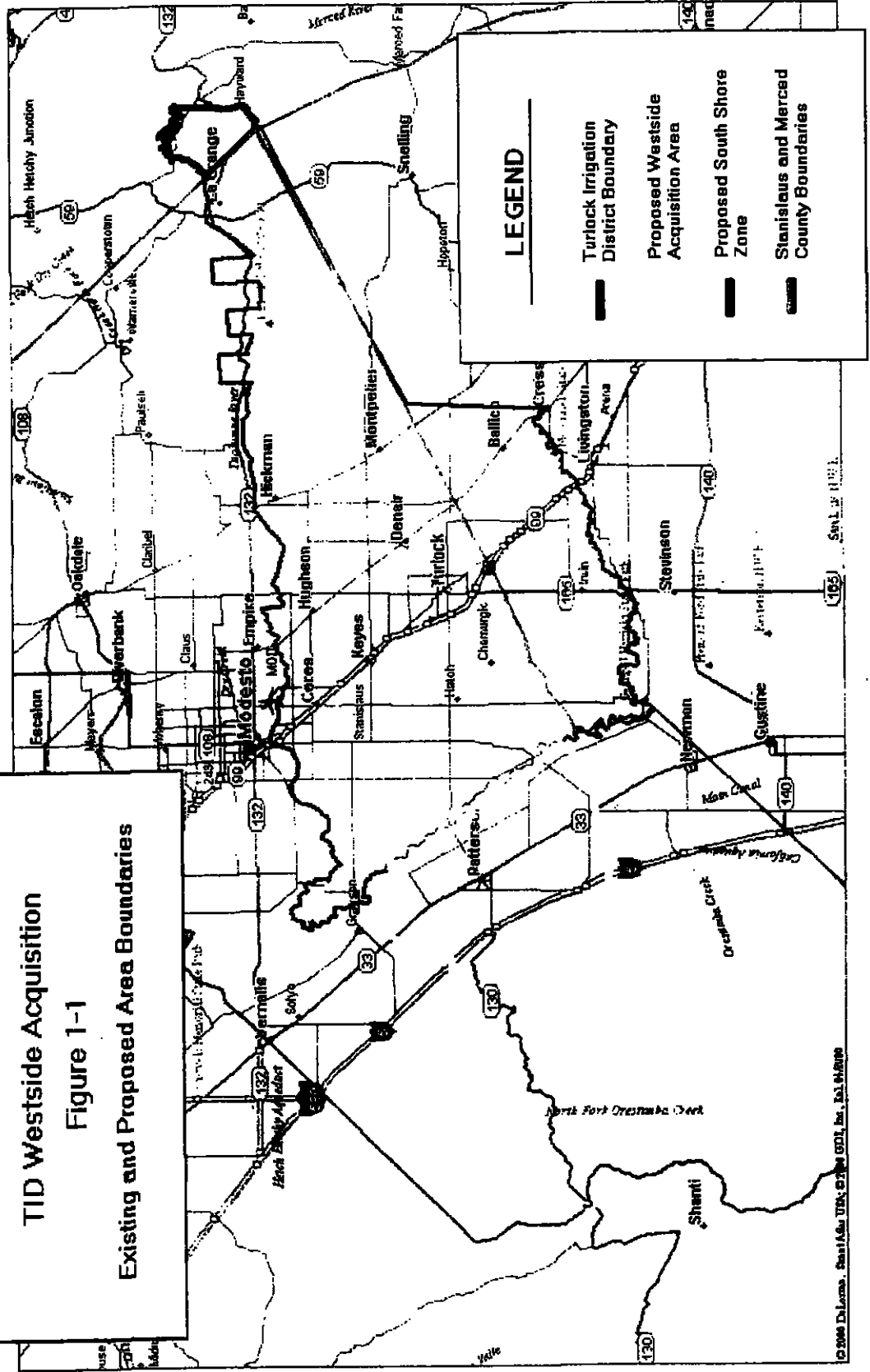
The Turlock Irrigation District (TID), a public entity, plans to purchase electric facilities within western Stanislaus County from Pacific Gas & Electric Corporation (PG&E), a regulated utility. The negotiated purchase includes approximately 200 linear miles of distribution facilities, all the equipment at the Patterson Substation, the distribution equipment within the Salado Substation, and a 1.1-mile 60-kV transmission tap line. The transfer agreement also includes the lease of the land at the Patterson Substation and a portion of the Salado Substation property. The proposed project also includes the physical changes needed for TID to operate the acquired facilities independent of the PG&E system and serve the customers within the acquisition area.

The acquisition is subject to California Public Utilities Code Section 9608, which was enacted in 2000. Section 9608 requires the California Public Utility Commission (CPUC) approval of the proposed service area agreement between TID and PG&E and the release of PG&E from its obligation to serve the area to be transferred to TID. TID plans to finance the acquisition of the facilities from PG&E and in turn lease the electric distribution facilities under a long-term agreement to the Westside Power Authority (WPA), a joint powers agencies consisting of the TID and the Patterson Irrigation District. The WPA would contract with TID for all operation, maintenance, construction, customer service, and electric power needed for the WPA electric distribution system.

### 1.1 GEOGRAPHIC AREAS

TID has designated the 225-square-mile electric service area to be acquired from PG&E as the Westside Zone. Approximately 5,400 electric customers are presently served within the Westside Zone. This zone includes the City of Patterson, the community of Crows Landing, Moffett Federal Airfield Crows Landing Flight Facility, and the Diablo Grande development area. See Figure 1-1. The eastern boundary of the Westside Zone is the San Joaquin River. On the south, the boundary runs approximately 1,000 feet south of Crows Landing, Fink and Davis Roads to the Diablo Grande Development area, follows the southern boundary of the Diablo Grande development, and then continues generally due west to the Stanislaus-Santa Clara County line. The zone is bounded to the west by the western Stanislaus county line. The northern boundary begins near the first east-west parcel map line north of Del Puerto Canyon Road and property lines north and east toward Interstate 5. Near the freeway, the northern boundary generally follows Del Puerto Creek until approximately half way between Raines and Rodgers Roads where the boundary line turns north to intersect with Highway 33. At this point, the northern boundary generally follows the northern boundary of the Patterson Irrigation District until it intersects the San Joaquin River.

**TID Westside Acquisition**  
**Figure 1-1**  
**Existing and Proposed Area Boundaries**



TID also plans to acquire the rights to serve the South Shore Zone, an area between the eastern boundary of its current service territory and Don Pedro Reservoir. The South Shore Zone is within Toulumne County and a small portion of Mariposa County, presently contains limited distribution facilities and would not require any severance construction activity.

## 1.2 TRANSMISSION SERVICE

PG&E has agreed to wheel power to the Westside Zone pursuant to PG&E's Transmission Owners' Tariff on file with the Federal Energy Regulatory Commission. Power would be delivered at 115 kV to the Salado Substation and at 60 kV to the Patterson Substation and the 60-kV tap to Patterson Frozen Foods. PG&E and TID plan to either amend the PG&E-TID Interconnection Agreement or develop a new interconnection agreement to incorporate those metering and interconnection points for service under PG&E's Transmission Owners' Tariff.

## 1.3 FACILITIES TO BE ACQUIRED

TID plans to acquire the existing PG&E overhead and underground 12-kV distribution lines and service facilities in the Westside Zone except for the PG&E 12-kV distribution facilities that enter the zone near the intersection of Del Puerto Canyon Road and the Stanislaus-Santa Clara county line and proceed east approximately five miles. This segment of the PG&E 12-kV system may not be included in the sale. TID would also acquire the Patterson Substation equipment and the distribution facilities within Salado Substation. PG&E would retain most of the high-voltage transmission lines in the Westside Zone, including the 60-kV transmission line between the Patterson and the Salado substations. TID would acquire a 0.25-mile portion of the Patterson/Newman 60 kV line directly adjacent to the Patterson Substation and, within approximately five years, the 1.1-mile 60-kV tap from the Salado/Patterson 60 kV line west of Patterson Substation that serves Patterson Frozen Foods.

### 1.3.1 DISTRIBUTION FEEDER SYSTEM

The existing PG&E distribution feeder system in the Westside Zone consists entirely of 12-kV (nominal) overhead and underground conductors in three-wire configuration. The single-phase distribution has two wires energized at 12,470 volts, line-to-line (7,200 volts to ground). There are approximately 200 circuit miles of 12-kV lines in the transfer area.

The overhead distribution lines in the transfer area have several different physical configurations, including horizontal, vertical, compact triangular on steel brackets, and "raptor construction." (Raptor construction uses a kingpin for the center phase and a crossarm sized to configure the conductors in a triangular orientation with a wider than usual spacing to prevent accidental electrocution of raptors with large wing spans). Conductor sizes for the overhead distribution system in the Westside Zone range from #6 copper to 715 Kcmil AA. Approximately 800 of the wood distribution poles are jointly owned by PG&E and either Pacific Bell or Evans Communications. TID would enter into separate agreements with either Pacific Bell and/or Evans Communications to address continued joint ownership of the remaining poles.

The underground distribution system in the Westside Zone consists of approximately 75 miles of 600 amp class main feeders and 200 amp class taps that form "local loops." Cables are primarily 15-kV class, ranging in size from #2 Al to 1,000 Al. The transformers are primarily pad-mounted, with some single-phase subsurface residential transformers. There are no network transformers among the facilities to be acquired.

The purchase of the underground and overhead service facilities includes the transformers, secondary and service conductors, substructures and supports, and metering equipment.

### 1.3.2 SUBSTATION FACILITIES

TID would acquire the two substation facilities that serve the transfer area: the Patterson Substation, which connects to the PG&E 60-kV system, and the distribution portion of the Salado Substation, which connects to the PG&E 115-kV system. See Figure 1-2.







The Patterson Substation is located on the north side of the Patterson Irrigation District Lateral near Elm Avenue. TID would purchase the control building and its contents, the 60-kV bus and structures, three 4.4-MVA transformers, one spare 4.4-MVA transformer, one 12-kV regulator and bus structure, and two 12-kV breakers, feeders, and a 60-kV gas circuit breaker and would lease the land. A Phase I Environmental Site Assessment Report and Soil Sampling Program, including soil testing, was prepared by SECOR International Incorporated under contract with PG&E (SECOR Job No. 094.00905.003). The report indicated the presence of arsenic in the soil beneath the Patterson Substation at concentrations that exceeded the Environmental Protection Agency (EPA) Preliminary Remediation Goals (PRGs) for residential and industrial use (see Section 2.8.3). The substation is gravel-surfaced, with a security fence and is generally unoccupied by workers.

PG&E has submitted the SECOR report to the Stanislaus County Environmental Health Services Department and has asked Geomatrix to develop a Phase II study plan to investigate the extent of the arsenic contamination in greater detail. PG&E is working with the county to determine the requirements for the remediation of the arsenic contaminated soil on the PG&E land at the Patterson Substation (Steve Garber, PG&E, June 8, 2001).

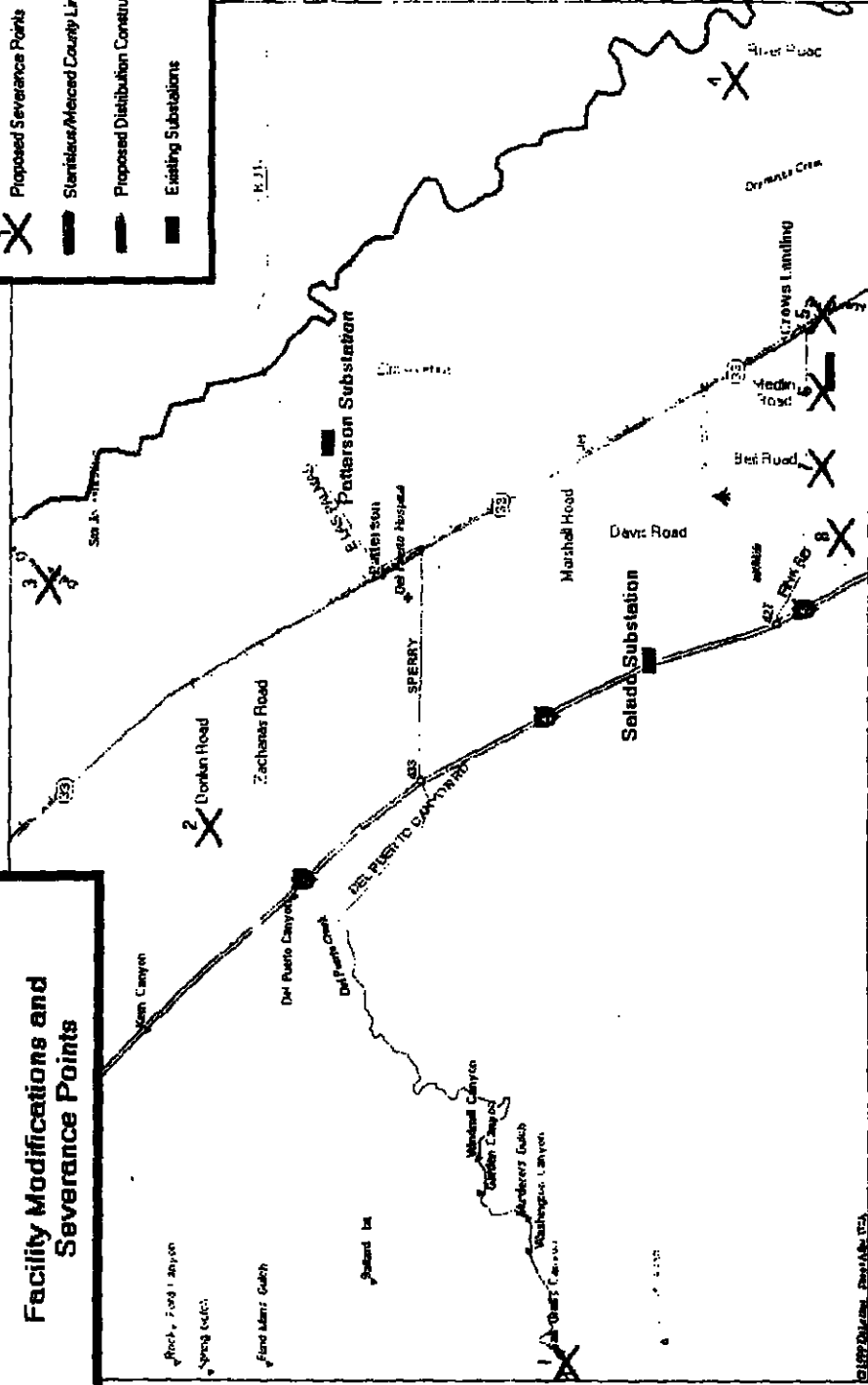
As a result of this investigation, TID has elected not to purchase the land beneath the Patterson Substation, but to lease the land for a 5 to 7-year term, which may be extended. During this period, TID will serve a portion of the Westside Zone from the Patterson Substation, and PG&E plans to defer any cleanup activities that would interfere with TID operations, unless ordered by the governing or other jurisdictional agencies. TID eventually plans to serve the expanding Patterson area through a new substation that has not been sited. At the end of the lease term, TID will remove the equipment from its foundations at the Patterson Substation, and PG&E will proceed with any remediation plans at the site.

The Salado Substation is located on Oak Flat Road near the California Aqueduct. PG&E presently uses the Salado Substation as a 115/12 kV as well as a 115/60 kV transformation. None

**LEGEND**

-  Tullock Irrigation District Boundary
-  Proposed Acquisition Area
-  Proposed Severance Points
-  Stanislaus/Marced County Lines
-  Proposed Distribution Construction
-  Existing Substations

**TID Westside Acquisition  
Figure 1-2  
Facility Modifications and  
Severance Points**



SOURCE: Tullock Irrigation District

of the substation land would be transferred to TID, but TID would lease the northwest corner of the property, which contains the distribution facilities. The distribution facilities to be sold to TID include the 115/12 kV 16-MVA transformer with integral load tap changer (LTC), 12-kV bus structure, and the 12-kV feeder breakers and feeder outlets. A Phase 1 Environmental Site Assessment Report And Soil Sampling Program was prepared by SECOR International Incorporated under contract with PG&E (SECOR Job No. 094.00905.003). The report found no evidence of recognized environmental conditions at the property.

Figure 1-3 shows the approximate boundary between the TID and PG&E facilities at the Salado Substation.

### ***1.3.3 60 kV RADIAL TRANSMISSION LINE***

TID would purchase approximately 1200 feet of 60 kV transmission line that runs from Elm Avenue to the Patterson Substation. PG&E would disconnect this line from their existing system as part of the reconfiguration of the PG&E 60-kV transmission backbone. These facilities would not be energized by TID, but would be held in reserve to allow future connections to the substation.

Within approximately five years, TID would also acquire the approximately 5,700 feet of 60 kV transmission line that runs from the Salado/Patterson 60 kV line west of Patterson Substation that serves Patterson Frozen Foods near the center of the City of Patterson. This line was constructed under a special facilities arrangement between PG&E and Patterson Frozen Foods, a 60-kV customer. The line ends at the single-customer- 60 kV substation.

## **1.4 SEVERANCE**

Separating the Westside Zone from the rest of the PG&E system requires changes to the existing system so that PG&E and TID can meter the flow of power into the Westside Zone and TID can control the flow of power within the boundaries of the zone. PG&E would deliver power to TID at three points (the Salado and Patterson substations and the tap line to Patterson Frozen Foods), and TID would serve all its customers within the Westside Zone through deliveries to these three interconnection points. The agreed-upon severance plan would allow both the Westside Zone and the PG&E electric systems to operate safely and economically.

The severance plan includes equipment changes within the substations and changes to the distribution lines along the periphery of the Westside Zone. Figure 1-2 also shows the location of the physical changes needed to sever the Westside Zone from the PG&E system.

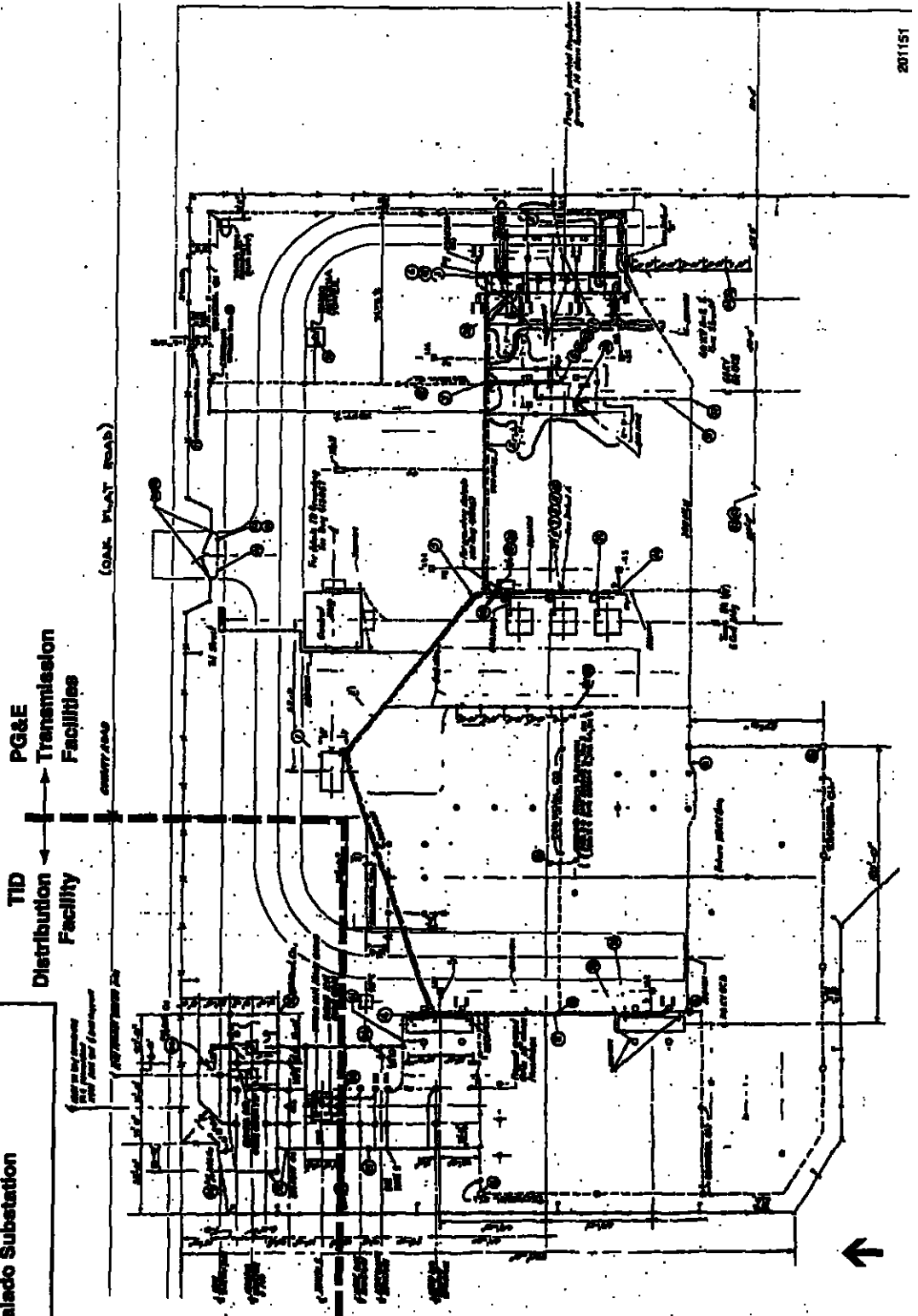
### ***1.4.1 PATTERSON SUBSTATION SEVERANCE***

Although TID would acquire the Patterson Substation facilities, PG&E would retain ownership of the 60-kV transmission line that runs through the Westside Zone from Salado Substation to Patterson Substation and onto Newman and Manteca. This line presently loops into Patterson

**TID Westside Acquisition**

**Figure 1-3**

**TID - PG&E Boundary within  
Salado Substation**



Substation to a structure with dual motor-operated-air-switches (MOAS) and then out to continue to Newman. To enable singular utility control, appropriate boundaries of protection and to meet PG&E requirements for sectionalizing metering, the MOAS scheme would be configured for manual operation, and the lines would be reconfigured so only one tap enters the station. PG&E would remove a small jack bus and structure (leaving the concrete pads in place). PG&E would also install a small metering structure with four foundations within the substation, and cut a gate in the fence for access by PG&E. The metering equipment would record the flow of power into the substation and into the 60-kV tap line. Other changes involve installing bank tertiary protection equipment. Additional protection equipment may also be installed to increase maintenance and reliability until the permanent connection to TID transmission facilities is made.

#### ***1.4.2 SALADO SUBSTATION SEVERANCE***

At the Salado Substation, the metering structure would be installed on the transmission side of the 115/12 kV transformer, along with the appropriate disconnects to meet TID and PG&E's requirements. The metering equipment would record the flow of power into the Westside distribution lines. There would be no changes to the 115/60-kV transformation equipment. Figure 1-3 shows the demarcation between the PG&E and TID facilities at the Salado Substation.

#### ***1.4.3 DISTRIBUTION LINE SEVERANCE***

In order to prevent the flow of power from the Westside distribution lines to the rest of the PG&E electrical system, TID would remove a span of conductors at the "severance points," physically creating open space between the two systems. In some locations, the severance would isolate circuits that would have to be reconnected to the existing PG&E distribution system by new tie lines. The selection of the severance points established the final boundaries of the Westside Zone, and PG&E and TID jointly determined the distribution line severance points.

The severance points were selected in order to minimize the number of stranded circuits and operational difficulties for the utilities and to avoid inconveniencing property owners by dividing a small parcel such that one portion would be served by PG&E and the other by TID. The points were also selected to eliminate construction of PG&E facilities on one side of a road and TID facilities on the other side of the same road (duplicate facilities).

The final severance points are shown on Figure 1-2. They are at the following locations:

- On Donkin Road, midway between Rogers Road and Rains Road
- North of Del Puerto Creek, 0.5 miles east of the intersection of Cox Road and Condit Avenue
- River Road, approximately 3,000 feet south of the Orestimba Creek
- At the intersection of Highway 33 and Eastin Road
- On Medlin Road, approximately 1,000 feet south of Fink Road



- On Bell Road, approximately 1,000 feet south of Fink Road
- In a field area approximately 1,000 feet south of Fink Road and 1,000 feet east of Davis Road
- On Del Puerto Creek Road, near Slick Rock Canyon

A typical severance of a distribution line involves changing the crossarms and insulators on two adjacent poles to a dead-end configuration, installing down guys on each pole, and removing the connecting span. Installing down guys requires using a "screw anchor" or helical coil type screw, approximately 10-12 inches in diameter, which is twisted into the ground for approximately 6 to 8 feet until adequate resistance to extraction is obtained. A down guy wire is then attached to offset the tension of the dead-ended wires. This work would be performed by PG&E line crews.

Many of these points are located in places that would not require additional construction to tie in stranded circuits.

PG&E presently serves the existing lines along Davis and Fink roads from the Crows Landing Substation, located south of the new service area boundary. In order to tie these circuits into the Westside Zone, TID or PG&E would construct a 0.5-mile 12-kV line west of Davis Road, north of Fink Road. This line would follow a farm road between two fields and connect the Davis Road distribution lines to the existing lines along Ward Avenue, which are served by the Salado Substation.

The severance point on Highway 33 at Eastin Road would isolate the PG&E facilities south of this point from the rest of the system. There are two options for reconnecting the PG&E Eastin Road lines to the rest of the system:

- The first option would add approximately 3,000 feet of new 12-kV lines along a farm road between Medlin Road and Eastin Road.
- Alternatively, TID or PG&E could add a second circuit of distribution conductors along Medlin Road, Fink Road, and Highway 33. This option would require replacing the existing poles along the 6,000 feet of distribution lines between the Medlin and Highway 33 severance points with slightly larger poles that can carry two sets of lines. PG&E would retain ownership of the transmission facilities, and maintenance would be performed under a joint pole use agreement.

Construction of 12-kV distribution lines is a routine activity that can take place along the sides of rural or farm roads with little disturbance to the surrounding uses. Suppliers deliver poles and equipment to the individual pole locations, and construction crews auger a hole that is typically 24-inch diameter and 6 to 8 feet deep. The hole would be dewatered and stabilized if necessary. The wood pole (treated with pentachlorophenol or another approved preservative) would be set directly into the hole. The soil would be returned to the hole, tamped for adequate compaction with a mobile tamper. The remaining soil would be placed around the base of the pole, slightly

above grade, preventing the accumulation of water. The conductors would be strung from trailer-mounted reels of conductor traveling between the selected set-up points along the existing roads. Signs or flagmen would be used to alert drivers of the temporary lane closures and construction activity along the public roadway.

Typically, the only significant disturbance is from pole augering, equipment unloading and storage, and vehicle parking. The maximum area disturbed at each pole location is approximately 75 feet by 15 feet. Almost all of this disturbance would be within the disturbed area along the roads and would not extend in to the adjacent fields.

This work would be performed by either PG&E or TID line crews, which are typically three- to six-person crews.

#### **1.4.4 CUSTOMER METERING**

Meter ownership would transfer to TID. At a designated time, PG&E would take a final reading of all utility meters within the transfer area. It may be necessary in some cases to change meter security devices and seals to a type designated by TID.

### **1.5 SCHEDULE**

PG&E could complete the substation work several months after approval of the transfer agreement. Construction of the distribution tie-in lines would be completed in a matter of weeks.

### **1.6 OPERATIONS AND MAINTENANCE**

Once TID acquires the Westside Zone and severance is complete, TID would assume operation of the transferred facilities. Electrical substations and distribution lines typically require little maintenance, and the change in ownership would not significantly alter the maintenance requirements for the transferred facilities.

Distribution line inspection can be performed from the public and private roads, and where necessary trees trimmed to prevent interference with the lines in accordance with prescribed mandates. The electrical equipment and wooden poles are anticipated to have a lifetime of approximately 40 to 50 years.

Substations are low maintenance facilities and require only routine inspection and occasional washing to prevent build-up of dust. After an extended period of operation, the transformer oil would be filtered. The impurities in the filtrate would be removed and either recycled or disposed of in accordance with federal and state requirements

After the transfer in complete, TID crews would add new service connections, install new distribution circuits, replace aging equipment, and remove abandoned facilities, as necessary for the safe operation of the Westside Zone electric system. These routine operation and

maintenance activities would be little different from current utility practices. One such addition is a 0.8 mile stretch of 12-kV distribution lines along the northern side of Fink Road, that would replace an abandoned underground line. This line would be a separate project and would not be needed to separate the acquired facilities from the PG&E system.

Emergency maintenance, such as repairing downed wires during storms and other unexpected outages would be performed by TID crews. TID would be able to respond to emergency conditions in the Westside Zone in approximately 30 minutes. The length of time needed to make the repairs would depend on the nature of the outage.

## 1.7 ANALYSIS FOR EXEMPTION

The proposed action consists of the acquisition of existing PG&E electric facilities and minor modifications of existing utility lines. The proposed action would not expand the purpose of the existing electric system. A Class 1 Categorical Exemption from the California Environmental Quality Act (CEQA) is available for minor alternation of existing facilities that involve "negligible or no expansion of an existing use." The exemption includes "existing facilities of both investor and publicly-owned utilities used to provide electric power, natural gas, sewerage, and other public utility services." The exemption also applies to the acquisition of such facilities where the acquisition does not involve a significant change in or expansion of the facilities. Even though the Class 1 exemption would apply to the proposed action, TID has elected to prepare this Mitigated Negative Declaration.

## 1.8 ADDITIONAL APPROVALS

TID would be the lead agency for the CEQA review of the acquisition of the Westside Zone distribution facilities and the resulting severance changes. Table 1.8-1 shows the additional agency approvals needed for the change in service areas and construction of the severance facilities. These agencies would act as responsible agencies for the CEQA review of the project.

**TABLE 1.8-1  
ADDITIONAL APPROVALS REQUIRED FOR TID ACQUISITION AND OPERATION  
OF THE PG&E WESTSIDE ZONE DISTRIBUTION FACILITIES**

Agency	Approval
City of Patterson	Permission agreement
California Public Utilities Commission	Approve change in service area agreement between TID and PG&E
California Department of Transportation	Annual permit or easements along Highway 33, if an additional circuit is added along this route

No other agency approvals are required for the acquisition of the Westside facilities and the construction of the severance facilities and distribution tie-in lines.

The acquisition of the PG&E facilities in the Westside Zone is subject to the approval of the Bankruptcy Court for the Northern District of California.

Under Section 9608 of the Public Utilities Code, the CPUC approval of the service agreement exempts the project from the provision of Section 56133 of the Government Code (Local Area Formation Commission approval), if the district acquires substantially all the electric distribution facilities in the area and the electrical corporation has been relieved from its obligation to serve in the in the purchase area.

TID would need to obtain private easements from the landowners for the tie-in lines west of Davis Road and east of Medlin Road. Under Section 22475 of the Water Code of the State of California, TID has the right to construction and operate electrical distribution lines safely within public road rights-of-way.

The proposed project would not result in harm to wildlife resources protected by the California Department of Fish and Game and the US Fish and Wildlife Service or affect significant cultural resources. The proposed project is not of statewide, regional, or area-wide environmental significance, according to the criteria in Section 15206 of the CEQA Guidelines.

## **SECTION 2**

---

### **ENVIRONMENTAL ANALYSIS**

The following analysis considers the environmental effects of acquiring the PG&E electrical facilities in the Westside Zone and making the physical changes needed to operate them independently of the PG&E system, as described in Section 1, Project Description. These changes consist of the modifications within the Patterson and Salado substations, the addition of severance facilities at eight points along the periphery of the Westside Zone, and the construction of up to 8,600 feet of distribution tie-in lines at two locations near the southern boundary of the zone. The analysis uses the criteria identified in the checklist provided in Appendix G of the 2000 CEQA Guidelines.

#### **2.1 AESTHETICS**

The project area is typical of the rural portions of the San Joaquin Valley, characterized by intensively farmed agricultural land in the east and vacant rolling hills to the west. Interstate 5 is a designated Scenic Highway that runs north-south along the base of the foothills. The highway provides long range views of the valley and has limited roadside development to impede these views. Other scenic resources in the project area are the Diablo Grande resort, set back in the foothills, and the banks of the San Joaquin River along the eastern border of the project area.

Figure 2-1 shows the Patterson Substation, which is located adjacent to an orchard east of the City of Patterson. This portion of the Westside Zone contains scattered housing on 20-acre-parcels. One such residence is adjacent to the west side of the substation. Figure 2-2 shows the open agricultural fields that are characteristic of the southern parts of the Westside Zone. One of the tie-in lines would cross the field shown in Figure 2-2.

#### **Significance Criteria**

Impacts to aesthetics would be considered significant if the project affects a scenic vista, highway, or scenic resources, substantially degrades the existing visual character of the surroundings, or creates light or glare.

##### **2.1.1 AFFECT A SCENIC VISTA, HIGHWAY, OR SCENIC RESOURCE**

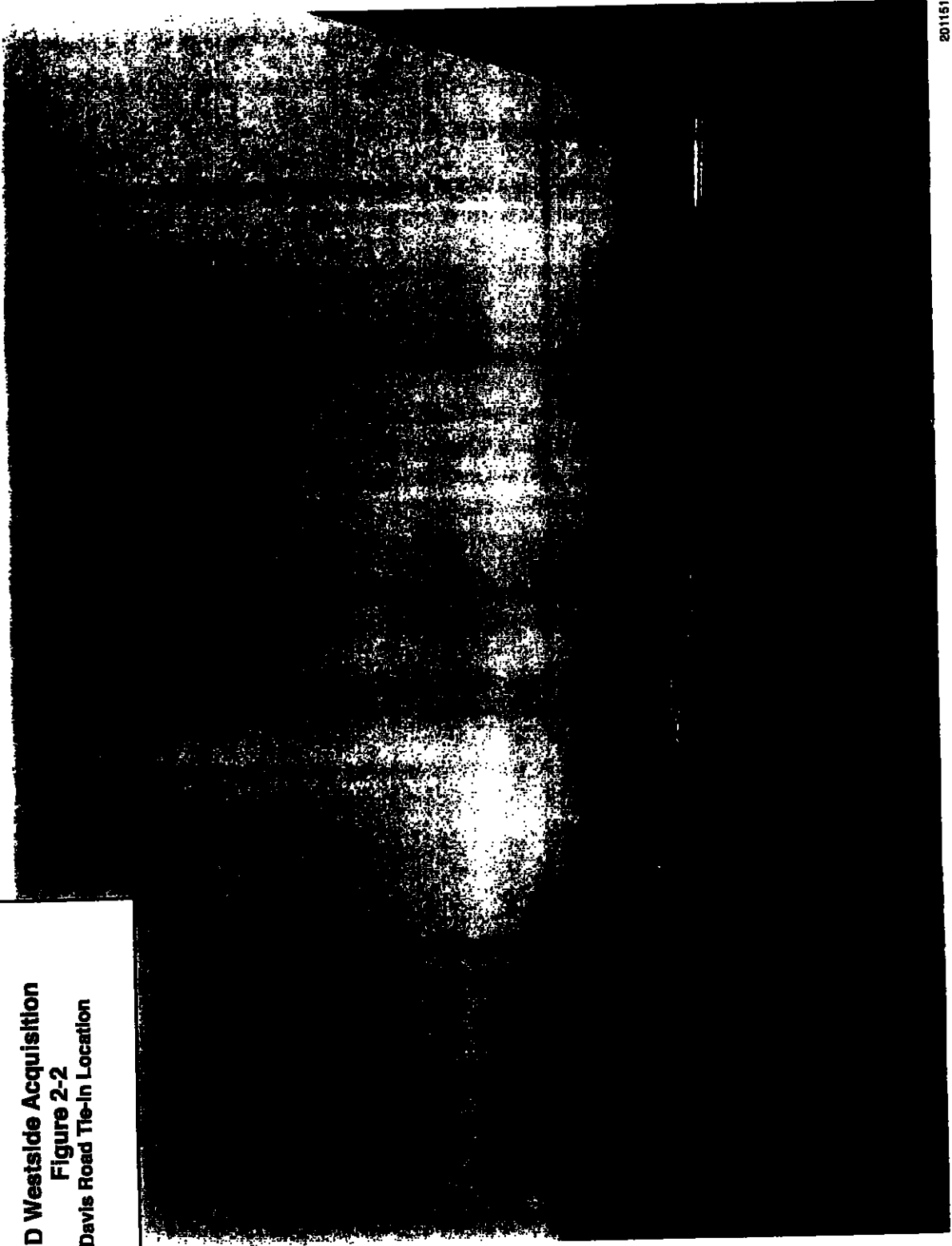
The proposed physical changes to the electrical distribution system would not affect the scenic resources of the area. Interstate 5 has been designated a Scenic Highway, the only designated Scenic Highway in Stanislaus County (Westside Transmission Line Project Draft EIR, Russell Associates). The Salado Substation is approximately 1,200 feet east of Interstate 5, downhill and on the opposite side of the California Aqueduct. The substation is an existing facility, and the

**TID Westside Acquisition  
Figure 2-1  
Patterson Substation**



**Looking northwest from the main canal. The adjacent residence is visible to the left.**

**TID Westside Acquisition  
Figure 2-2  
Davis Road Tie-In Location**



201151

**Looking west from Davis Road. The new 12-kV line would follow the farm road and tie-in to the 12-kV lines in the distance.**

transfer of ownership and minor modifications within the substation yard would not impact the scenic qualities of the surrounding area. None of the new distribution lines or severance points would be located along Interstate 5 or would be visible from Diablo Grande or the San Joaquin River.

### **2.1.2 NEGATIVE AESTHETIC EFFECT**

The purchase of electrical distribution facilities and minor changes in configuration would not significantly impact the existing visual character of the project area.

New tie-in lines would be added to the existing environment at two locations:

- The new distribution poles west of Davis Road (0.5 miles) would follow a farm road between two fields and connect the Davis Road distribution lines to the existing lines along this road.
- There are two options for reconnecting the PG&E Eastin Road lines to the rest of the system. The first option would extend lines along a farm road between Medlin Road and Eastin Road. The other would require replacing poles along Fink Road between Medlin Road and Highway 33. Although the new poles would be slightly taller than the existing poles, the visual impact of adding a second set of conductors would not be significant.

These lines would be 1.1 to 1.5 miles long and would resemble the 200 circuit miles to be acquired. The visual impact from the new poles at these locations would not be significant.

Eventually, TID may add 0.8 miles of new distribution poles along the north side of Fink Road to replace an abandoned underground line with overhead 12-kV lines.

Utility distribution poles are a common feature of the existing rural environment, and are often exempt from CEQA review. The aesthetic impact from the new electrical facilities at these locations would be less than significant.

### **2.1.3 CREATE LIGHT OR GLARE**

The proposed project consists of the purchase and modification of existing facilities and would not create additional light or glare. The new electrical poles would not be lighted, and no construction is expected to occur at night.

### **2.1.4 AESTHETICS IMPACT SUMMARY**

The proposed project would have no significant impact on aesthetics in the project area, and no mitigation measures are needed.

## **2.2 AGRICULTURAL RESOURCES**

The fertile soils, well-established irrigation network, and favorable climate enable Stanislaus County to rank among the top ten counties in the state for overall agricultural production.



Despite the importance of agriculture to the local economy, the growth of the Bay Area and the urbanization in the San Joaquin Valley provide strong incentives to convert agricultural land to more profitable uses. In response, the county has made the preservation of agricultural land one of its primary planning objectives.

### **Significance Criteria**

Agricultural impact is considered significant if it converts farmlands designated as prime, unique or of statewide importance to nonagricultural uses, conflicts with zoning or a Williamson Act Contract, or substantially diminishes the productivity of adjacent farmland.

#### **2.2.1 IMPACTS TO AGRICULTURAL LAND**

Implementation of the proposed project would result in construction activities in agricultural areas. These activities consists of installing metering and bank protection equipment within the two substations, adding equipment and removing conductors at eight severance points, and constructing new tie lines in two locations. The Patterson Substation, the three possible new distribution line locations, and seven of the eight severance points are adjacent to land in agricultural production. While no impacts to agricultural land would occur as a result of the work within the substations, the installation of the new distribution line facilities and severance points would produce temporary disturbance and a small, permanent loss of agricultural land.

The temporary impacts to agricultural lands would occur as a result of the construction of new distribution lines along agricultural roads and the work at the severance points adjacent to agricultural fields. Placing electrical poles in the ground requires space to lay down the poles and operate the construction equipment. Pole construction typically requires an area no greater than 15 feet wide by 75 feet in length. Wherever possible, construction activities would take place entirely within the public right-of-way adjacent to the paved surface of the roadway. At the locations adjacent to fields, some construction activities may intrude into the agricultural fields. Assuming the distance between each pole would be 250 feet and that the right-of-way extends 10 feet from the paved surface, a maximum of 0.62 acres would be temporarily disturbed by the placement of new poles and the replacement of old poles. Conductor stringing can be performed from the existing public and private roads. Additional temporary disturbance to adjacent fields would occur from installing guy wires at the severance points. Assuming a construction area 10 feet by 10 feet at each dead end pole, this temporary disturbance would be less than 0.04 acres. Thus, total temporary impacts to agricultural land attributable to the project would be less than 0.7 acres.

The proposed project would produce a small, permanent loss of agricultural land. Two distribution tie-in line locations would cross through agricultural fields along existing farm roads. This would result in the permanent conversion of a small amount agricultural land to non-agricultural uses. Each embedded pole would displace a 1.8-square foot area, and there would be approximately 24 poles along the proposed routes west of Davis Road and east of Medlin Road. Based on the proposed routes, approximately 43 square feet (0.001 acres) of agricultural land would be permanently lost to the proposed project. Although the area is prime farmland, the

proposed project would provide an essential service for agriculture in the area and the amount of land involved is small. For these reasons, the permanent impact is less than significant.

### **Mitigation Measure**

The following measure is proposed to mitigate the temporary impacts on agricultural land:

**Agriculture-1:** Re-till agricultural land used for laydown activities and pole placement to offset compaction caused by heavy material storage and construction activities, as requested by the landowner.

### **2.2.2 WILLIAMSON ACT CONTRACTS AND ZONING**

The Williamson Act (the California Land Conservation Act of 1965) is a tax-relief program aimed at farmland conservation. Some agricultural land within the project area is subject to Williamson Act contracts. The act, however, does not apply to the installation of electrical distribution poles. Therefore the proposed TID project would not impact these contracts.

### **2.2.3 IMPACTS TO AGRICULTURAL OPERATIONS**

The placement of the new poles within and adjacent to agricultural land because of the acquisition of the electrical facilities in Westside Zone could potentially damage irrigation systems, interfere with operation of mechanical equipment, and restrict crop dusting.

Approximately 24 poles would be placed within land currently being farmed as cropland. These poles can be located to avoid significant impacts above and below ground agricultural water delivery systems and to reduce the interference with harvesting, planting, and other-ground mechanization.

The proposed distribution lines could interfere with the aerial application of pesticides, a widespread practice in the project area. Many crop fields and some orchards along the route employ aerial crop dusting, usually in the winter and early spring months, when wet soil conditions hinder on-ground mechanization and application of chemicals. Distribution lines would typically reach a height of 35 to 40 feet. Crop dusters fly at very low elevations, with the top of the plane often 25 to 30 feet above ground.

The applicators fly parallel to crop and orchard rows. Installing electrical lines along routes that are perpendicular to crop rows would require the pilots to alter their normal flight patterns and spray parallel to the proposed lines for several passes. This change in flight patterns would decrease crop dusting efficiency and may affect the practicality of flying small fields adjacent to the lines. Little impact would occur along fields that run parallel to the proposed lines. Both the distribution tie-in lines would be build parallel to the crop rows in the adjacent fields.

## Mitigation Measures

The following mitigation measures are proposed to reduce the impact to agricultural operations to less than significant:

**Agriculture-2:** Consult with the landowners concerning the placement of poles in cultivated land and relocate the poles, as practical, to produce the least disturbance to irrigation equipment and farming practices.

**Agriculture-3:** If a landowner is concerned with potential impacts to aerial application of pesticides, adjust the location of the proposed lines and pole height and configuration, where practical, to reduce impacts to flight patterns.

### 2.2.4 AGRICULTURAL IMPACT SUMMARY

With the proposed mitigation measures, the TID Electrical Distribution System Project would not significantly impact agricultural resources in the project area.

## 2.3 AIR QUALITY

The San Joaquin Valley Air Basin has been designated as nonattainment for ozone (O<sub>3</sub>) and fine particulate matter (PM<sub>10</sub>). The San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) considers the emissions of the ozone precursors, nitrogen oxides (NO<sub>x</sub>) and reactive organic gases (ROGs), to be significant if either exceeds 10 tons/year. The district considers emissions of fugitive dust and PM<sub>10</sub> to be significant if they do not meet the requirements of SJVUAPCD Regulation VIII. In recent years, the air basin has been designated as in attainment for carbon monoxide (CO), and CO emissions would be significant only in areas with frequent motor vehicle congestion (Guide for Assessing and Mitigating Air Quality Impacts, 1998).

### Significance Criteria

Air quality impacts would be considered significant if emissions from the project would conflict with the implementation of an applicable air quality plan, violate an air quality standard, contribute substantially to an air quality violation, result in a considerable increase of a criteria pollutant for which the region is in non-attainment, expose sensitive receptors to substantial pollutant concentrations, or create objectionable odors.

#### 2.3.1 CONSTRUCTION EMISSIONS

Modification of the substations, construction of the tie-in lines, and installation of the severance points in the Westside Zone would require the use of diesel- and gasoline-driven construction equipment, the delivery of equipment and materials, and daily commutes to the site. These activities would produce emissions of ozone precursors, CO, and other pollutants. Construction activity would also produce dust and particulate emissions.

## Ozone Precursors

Table 2.3-1 shows the estimated emissions of NO<sub>x</sub> and ROG<sub>s</sub> from the modifications to the substations and construction of 8,000 feet of distribution line tie-ins. The line construction would include a 3-person crew, with a 250-hp digger, two 240-hp line trucks and a 240-hp reel truck, and a pickup truck. The calculations assume that the diesel digger and pickup truck would spend up to eight hours (one day) at the site, but that the line and reel trucks would complete the conductor stringing in half that time. The work at the severance points would use the same equipment, operating for an additional two days.

**TABLE 2.3-1  
EMISSIONS OF OZONE PRECURSORS DURING CONSTRUCTION**

	Nitrogen Oxides		Reactive Organic Gases	
	(lb/day)	(tons/year)	(lb/day)	(tons/year)
<b>Substations</b>				
Construction <sup>1,2</sup>	65.5	0.20	10.6	0.03
Deliveries <sup>2</sup>	0.5	<0.01	0.1	<0.01
Workers' commute <sup>3</sup>	0.10	<0.01	4.5	<0.01
<b>Distribution Lines</b>				
Construction <sup>1,2</sup>	109.1	0.31	17.9	0.05
Deliveries <sup>2</sup>	1.0	<0.01	0.1	<0.01
Workers' commute <sup>3</sup>	0.11	<0.01	0.1	<0.01
<b>Total</b>		<b>0.52</b>		<b>0.09</b>

**Sources:**

<sup>1</sup> California Air Resources Board (CARB) MO99\_32.5 (Appendix D) for diesel equipment.

<sup>2</sup> CARD EMFAC2000 for the gasoline pickup and delivery trucks.

<sup>3</sup> Environmental Protection Agency (EPA) AP420-F097-037 for commute vehicles, assuming 50% light trucks and vans and 50% passenger vehicles.

The substation construction would include a 5-person crew, with a 240-hp digger and backhoe, a line truck, and a cement mixer. The calculations assume that the digging equipment at the substation site would operate four hours a day for approximately five days; the line truck would operate for up to seven hours a day for 10 days, and the cement mixer another four hours.

An estimated six deliveries of distribution line equipment and 12 deliveries of substation equipment would be made to the site locations with an average travel distance of 60 miles from the TID corporate yard in Turlock. The workers are expected to commute an average of 60 miles a day.

The calculations show that the NO<sub>x</sub> and ROG<sub>s</sub> emissions from construction activity would be 0.52 and 0.09 tons/year, respectively. Thus, the emissions of ozone precursors from construction of the project would not be significant.



## CO Emissions

All construction for the proposed project would occur in areas where motor vehicle congestion is not a problem. Therefore, the impact of CO emissions from construction equipment would be considered less than significant.

## PM<sub>10</sub>

Construction activities on unpaved roads would produce fugitive dust, contributing to PM<sub>10</sub> levels in the air basin. Irrigation districts are exempt from the SJVUAPCD Rule 8060, which controls fugitive dust on paved and unpaved roads, but are subject to Regulation VIII, which requires that dust from these activities not exceed 40% opacity for a period of three minutes in any one hour. Table 2.3-2 summarizes the requirements of Regulation VIII. The District has determined that "compliance with Regulation VIII...will constitute sufficient mitigation to reduce PM-10 impacts to a level considered less than significant" (Guide for Assessing and Mitigating Air Quality Impacts, 1998). TID plans to comply with Regulation VIII, and the impacts of particulate emissions would not be significant.

**TABLE 2.3-2  
REGULATION VIII CONTROL MEASURES FOR  
CONSTRUCTION EMISSIONS OF PM<sub>10</sub>**

- 
- All disturbed areas, including storage piles, which are not being actively utilized for construction purposes, shall be effectively stabilized of dust emissions using water, chemical stabilizer/suppressant, or vegetative ground cover.
  - All on-site unpaved roads and off-site unpaved access roads shall be effectively stabilized of dust emissions using water or chemical stabilizer/suppressant.
  - All land clearing, grubbing, scraping, excavation, land leveling, grading, cut & fill, and demolition activities shall be effectively controlled of fugitive dust emissions utilizing application of water or by presoaking.
  - When materials are transported off-site, all material shall be covered, effectively wetted to limit visible dust emissions, *or* at least six inches of freeboard space from the top of the container shall be maintained.
  - All operations shall limit or expeditiously remove the accumulation of mud or dirt from adjacent public streets at least once every 24 hours when operations are occurring. *(The use of dry rotary brushes is expressly prohibited except where preceded or accompanied by sufficient wetting to limit the visible dust emissions.) (Use of blower devices is expressly forbidden.)*
  - Following the addition of materials to, or removal of materials from, the surface of outdoor storage piles, said piles shall be effectively stabilized of fugitive dust emissions utilizing sufficient water or chemical stabilizer/suppressant.
- 

Source: *Guide for Assessing and Mitigating Air Quality Impacts*, 1998.

### **2.3.2 OPERATIONAL EMISSIONS**

There would be little or no emissions of pollutants under normal operations of the proposed distribution line facilities. Nominal emissions would result from the period inspection and maintenance of the lines and substations.

### **2.3.3 SENSITIVE RECEPTORS**

The substations, severance points, and tie-in locations are not located near any schools, hospitals, or care centers, which are designated sensitive receptors to pollutants, and the construction activities would not produce significant impacts to sensitive receptors.

### **2.3.4 OBJECTIONABLE ODORS**

The operation and construction of the proposed electrical facilities would not result in objectionable odors. Although some gasoline-derived exhaust may be noticeable during the construction, the impact would be less than significant.

### **2.3.5 CUMULATIVE IMPACTS**

Although the San Joaquin Valley air basin is not in attainment for the federal and state ozone and particulate standards, the incremental impacts of the emission during construction would not be significant. The environmental conditions in the air basin would be essentially the same, whether or not the proposed project was implemented.

### **2.3.6 AIR QUALITY IMPACTS SUMMARY**

Air quality impacts resulting from construction and operation of the facilities associated with the acquisition of the Westside Zone are less than significant. All emissions of ozone precursors from the project are less than the SJVUAPCD significance criteria, and the particulate emissions would be controlled to meet district criteria. No additional mitigation measures are needed.

## **2.4 BIOLOGICAL RESOURCES**

The Patterson and Salado substations, the eight severance points, and locations for the proposed distribution tie-in lines are found throughout the Patterson, Crows Landing, and Westley USGS topographic quadrangles. Virtually all of the areas where physical changes will occur are within or adjacent to intensively farmed, leveled fields.

### **Significance Criteria**

The proposed project would have a significant impact on biological resources if it were to have a substantial adverse effect on an endangered, rare, or threatened species or its habitat; adversely affect a riparian habitat, wetlands, or another sensitive natural community; interfere with the movement of native residents, migratory fish, wildlife migration corridors; violate local

ordinances and policies protecting biological resources; or conflict with an adopted Habitat Conservation Plan.

#### **2.4.1 BIOLOGICAL SURVEY AND IMPACT AREAS**

Moore Biological Consultants conducted a search of the California Department of Fish and Game (CDFG) California Natural Diversity Database (CNDDDB, 2000) to identify species that have been documented in the vicinity of the new project features and that have a potential to occur in the area based on suitable habitat. The search covered the USGS Crows Landing, Patterson, and Westley 7.5-minute topographic quadrangle.

A biologist from Moore Biological Consultants conducted a field survey on March 2, 2001 of the two substations, the eight severance points, and the distribution tie-in easements west of Davis Road, east of Medlin Road, and along Fink Road. The survey also included the north side of Fink Road between Davis and Bell roads. The survey consisted of walking around each survey area, making observations of habitat conditions, surrounding land uses, and plant and wildlife species. For the two easements where site access was denied (west of Davis Road and east of Medlin Road, binoculars and a spotting scope were used to survey each of the alignments. The survey included focused searches for jurisdictional wetlands, sensitive species, suitable habitat for sensitive species, and trees that may require trimming for the removal or installation of conductors.

#### **Vegetation**

Vegetation within the majority of the survey areas consists of cultivated agricultural fields, orchards, patches of ruderal grasses and weeds along the edges of these agricultural fields, and roadside shoulders supporting bare areas and discontinuous bands of common weeds. Some of the more common species include fiddleneck (*Amsinckia intermedia*), field mustard (*Brassica rapa*), yellow star-thistle (*Centaurea solstitialis*), oats (*Avena* sp.), soft chess brome (*Bromus hordeaceus*), and ripgut brome (*B. diandrus*). Areas of bare soil are found between weed patches. All of the areas surveyed appear to be routinely farmed and or maintained regularly for weeds by mowing and/or use of herbicides. Many of the plant species observed along the acquisition areas such as yellow star-thistle are typical of heavily disturbed areas. The existing substations are highly disturbed and entirely devoid of vegetation.

There are very few trees or shrubs of any type within the survey areas. However, there are some tall ornamental trees associated with private residences located along Fink Road, within the town of Crows Landing. Some of these trees are in close proximity to an existing 12-kV line to which conductors will be added.

#### **Wetlands**

Waters of the U.S., including wetlands, are broadly defined under 33 CFR 328 to include navigable waterways, their tributaries, and wetlands. These habitats are regulated by state and federal agencies, and Section 404 of the Clean Water Act requires a permit for the discharge of



dredged or fill materials into any Waters of the U.S. Jurisdictional wetlands are vegetated areas that meet specific vegetation, soil, and hydrologic criteria defined by the U.S. Army Corps of Engineers (ACOE) Wetlands Delineation Manual (1987). Waters of the U.S. are drainage features or water bodies as described in 33 CFR 328.4. Jurisdictional wetlands and Waters of the U.S. comprise perennial and intermittent creeks and drainages, lakes, seeps and springs, emergent marshes, and seasonal wetlands.

There are no areas within the survey areas that meet the technical criteria to be delineated as Waters of the U.S. (a term that includes wetlands) that would fall under the jurisdiction of ACOE and/or CDFG. It should be noted that while Del Puerto Creek is a jurisdictional Waters of the U.S., the proposed severance point in the vicinity of the creek is located along a dirt road several hundred feet north of the creek.

#### 2.4.2 SENSITIVE SPECIES

Seventeen sensitive plant and animal species were identified in the CNDDDB search as having been documented in the greater project vicinity. The listing status and habitat requirements for each of these species are provided in Tables 1 and 2 in Appendix A. These tables also provide an assessment of the likelihood of occurrence of each of these species in the survey areas. Through reviewing Tables 1 and 2, it becomes apparent that the likelihood of occurrence of listed, candidate, and other sensitive species in the survey areas is considered moderate to very low. No sensitive species were observed during the recent survey and the intensively cultivated fields and highly disturbed ruderal vegetation found throughout the survey areas provide only marginally suitable habitat for a subset of these species.

Sensitive plants generally occur in relatively undisturbed areas and are largely found within unique vegetation communities not present within the survey areas. Consequently, the likelihood of occurrence along disturbed ruderal areas along road shoulders and the edges of fields where most of the distribution facilities would be located is very low.

With the exception of Swainson's hawk (*Buteo swainsoni*), the potential for intensive use of habitats within the survey areas by sensitive wildlife species is considered low. While a number of sensitive birds may occasionally fly over or forage in the survey areas, these areas do not provide nesting habitat for most of the sensitive bird species. Trees within the greater project area are used by nesting Swainson's hawks and agricultural fields represent foraging habitat for this species. The only potential nest trees in the immediate vicinity of project facilities are the ornamental trees associated with private residences located along Fink Road. While the CNDDDB does not contain records of Swainson's hawks nesting in these trees and no large raptor stick nests were observed in these trees during the recent survey, the potential use of these trees by nesting Swainson's hawks or other protected migratory bird species in the future can not be precluded.

The western portion of the project area is located within the range of San Joaquin kit fox (*Vulpes macrotis mutica*), as mapped in the CNDDDB. This species, however, is primarily found in the foothills located west of the California Aqueduct. Intensively farmed fields such as those present

throughout all of the survey areas provide very low quality habitat for this species. While a kit fox may occasionally wander through fields with the greater project vicinity, the likelihood of intensive use of any habitats within the survey areas is considered remote.

### **Mitigation Measure**

The following mitigation measure is proposed to reduce the impact of tree trimming on Swainson's hawk and other protected bird species.

**Biology – 1:** If the Fink Road alternative is used, have a qualified biologist conduct pre-construction surveys for nesting raptors where tree trimming or removal appears to be necessary. These surveys would only be necessary for construction between April 1 and September 15. In the event that nesting raptors such as Swainson's hawk or other migratory birds are found nesting in a tree to be removed or trimmed, construction should be delayed until the biologist confirms nesting has been completed and the young are capable of flying and foraging independently.

### **2.4.3 HABITAT CONSERVATION PLAN**

No Habitat Conservation Plan or other local ordinances apply to the biological resources within the areas where the proposed severance facilities would be constructed.

### **2.4.4 BIOLOGICAL RESOURCES IMPACT SUMMARY**

The proposed easement is not a sensitive biological community, and the planned construction would not have an impact on any endangered, rare, or threatened species or its habitat. There are no jurisdictional wetlands within the proposed construction area, and the project would not conflict with any federal, state, or local policies that protect biological resources.

## **2.5 CULTURAL RESOURCES**

Based on the archaeological record, Native Americans were living in the Central Valley as early as 2500 BC (Kroeber, 1925). Native Americans used, but did not intensively occupy, the grasslands lying between the Merced and Tuolumne Rivers.

When the Spanish arrived in California in the late 1700s, the project area was part of the territory of the Penutian-speaking Yokut tribe. This tribe and many others were decimated by disease and other impacts resulting from the establishment of the Spanish missions along the coast. By late summer in 1833, the majority of Native American tribes from the head of the Sacramento River to the San Joaquin River were wiped out by disease (Cook, 1962).

The Central Valley was thinly populated during the first years following the arrival of Euro-Americans, but large Spanish land grants were soon awarded in Merced and Stanislaus Counties, including the Del Puerto, Orestimba, Panoche, San Luis, and Santa Rita ranchos (Cowan, 1956). After the discovery of gold, ferries operated along the San Joaquin River, but significant

settlement did not occur until the 1870s with the development of the railroads and controlled irrigation. The Turlock Irrigation District was organized in 1887.

In Stanislaus County, most of the known archaeological and paleontological sites are found in the foothills in the eastern part of the county. Any prehistoric and historical artifacts, sites, or features in the project area would most likely have been destroyed long ago as a result of the pervasive disturbance of the land by agricultural practices.

### **Significance Criteria**

The proposed project would have a significant impact on cultural resources if it would disturb paleontological or archeological resources, have the potential to cause a physical change that would affect unique ethnic cultural values, or restrict existing religious or sacred uses within the potential impact area.

#### **2.5.1 PALEONTOLOGICAL AND ARCHAEOLOGICAL RESOURCES**

Applied EarthWorks, Inc. conducted a cultural resources study to identify cultural resources that might be affected by the implementation of the proposed severance plan. The survey consisted of a pedestrian survey and a Central California Information Center (CCIC) database search of maps, surveys, and other pertinent data in the vicinity of the areas to be disturbed by the project. The CCIC database survey covered most of Sections 19, 20, 21, 22, 23, 26, 27, 28, 29, and 30 in Township 6 South, Range 8 East and included all the locations where new lines would be constructed. The database searched did not include the separation points because the proposed activity (changing cross arms, adding guy wires and removing conductors) would not result in any meaningful disturbance to the ground. The Applied EarthWorks pedestrian survey covered 1.0 miles along the north side of Fink Road between Davis and Bell Road and approximately 1.25 miles along Medlin Road, Find Road, and Highway 33. The pedestrian survey did not include the private easements west of Davis Road and east of Medlin Road, because landowner access was not available. These routes are both highly disturbed by agricultural operations.

The records search identified four previous archaeological investigations in the project area, two of which intersected the project locations. No previously recorded prehistoric cultural resources were found within the study area, but Fink Road (P-50-00051) was identified as an historic resource. Isaac Crow constructed Fink Road in 1872. In 1888 the road was named after the Fink family, who were early settlers in Crows Landing.

In addition, there are several previously recorded historic resources within one mile of the proposed project areas, including 10 properties within the community of Crows Landing that are in the Historic Properties Data file of the Office of Historic Preservation. Other recorded historic resources are the Orestimba Rancho Mexican Land Grant and various historic roads and the Main Canal.

The project area consists of recent sedimentary and alluvial Pliocene or Pleistocene deposits that are similar to most of the San Joaquin Valley and a limited potential for paleontological

resources. There are no rock outcrops or lacustrine features that could provide increased potential for fossiliferous resources.

AE archaeologist Mary Clark Baloian performed the pedestrian field survey on February 20, 2001. Ms. Baloian examined a 10-meter corridor along 1.0 mile of Fink Road for cultural remains. The area was heavily disturbed by repeated tillage in the adjacent agricultural field, the installation of a gas line, and the construction of Fink Road. Ground visibility approached 100% along most of the project area, but in some places visibility was reduced to approximately 10% by grasses and road fill. The survey area includes the Fink Road canal crossing, constructed in 1948, which was evaluated by Caltrans as not eligible for the National Register of Historic Places. No prehistoric or historic resources were encountered within the study area.

A 10 to 15-meter corridor along 1.25 miles of Medlin Road, Fink Road, and Highway 33 was also inspected for cultural resource. This area was also heavily disturbed by agricultural activities, construction of the roadways, and the installation of distribution lines. Ground visibility was excellent (approximately 100% along the margins of the fields, but in some places visibility was reduced to zero by high grasses and road fill. The survey area included the Orestimba Rancho Mexican Land Grant, which is now used for agricultural, residential, and commercial purposes. No cultural resources were discovered during the field survey.

Applied EarthWorks concluded that the addition of the 12-kV lines along 5,000 feet of Fink Road between Bell and Davis Roads and the placement of new conductors along 6,000 feet of existing lines along Medlin Road, Fink Road, and the Highway will not affect any cultural resources that are listed, eligible for listing, or potentially eligible for listing in the National Register of Historic Places. No further cultural resources investigations are recommended in these areas.

(The Applied EarthWorks field report is available to qualified personnel upon request.)

### ***2.5.2 ETHNIC CULTURAL VALUES AND RESTRICTIONS ON RELIGIOUS OR SACRED USES***

The area potentially affected by the proposed project has not been identified as sensitive or significant from the religious point of view of the Native Americans or other residents of Central California. Consequently, the proposed lines would not impact unique cultural values or restrict existing religious uses in the area.

### ***2.5.3 CULTURAL RESOURCES IMPACT SUMMARY***

#### **Mitigation Measures**

To avoid potential impacts to cultural resources, the following mitigation measures are recommended:

**Cultural-1:** When landowners have granted the private easements west of Davis Road and east of Medlin Road, perform preconstruction cultural resource surveys of these routes if the relocated routes include areas not disturbed by intensive agricultural operations.

**Cultural-2:** If previously unidentified subsurface archaeological or paleontological features or deposits are uncovered during construction, stop work immediately in the vicinity of a discovery, and contact a qualified cultural resources consultant to determine if the resource is significant.

With the incorporation of these mitigation measures, the impact of the project to cultural resources would be less than significant.

## **2.6 ENERGY RESOURCES**

### **Significance Criteria**

Impacts to energy resources would be considered significant if the project were to conflict with adopted energy conservation plans or use nonrenewable resources in an inefficient or wasteful manner.

#### ***2.6.1 ENERGY CONSERVATION PLANS***

The proposed project would not conflict with any energy conservation building codes, efficiency standards, or other energy conservation incentive programs. These types of programs have been the primary tools for instituting energy conservation in California.

#### ***2.6.2 USE OF NONRENEWABLE RESOURCES***

The acquisition of the facilities in the Westside Zone would not use any appreciable resources. The construction of the tie-in lines and other severance modifications would require approximately 36 wood poles, approximately 24,000 feet of conductor, less than five tons of steel, and other electrical equipment made of materials that are common in the industry. Construction would not use substantial amounts of fuel or energy, nor would it significantly increase the rate of use of any natural resource.

#### ***2.6.3 ENERGY RESOURCES IMPACT SUMMARY***

The impacts of the project to energy resources are considered less than significant. Therefore, no mitigation measures are necessary.

## **2.7 GEOLOGY AND SOILS**

The Westside Zone extends from the Franciscan Complex units in the Diablo Range to the alluvial deposits on the valley floor.

## **Significance Criteria**

Geological hazards would be considered significant if site modifications or activities associated with the proposed acquisition would expose people or structures to substantial adverse effects due to: fault ruptures, strong seismic ground shaking, seismic-related ground failure, or landslides; result in substantial soil erosion; be built on, or result in unstable soil or geologic units; be located on expansive soil; or contain soils incapable of adequately supporting the use of septic tanks or other wastewater disposal systems if sewers are not available.

### **2.7.1 FAULT RUPTURES**

There are several faults identified within and near Stanislaus County. Within the western portion of the county, in the Diablo Range, the most recent fault movements have been along the Tesla-Ortugalita Fault (now known as the Ortugalita Fault). The State of California Division of Mines and Geology has designated the Tesla-Ortugalita Fault as an Alquist-Priolo Special Studies Zone. The 1,000-foot wide zone along the Tesla-Ortugalita Fault extends into Stanislaus County approximately seven miles (Stanislaus County General Plan Support Documentation, June 1987). The San Joaquin Fault runs along the edge of the Diablo Range, closely paralleling Interstate 5. Recent USGS maps (San Francisco-San Jose Quadrangle, 1990) show this fault to have had displacement during the late Quaternary (approximately 700,000 years ago). In the extreme eastern portion of the county there are the Bear Mountain and Melones Faults, which are believed to have been inactive for the past 150 million years. None of these faults is considered active under the Alquist-Priolo Special Studies Zone Act. Potential impact as a result of fault rupture is less than significant.

### **2.7.2 SEISMIC GROUND SHAKING**

Like the rest of California, Stanislaus County is subject to seismic activity. The Ortugalita fault extends into western Stanislaus County, but has not been active in historic times. The western half of Stanislaus County has been affected by earthquakes originating outside the county, and according to the California Division of Mines and Geology, lies within an area where the maximum expectable earthquake intensity is classified as moderate severity with moderate probable damage. Distribution poles and substations, however, are capable of withstanding a high degree of ground shaking, and line outages can be readily repaired without significant loss of reliability. Potential impact as a result of seismic ground shaking is less than significant.

### **2.7.3 GROUND FAILURE**

Ground failure hazards include liquefaction and subsidence.

#### **Liquefaction**

Extreme ground shaking can cause saturated sediments to liquefy and lose supporting capacity as water from voids within the sediment is forced towards the ground surface. Although no specific liquefaction hazards have been identified in Stanislaus County, the potential exists in areas where unconsolidated sediments are very wet and where a high water table underlies these sediments.

The project area contains locations with a high water table. Man-made levees along canals and creeks in Stanislaus County are also susceptible to liquefaction due to the use of artificial fill and the existence of nearby water. Whether soils would actually liquefy depends on the intensity and duration of the ground shaking. If required, repairs will be possible without significant loss of reliability. Potential impact as a result of liquefaction is less than significant.

### **Subsidence**

Subsidence of the land surface can result from extraction of groundwater. Portions of the San Joaquin Valley have experienced land subsidence due to groundwater withdrawal. Hydrocompaction and seismic shaking have also contributed to ground settling within isolated areas in the valley. However, Western Stanislaus County has not been an area historically subject to overdraft. Because the project area has not been subject to subsidence, potential impact as a result of subsidence is expected to be less than significant.

### **Ground Failure Summary**

The potential for impacts to the planned modifications from ground failure due to liquefaction or subsidence is less than significant.

#### **2.7.4 LANDSLIDES**

Most of the facilities are located within the valley on relatively flat ground, so there is little potential for effects by landslides. The only point in the foothills is the severance point near Slick Rock. Although no landslide potential has been identified in this area, the impact on a severance point would not be significant.

#### **2.7.5 SOIL EROSION OR LOSS OF TOPSOIL**

The underlying soils in the area are described as having no special problems with regard to erosion. Almost all modification and construction activities would take place on nearly level ground. For these reasons, there is little potential for impacts due to erosion or loss of topsoil.

#### **2.7.6 UNSTABLE GEOLOGIC UNITS OR SOIL CONDITIONS**

The proposed modifications are not expected to result in the soil becoming unstable. Although land subsidence has been a significant problem in many areas of the Central Valley due to declining groundwater levels, western Stanislaus County is not located within a designated subsidence area. The only potential for water to be withdrawn as part of the construction would be for dewatering of the holes augured for the distribution line poles. The small volume of water that would be removed, if dewatering is necessary, would not have a significant impact on the groundwater level. As a result, the proposed modifications would have a less than significant impact on geologic and soil stability, including the potential for landslides, lateral spreading, subsidence, liquefaction, or collapse.

### **2.7.7 EXPANSIVE SOIL**

Much of the soil west of the San Joaquin River contains a high concentration of clays and may have a tendency to expand when saturated, depending on their parent materials and previous history of compactions. Based on Conservation Service soils maps, some soils west of the river have a high shrink-swell potential at the pertinent soil depths. Expansive soils can affect foundation requirements and are only a potential hazard at substations sites and pole locations. Moderate expansion would not affect the installed poles or result in an increased risk to life or property. Soil expansion would have little if any effect on the transfer modifications or planned construction.

### **2.7.8 ADEQUACY OF SOIL FOR SUPPORTING SEPTIC TANK OR ALTERNATIVE WASTEWATER DISPOSAL**

The proposed modifications will not require disposal of wastewater. There would be no impacts from the project on wastewater disposal.

### **2.7.9 GEOLOGY AND SOILS IMPACT SUMMARY**

Since all impacts of the geology and soils are below the level of significance, no mitigation measures are needed.

## **2.8 HAZARDS AND HAZARDOUS MATERIALS**

Electrical distribution facilities such as TID would acquire or construct as a result of the proposed transfer are designed to protect the public and the environment from exposure to hazards and hazardous materials. The potential hazards associated with this type of electrical equipment include petroleum products and other materials used during construction, polychlorinated biphenyls (PCBs) formerly used in some transformers, and electromagnetic fields (EMFs) associated with all electrical equipment. Electrical distribution lines can also be associated with wildland fires.

Most of the 200 miles of distribution facilities that TID would acquire are located in public rights-of-way or agricultural private easements. TID also plans to lease the land at the Patterson Substation and a portion of the land at the Salado Substation. There is potential for contamination from past activities at all these locations

### **Significance Criteria**

The potential environmental impacts from hazards would be considered significant if the project would produce a substantial risk to the public from routine transportation, use, or disposal of hazardous materials or from a foreseeable accidental release of such materials. The impacts would also be considered significant if the project would result in hazardous emissions or materials being within a quarter mile of a school; be located on a listed contamination site and expose the public or the environment to the hazard; result in a safety hazard due to an public



airport or private airstrip; interfere with an emergency response or evacuation plan; or expose people or structures to a significant risk of wildland fires.

### **2.8.1 USE, TRANSPORTATION, OR POTENTIAL RELEASE OF HAZARDOUS MATERIALS**

Hazardous materials associated with acquisition and construction electrical distribution facilities include petroleum products and PCBs. Operation of these facilities produces EMF.

#### **Petroleum Products**

The construction equipment for the proposed substation and distribution line facilities would transport and use petroleum products. Refueling and maintenance on the construction equipment would be performed without any substantial risk of release of petroleum to the environment surrounding the construction site. If there are accidental spills or releases of reportable quantities (42 gallons) of diesel or gasoline at the construction sites, the appropriate agencies would be notified and the spilled materials would be cleaned up, if required by state regulators.

#### **PCBs**

Construction specifications would require that all new transformers installations at the substations and distribution lines be essentially free from PCBs (<2 ppm). EPA has prohibited the installation of equipment containing PCBs since 1985, but PCBs may be found in some of the older pole-mounted transformers being acquired from PG&E. Like other utilities, TID has an ongoing program for removing PCB-containing equipment and replacing it with non-PCB equipment. If PCB equipment is removed for maintenance or other reasons, it would be transported to the TID hazardous materials handling yard in Turlock, drained, and replaced with equipment filled with mineral oil. The PCB fluids are stored and disposed of following established procedures.

Typically, less than 20% of the electrical distribution transformers in older systems such as the PG&E lines in the Westside Zone are contaminated with PCBs. The removal of this equipment is a relatively rare event, and the PCB-contaminated materials are transported using procedures that have been established by federal and state regulatory agencies to avoid substantial risk to the public or the environment from accidental release of this hazardous material.

The following mitigation measure is proposed to avoid significant impacts from the release of hazardous materials:

**Hazards-1:** Prior to construction, educate workers on the identification and handling of hazardous materials, spill-containment methods, and agency notification procedures. Notify agencies and perform the required remediation if there is a release of reportable quantities of PCB oils, petroleum products, or other hazardous substances during construction.

## EMF

Electrical distribution lines, as well as electrical substations, transmission lines, electrical wiring, appliances, and other electrical devices produce low frequency, low energy electromagnetic fields (EMFs). EMFs have been the cause of some public concern over the potential carcinogenic effects for several decades. During this period a series of well funded, carefully structured epidemiological and laboratory studies have not been able to resolve the issue conclusively.

Based on these studies, many scientists have concluded that concern over EMFs is not well founded. In November 1996, the National Research Council, a branch of the Academy of Sciences, concluded that there is no convincing evidence that exposure to electric and magnetic fields from power lines and appliances in the home presents a health hazard (Leary, 1996). In July 1997, the New England Journal of Medicine (NEJM) published a National Cancer Institute reanalysis of potential childhood leukemia effects, based on a large sample base and measured field strength data. The NEJM studies found that there was little or no evidence that exposure to high magnetic fields increased the risk of this disease, but noted a slight overall correlation between elevated magnetic field strength and incidence of leukemia.

In June 1999, the National Institute of Environmental Health Sciences (NIEHS) issued its final report, *Health Effects from Exposure to Power-Line Frequency Electric and Magnetic Fields*, which concluded that "the scientific evidence suggesting that [extremely low frequency] ELF-EMFs pose any health risk is weak." The study noted a fairly consistent pattern of small increased risk of chronic and childhood leukemia in human population studies but found no mechanism for the pattern in the experimental data (animal and mechanistic). The NIEHS study also found no evidence tying routine EMF exposure to adult cancer or other potential effects such as Alzheimer's disease, depression, or birth defects. While the NIEHS concludes that EMF exposure cannot be recognized as entirely safe, it did not recommend setting standards or listing EMF as an agent reasonably anticipated to be a human carcinogen.

The magnetic fields from the proposed distribution line would be comparable to the levels experienced at operating distances from common electrical appliances and office products. Magnetic fields measured directly below distribution lines such as are planned typically range between 10-26 mGauss. . Magnetic fields from typical 12-kV substations range from 7-68 mGauss at the perimeter fence. Typically, the highest values of magnetic fields around a substation are not caused by the substation equipment, but by the overhead lines entering and exiting the substation. By comparison, the magnetic fields around household appliances, at approximately 10 inches, vary from 3 to 210 mGauss (National Institute of Environmental Health, 1998).

TID has an ongoing consumer education program on the effects and potential exposures to EMF. This program includes providing field measurements of electrical and magnetic field strengths to customers that are concerned about exposure to EMF.

Based on the NIH findings and the lack of conclusive data from ongoing studies, EMF is considered a potential hazard with a very low risk of having adverse public health effects. Given

the field strengths of the proposed new facilities, it is safe to conclude that the risks from these facilities, if they exist at all, are little different from the risks from current exposures. Therefore, the impact of the proposed project on public health would be less than significant.

### **2.8.2 HAZARDOUS EMISSIONS NEAR SCHOOLS**

Five schools are located within the City of Patterson, but there are no schools within 0.25 miles of the proposed modifications. Therefore, any release of hazardous materials that might occur would not have a significant impact on schools.

### **2.8.3 EXPOSURE FROM EXISTING CONTAMINATION SITES**

Work at the substations, severance points, and distribution line tie-in locations also involves the potential exposure to contamination from past activities.

#### **Substations**

In preparation for the transfer of land at the Patterson and Salado substations, PG&E had Secor prepare Phase I Environmental Site Assessment and Soil Sampling Reports (2001a; 2001b). The Phase I reports assessed the presence of hazardous substances or petroleum products currently within the structures on the property or released to the environment during the historical operation of the facilities. In general, hazardous materials were not known to be present or historically stored or generated at the two distributions substations, with the exception of fluids routinely used in transformers, batteries, hydraulic switching devices, generators, vehicle or engine maintenance, etc. No releases were known to have occurred, although routine or incidental spillage may have occurred during operations. In addition, lead based paint or asbestos may be present in structures at the facilities.

Soil borings and analytical testing of shallow (1 and 3 feet below ground surface) soil samples at the Patterson facility indicated low levels of hydrocarbons; the metals arsenic, cadmium, and selenium, and a single, low level detection of the polychlorinated biphenyl (PCB) Aroclor 1260. The cadmium and selenium concentrations were comparable to background levels, and the PCB levels were insignificant and well below EPA acceptable levels. Of these samples, only arsenic was detected at concentrations exceeding both background concentrations and the EPA Preliminary Remediation Goals (PRGs) for residential and industrial use. The PRGs are highly conservative and result from summations along several potential exposure pathways. In addition, the PRGs are based on long term, consistent exposure via these pathways.

The highest concentrations of arsenic are found in the samples taken from 1 foot below the ground surface on the northeastern portion of the property. PG&E is working with the Stanislaus County Environmental Health Services Department to establish a program for the remediation of arsenic concentrations to background levels. Regulatory agencies typically do not require soil removal beneath the surface of operating facilities.

The TID acquisition of the equipment at the Patterson Substation is not likely to result in significant exposure to the public or the environment to elevated concentrations of arsenic found in the soil beneath the substation. The substations are gravel-surfaced, fenced, and generally unoccupied by workers and inaccessible to the public. The only likely exposure pathways are dermal contact and inhalation of airborne particulates during on-site excavation activities. Exposure via the groundwater ingestion pathway is unlikely since first groundwater is non-potable due to high salinity. On-site workers would be the primary receptors for both dermal exposure and inhalation pathways, although the adjacent residents could be receptors of wind-borne dust.

The only planned on-site excavation is for four small 3-foot deep excavations for concrete footings associated with installation of metering equipment. The total excavation volume will be on the order of 4 to 5 cubic yards, and the duration of construction is estimated to require about four hours. Offsite emissions of the arsenic-containing particulate matter as airborne dust were estimated using EPA emission factors and the EPA dispersion model SCREEN3. The maximum cancer risk from exposure to airborne arsenic as dust and the chronic and acute exposure levels are well below acceptable levels (see Appendix B.) Based on the anticipated duration of the planned excavation activities and dispersion of airborne dust with distance from the site, impacts from constructing the metering pad at the Patterson station are considered less than significant. At the conclusion of the TID lease, TID would remove the equipment that it purchases, but would not remove the foundations. Removal of the equipment would allow any required remediation program at the Patterson Substation to proceed.

At the Salado facility, soil testing indicated low levels of hydrocarbons. Metals were below background concentrations.

As described above, modifications at both facilities may require limited soil excavation. Although minor worker exposure to hazardous materials may occur during these activities, these worker exposures could be managed by implementation of standard worker health and safety procedures and safe work practices. Such safe work practices would include dust control measures. Potential public exposure to these materials would also be prevented by these safe work practices.

### **Mitigation Measure**

**Hazards-2:** Wet down the sites and implement dust control measures prior to and during any excavation activity at the Patterson Substation to prevent exposure to air-borne particulates. Have workers wear gloves or other protective clothing when handling soils at the Patterson Substation.

**Hazards-3:** When excavating in contaminated soil areas, follow applicable requirements of Comprehensive Environmental Response, Compensation, and Liability Act and the California Code of Regulations Title 22 regarding the disposal of wastes.

### **Distribution Lines and Severance Points**

The State Department of Toxic Substances Control (DTSC) maintains a Hazardous Waste and Substances Site List (also known as the Cortese List), in accordance with the California Government Code Section 65962.5. The Cortese List includes data from the CalSites List database of hazardous waste sites, the leaking underground storage tank database, and the California Integrated Waste Management Board database of sanitary landfills with evidence of groundwater contamination. The most current Cortese List, dated April 1998, indicates only one hazardous waste or substance sites in the immediate vicinity of the areas where modifications to the electrical system will take place. That site, the Western Equipment site at 18 Fink Road, Crows Landing, is on the Leaking Underground Storage Tank (LUST) list. Based on a database search, soil contamination related to diesel was identified; no groundwater contamination is present. This indicates that the contamination is very localized. Neither of the two substations, Patterson and Salado, was identified on a full search of standard federal and state environmental records (Secor, 2001a; Secor 2001b).

### **Mitigation Measure**

The following mitigation measure is proposed to avoid significant impacts from the existing Cortese site on Fink Road:

**Hazards-4:** In the event that the Fink Road alternative is used to tie the severed distribution lines into the PG&E system, contact the landowner and the Stanislaus County Environmental Health Department to identify the extent of the leaking tanks and locate the replacement poles outside the contaminated area, if possible.

### **2.8.4 HAZARDS NEAR AIRPORTS AND AIRSTRIPS**

The proposed modifications would not create any airport-associated hazards for people residing or working in the project area.

### **2.8.5 INTERFERENCE WITH AN EMERGENCY RESPONSE PLAN**

The proposed modifications would not block any public roads or create any impediment to emergency response or evacuation in the area.

### **2.8.6 RISK OF WILDLAND FIRES**

Electrical lines have the potential to start fires if the lines come in contact with nearby tree branches or other dry vegetation. Sparks or hot objects resulting from electrical faults or other causes may also ignite dry vegetation during windy conditions. Such fires are less common in populated industrial and agricultural areas that receive irrigation than in dry unattended forests.

After the acquisition of the distribution facilities in the Westside Zone, TID would be responsible for maintaining the required separation between the lines and the surrounding vegetation. The following mitigation measure is proposed to avoid risks of wildland fires:

**Hazards-5:** Inspect the acquired distribution lines annually to maintain at least 18 inches of separation between the conductors and nearby flammable vegetation.

### **2.8.7 HAZARDS IMPACT SUMMARY**

The proposed acquisition and associated modifications would have little or no potential to produce hazards to the public. Risks related to the release of hazardous substances during modifications are small, as are the risks during operation. Potential worker exposures would be managed by implementation of appropriate worker health and safety procedures and safe work practices. The impacts from the proposed modifications due to all potential hazards would be at less than significant levels.

## **2.9 HYDROLOGY AND WATER QUALITY**

### **Significance Criteria**

Impacts to water resources would be considered significant if the project were to violate a water quality standard or waste discharge requirement; substantially deplete groundwater supplies; produce substantial siltation or flooding through altered drainage patterns; provide additional sources of contaminated runoff or otherwise degrade water quality; place housing within a designated flood plane; or exposure of people or property to risk of flooding or other water related hazards.

### **2.9.1 WATER QUALITY STANDARDS AND DISCHARGE REQUIREMENTS**

The acquisition of the electrical facilities in the Westside Zone and the construction activity required to sever these facilities from the PG&E system would not violate a water quality standard or any discharge requirements. Substation and distribution line construction would have little or no direct contact with the water resources in an area. Some of the excavation and augured holes may need dewatering, but any water that was removed would be allowed to infiltrate into the adjacent soils and would not be discharged to surface waters. A small amount of canal water would be needed for dust control. Construction crews would remove all trash and debris from the sites, and construction activities would not affect the quality of surface waters in the area.

### **2.9.2 GROUND WATER SUPPLIES**

Dewatering of the augured poles for pole construction, if needed, would involve only a small amount of water and would not have any discernable effect on ground water supplies in the area.

### **2.9.3 ALTERED DRAINAGE PATTERNS**

Construction activities within the substations, at the severance points, and along the distribution tie-in lines would not affect local drainage patterns. Most of the construction activity would occur within the existing substation yards or on existing access road, but there would be a small

area of compacted soil surrounding each pole site at the severance points. All of the construction areas are essentially flat, and this activity would not produce additional siltation or result in offsite flooding.

#### **2.9.4 STORMWATER RUNOFF**

Pole line construction usually does not expose stormwater to additional sources of contamination. The treated poles and electrical equipment are essentially inert materials that contribute little if any contaminants to rainwater. Any accidental spills of petroleum products or other chemical contaminants would be cleaned up according to regulatory requirements. Construction crews would remove the construction debris from each site after the poles were erected. The project area is nearly level, and stormwater runoff would infiltrate the ground before reaching any nearby creeks or canals. Construction activities resulting from the acquisition would disturb less than two acres and thus would not require a participation in the National Pollutant Discharge Elimination System (NPDES) General Storm Water Discharge Permit.

#### **2.9.5 FLOODING AND OTHER WATER HAZARDS**

The two substation sites, the eight severance points, and the two preferred tie-in line locations are all outside the areas subject to flooding, according to the Federal Emergency Management Agency Flood Insurance Rate Maps (1989) for the region. The portions of the alternate route for the PG&E tie-in line, however, are within a designated 100-year flood zone. The areas that run along Fink Road and Highway 33 are subject to shallow flooding when runoff from major winter storms collects on the southwest side of Highway 33. The flood zone extends from the highway to approximately 1,000 feet west of Eastin Road, between Orestimba Creek and Crows Landing. Approximately 2,000 feet of existing distribution line is in the flood zone, and the estimated eight replacement poles would not impede, redirect, or increase flood flows. The proposed acquisition and related line replacements would not affect the flooding hazard south of Crows Landing.

Seiches and tsunamis are associated with large bodies of water and are not a threat in the acquisition area.

#### **2.9.6 WATER RESOURCES IMPACT SUMMARY**

The acquisition of the electrical facilities in the Westside Zone and the resulting construction would have little effect on water resources or on water quality. No discharges would be required, and the runoff from the construction areas is not expected to enter any nearby waterways. Although the area is subject to shallow flooding, the replacement poles would not affect flood flows.

### **2.10 LAND USE AND PLANNING**

The service area that TID would acquire is located in the in the central portion of the San Joaquin Valley. The project area includes the City of Patterson, the community of Crows Landing, the former Moffett Federal Airfield Crows Landing Flight Facility, and the Diablo Grande

development area. The project area is almost exclusively agricultural, and much of the land is orchards, row crops, and irrigated pasture. Near the center of the service area lies the Diablo Grande Vineyards. This is new development including golf courses, a restaurant, and vineyards. A hotel, a conference center, a permanent winery, cellar, shop, event facilities, and approximately 2,000 residential sites are planned for future development within the Diablo Grande property.

The preferred locations where new distribution lines would be constructed lie within open fields. The alternative PG&E tie-in route would follow public roads through the community of Crows Landing. The eight severance points fall within fields, roads, orchards, or rolling hills.

### **Significance Criteria**

The proposed project would have a significant effect on land use and planning if it were to physically divide an established community; conflict with an applicable general plan policy or environmental regulation of an agency with jurisdiction over the project, or conflict with an applicable habitat conservation plan.

#### ***2.10.1 PHYSICALLY DIVIDE AN EXISTING COMMUNITY***

The proposed project would not disrupt the physical arrangement of an existing community. The project area is agricultural with few residences in the immediate vicinity of the locations where new facilities will be installed. The two substations are existing facilities, and the two distribution line tie-in locations are in open fields. The alternative tie-in lines along Fink Road would replace facilities that are already in existence. Overhead distribution lines are common features in rural residential areas such as Crows Landing and do not produce an intrusion that would physically divide the community.

#### ***2.10.2 CONFORMANCE WITH GENERAL PLAN DESIGNATIONS, ZONING, AND OTHER ENVIRONMENTAL POLICIES***

The Stanislaus County General Plan designates most of the Westside Zone as agricultural (A-2) in the general plan, but the project area includes some industrial, commercial, low density residential, and urban transition uses. Figure 2-3 shows the zoning designations for the project area. The Salado Substation, the preferred distribution tie-in locations and all of the severance points but Del Puerto Canyon are located in A-2-40 zones. The Del Puerto Canyon point is in an A-2-160 zone, and the Patterson Substation is on an A-2-20 zone. The only places that are not zoned for agriculture are the locations for the replacement poles along Fink Road and Highway 33. This area is zoned RA and designated as residential in the General Plan.

Stanislaus County has a number of policies designed to preserve agricultural land, but these policies allow use for public purposes (see section 2.2). The zoning ordinances for agricultural areas place no restrictions on the location of electrical distribution facilities and identify them as permitted uses. Electricity is an essential public service, and under Section 53091 of the Government Code, zoning ordinances must make provision for the transmission and distribution of electrical energy by a local agency.



**THIS PAGE LEFT INTENTIONALLY BLANK**

No other environmental policies apply to the proposed project. Thus, the proposed acquisition of electrical systems and the construction of the distribution lines and connectors would be consistent with local plans and zoning.

The proposed project would not conflict with any applicable habitat conservation plan.

### ***2.10.3 LAND USE IMPACT SUMMARY***

The proposed project would not significantly impact land use in the project area.

## **2.11 MINERAL RESOURCES**

The project is located in an agricultural area with few known mineral resources.

### **Significance Criteria**

The project would have a significant effect on mineral resources if it would reduce the availability of a known regionally or locally important mineral resource.

### ***2.11.1 KNOWN REGIONAL MINERAL RESOURCES***

There are no known mineral resources at the locations where severance facilities would be added. The mineral deposits in Stanislaus County are found in the coastal range west of the project area, and the only significant sand and gravel deposits in the region are found along Orestimba Creek, south of the project area. Sand and gravel resources are also found along the Stanislaus and Tuolumne Rivers, north of the project area (Conservation and Open Space, Stanislaus County General Plan Support Document).

### ***2.11.2 LOCALLY IMPORTANT MINERAL RESOURCES***

There are no known mineral resources that are locally important at the project locations.

### ***2.11.3 MINERAL RESOURCES SUMMARY***

The proposed acquisition and resulting construction activities would have no impact on availability of known mineral resources or locally important mineral recovery sites.

## **2.12 NOISE**

The two substations, eight severance points, and the three potential distribution tie-in locations are all located in predominately rural areas that are generally quiet but subject to intermittent noise from traffic and agricultural equipment. Typical noise levels in this type of area would range from 37 to 60 dB L<sub>eq</sub>. Higher noise levels are found in the vicinity of specific noise sources and along major roads. The Salado Substation is 1,500 feet east of Interstate 5, a major noise source, and the Davis Road tie-in location is 3,000 feet southwest of the Crows Landing Naval

**Air Station.** Although the airfield is currently closed, the runways and surrounding land may be converted to private use, and the area is likely to be exposed to aircraft noise at sometime in the future.

The nearest noise sensitive receptors are the residence that is located approximately 50 to 1000 feet west of the Patterson Substation and the residents along Fink Road in the community of Crows Landing.

### Significance Criteria

The project would have a significant noise impact if it were to expose people to noise levels in excess of standards established in a local general plan, noise ordinance, or applicable standards; generate excessive ground vibration or ground-borne noise levels; result in a substantial permanent, temporary, or periodic increase in ambient noise levels in the project vicinity; or expose people living near an airport or airstrip to excessive noise levels.

Table 2.12-1 presents the noise compatibility levels for the Stanislaus County General Plan. The Stanislaus County General Plan considers noise levels less than 65 dBA  $L_{dn}$  "normally acceptable" in residential areas and finds levels up to 75 dBA  $L_{dn}$  acceptable for agricultural areas. There are no noise policies specifically related to construction noise levels in these general plans.

**TABLE 2.12-1  
NOISE COMPATIBILITY FOR SELECTED LAND USES**

Land Use Category	Community Noise Exposure $L_{dn}$ or CNEL, dB			
	Normally Acceptable	Conditionally Acceptable	Normally Unacceptable	Clearly Unacceptable
Residential-Multi Family	<65	60-70	70-75	>75
Schools, Churches, Nursing Homes	<70	60-70	70-80	>80
Playgrounds and Parks	<70	N/A	67.5-75	>72.5
Office Buildings and Business	<70	67.5-72.5	>75	N/A
Industrial and Agriculture	<75	70-80	>75	N/A

Source: Stanislaus County General Plan

### **2.12.1 CONSTRUCTION NOISE IMPACTS**

The installation of new facilities at the substations, severance points, and distribution tie-in lines would temporarily increase noise levels in the vicinity of the construction activities. The intensity of point-source noise pollution typically reduces by 6 dBA for each doubling of distance.

The noisiest equipment during construction of the distribution tie-in lines would be the auger used to drill holes for the poles. Auguring would last for approximately fifteen minutes per pole. During busy construction periods, the average noise level could reach 75 dBA at 100 feet. Noise levels during construction would be audible to the occupants at the residences along Fink Road, but the impacts would be temporary and intermittent. Construction for the eight poles along Fink Road easement would only require approximately three days of work. All construction activity would take place between seven in the morning and seven in the evening. Fink Road, the main road in the community of Crows Landing and a major east-west route across the valley, is already subject to traffic noise, and the temporary effects of line construction would not be significant.

Construction activities at the eight severance points would use line construction equipment. Noise impacts at these points would also be insignificant.

The installation of metering, protection equipment, and fencing at the two substation sites would require some excavation, concrete pouring, and use of forklifts and trucks. Noise from these types of construction activities typically ranges from 78 to 89 dBA at 50 feet (EPA, Barnes, 1979). The loudest equipment, the diggers and backhoes, would be operational for up to four hours a day for up to five days during the beginning of construction. The other heavy machinery would only operate for a few hours a day, if needed, during the balance of the 4-month construction period.

The nearest residence is located approximately 50 to 1000 feet west of the Patterson Substation. The noise levels at this residence would probably exceed 70 to 75 dBA, the range of levels considered normally acceptable for agricultural areas, according to the criteria set out in the Stanislaus County General Plan. The impacts, however, would be intermittent, and construction activity at the substation would be complete in four months. There are no residences near the Salado Substation.

### **2.12.2 OPERATIONAL NOISE IMPACTS**

Electrical equipment typically produces little operational noise. Maintenance vehicles would be used occasionally to service the lines and substations but would not result in a significant increase in average noise levels in the project locations. Opening and closing of the air switches, such as at the Salado Substation, produces occasional abrupt noise levels, but this activity has been part of the normal operation at the substation and would not change significantly is not a result of the proposed change in ownership.

Noise can also be associated with corona (a high-field electrical discharge) from high voltage electrical power lines (345 kV or more), but the noise from proposed lower voltage 12 kV lines would scarcely be audible, even with wet weather.

### ***2.12.3 GROUND-BORNE NOISE VIBRATIONS***

Constructing activity along the distribution lines and at the substations would produce temporary vibrations in the ground immediately around each pole and excavation location, but the nearby residents would not notice the effects of these ground-borne vibrations. The impact of ground vibrations to the embankments of the Patterson Canal and the other facilities in the area would also be less than significant.

### ***2.12.4 NOISE LEVELS NEAR AIRPORTS AND AIRSTRIPS***

Although the Davis Road and Fink Road distribution lines are within two miles of the Crows landing Naval Air Field, the air field is closed and would have no additive effect on the noise impacts resulting from the acquisition of the Westside Zone.

### ***2.12.5 NOISE IMPACT SUMMARY***

Most of the construction activity resulting from the acquisition of the electrical facilities in the Westside Zone would take place in land zoned as agricultural with few nearby residences. Increased noise levels would be intermittent and temporary, with the loudest noise levels reaching 75 dBA at the nearby residences. The impact would be less than significant because the construction period would be only a few days long, and the noise would be intermittent. No significant noise impacts would result from the operation of the proposed facilities.

## **2.13 POPULATION AND HOUSING**

The proposed acquisition area is predominately rural with a growing residential population. Stanislaus County is one of the fastest growing counties in California (Stanislaus County General Plan). The applicable land use policies focus major population growth within existing urban areas and discourage the addition of new housing outside of areas planned for annexation.

### **Significance Criteria**

The proposed project would have a significant impact on population and housing if the project would cause local population projections to be exceeded, induce significant growth, or cause existing housing to be displaced in the project area.

### ***2.13.1 EXCEED LOCAL POPULATION PROJECTIONS***

The population of Stanislaus County grew 39% between 1980 and 1990 and is estimated to have grown an additional 16.8% since then. The City of Patterson has a population of 9,924

(California State Department of Finance, January 1998). Table 2.13-1 shows the historical population growth data for Stanislaus County, and Patterson.

Stanislaus County anticipates a population of 549,400 by the year 2005 and a population of 709,100 by the year 2015 as people move from the San Francisco Bay area to find affordable housing (Stanislaus County General Plan 1994). The projected population for Patterson is estimated at 18,000 by the year 2005 and 21,000 by the year 2015.

Construction of the proposed facilities would not significantly affect population projections in Patterson or elsewhere in Stanislaus County. No workers would need to relocate as a result of the project. Construction would probably take no more than a week and would be performed by TID and/or PG&E workers who live within commuting distance to the project area. Thus, there would be no direct impacts on population or housing in Patterson or Stanislaus County, and no mitigation measures are needed.

### 2.13.2 INDUCE SUBSTANTIAL GROWTH

The proposed project would primarily serve existing loads and would not directly effect population and housing in the area. The proposed transfer has the potential to result in lower electrical rates in the project area than would occur without the transfer. While reduced rates

**TABLE 2.13-1  
HISTORICAL POPULATION GROWTH**

Year	Stanislaus County	Patterson
1994	412,676	9,450
1995	--	9,475
1996	416,100	9,612
1997	419,500	9,841
1998	427,600	9,924
1999	435,500	10,386
2000	441,400	10,959
Average Annual Increase, 1988-1998	1.5%	2.1%

Source: City of Patterson ([www.evansinet.com/~pasncity/population](http://www.evansinet.com/~pasncity/population)).  
Stanislaus County (Stanislaus Council of Governments)

would improve the economic condition of businesses and residences in the area, this factor would not in itself induce substantial growth. Given the expansion in the economy and the limited affordable housing in the Bay Area, there are other factors that are already inducing growth in the acquisition area.

### **2.13.3 DISPLACE EXISTING HOUSING**

The proposed project would not displace any existing housing.

### **2.13.4 POPULATION AND HOUSING IMPACT SUMMARY**

The proposed acquisition and resulting construction activities would not significantly impact population or housing within the project area.

## **2.14 PUBLIC SERVICES**

The Westside Zone is located in the less developed, western portion of Stanislaus County and includes the City of Patterson, which provides services within its boundaries. The community of Crows Landing, the former Moffett Federal Airfield Crows Landing Flight Facility, the Diablo Grande development area, and the balance of the area to be acquired are all unincorporated areas that rely on public services from Stanislaus County.

PG&E contributes to the funding of services in the county through the franchise fees it pays for the use of the public rights of way. Unlike PG&E, which is a privately held company that must purchase its use of public easements, TID is an irrigation district and has the right to use public roads for the distribution of power (see Section 22475 of the Water Code of the State of California). TID must have a permission agreement to use public roads with the City of Patterson.

### **Significance Criteria**

The proposed project would have a significant impact if there were adverse physical impacts associated with new or altered fire protection, police protection, schools, parks, or other government services, including roads, required by the project.

### **2.14.1 FIRE PROTECTION, POLICE PROTECTION, SCHOOLS, AND OTHER GOVERNMENT SERVICES**

There would be no need for additional fire protection services from the Patterson Fire Department, as the project does not pose significant fire hazards. Electrical lines have the potential to start fires if the lines come in contact with nearby tree branches or other dry vegetation. Sparks or hot objects resulting from electrical faults or other causes may also ignite dry vegetation during windy conditions. Such fires are less common in populated industrial and agricultural areas that receive irrigation than in dry unattended forests. The only vegetation in the vicinity of the proposed project would be irrigated agricultural land. There are no trees in the vicinity of the proposed new distribution poles.

The proposed project would not cause any increase in population nor would it create a public facility requiring additional police protection. Schools are not located in the vicinity of the proposed project facilities, and no increase in student sizes would result from the proposed project. Parks and other recreational facilities are not located adjacent to the proposed project facilities or the proposed new distribution lines. There are no other governmental services that would be affected by the proposed project.

### **2.14.2 MAINTENANCE OF PUBLIC ROADS**

The proposed new distribution lines would not be located within the rights-of-way of county roads. Should an alternative require construction within the rights-of-way on Fink and Davis Roads, the road rights-of-way are adequate to avoid any significant traffic hazards. The other substations and distribution lines that TID would acquire are existing facilities and would create no impact on public roads. The eight severance points would involve minimal equipment to change crossarms and insulators, install down guys, and remove connecting span. This would not present any significant or unusual difficulty to road maintenance.

### **2.14.3 PUBLIC SERVICES SUMMARY**

The TID would not significantly impact public services in the project area.

## **2.15 RECREATION**

The Stanislaus County Parks and Recreation Department operates a wide array of recreational facilities around the six County Centers. They control and maintain approximately 10,000 acres of land and 6,000 acres of water. The City of Patterson alone, however, has three community parks, two neighborhood parks and a 25-acre community sports complex. Crows Landing has few recreational facilities other than the Bonita Pool.

### **Significance Criteria**

The proposed project would have a significant impact on recreation if there would be an increased demand for neighborhood parks or if existing recreational opportunities would be affected.

#### **2.15.1 INCREASE DEMAND FOR NEIGHBORHOOD PARKS**

The proposed facilities would not increase demand for neighborhood parks or affect recreational opportunities.

#### **2.15.2 AFFECT EXISTING RECREATIONAL OPPORTUNITIES**

The proposed project would not impact any designated recreation areas. No recreational impacts are expected in the future. The land surrounding the proposed substation is zoned for agriculture. Consequently, the proposed utility poles would not interfere with future recreational plans.



### **2.15.3 RECREATION IMPACT SUMMARY**

The proposed project would have no significant impact on recreation in the project area, and no mitigation measures are needed.

## **2.16 TRANSPORTATION AND CIRCULATION**

The project area in Stanislaus County is served by a network of freeways, regional arterials, and local streets, as well as mass transit systems. Interstate-5 passes through the Westside Zone

The acquisition of the existing distribution system would not affect traffic, nor would the construction of new facilities. Some of the new distribution line poles would be within public rights-of-way, however they would be in the shoulder and would not produce any traffic impacts. The substations are existing facilities within rural areas zoned for agriculture, and the severance points fall within fields, roads, orchards, or rolling hills. Work involved at the severance points would be temporary and would not produce any traffic impacts.

### **Significance Criteria**

The proposed project would have a significant impact on transportation if it would increase traffic congestion; exceed level of service ratings; produce hazards to safety from design features or incompatible uses; result in inadequate emergency access, or insufficient parking; produce hazards to pedestrians; conflict with alternative transportation; or impact rail, waterborne, or air traffic.

### **2.16.1 IMPACTS TO TRAFFIC CONGESTION AND LEVEL OF SERVICE**

The installation of the distribution line and severance facilities would not disturb traffic along the public roadways. There are two planned tie-in lines that would require new lines and poles. One of these would run perpendicular to Davis Road crossing through fields and open space. The second runs through open fields parallel but south of Fink Road. The alternative to the second tie-in would run alongside Fink Road between Medlin Road and Highway 33. Other distribution lines may eventually be constructed along Fink Road, between Bell and Davis Roads.

Distribution line construction within the local public road rights-of-way would require temporary and localized lane closures. As Fink Road does not have high traffic volumes, the impact to traffic would be minimal. Lane closures are anticipated to last several hours. Crews would use signs or flagmen to alert drivers of approaching lane closures and construction activity.

### **2.16.2 INCREASE HAZARDS TO ROAD SAFETY OR INCOMPATIBLE USES**

Although the overwhelming number of vehicles on the roadway pass by utility poles without producing accidents, vehicles veering from public roads have been known to collide with utility poles, usually for reasons unrelated to the pole. The rights-of-way on Fink and Davis Roads are wide enough to allow for an ample space between the pole and the paved surface and avoid any

significant traffic hazards. The installation of metering and protection devices at the substations would not cause any significant traffic hazards.

### ***2.16.3 INADEQUATE EMERGENCY ACCESS AND INSUFFICIENT PARKING***

The proposed project would not impact emergency access for the population in this area. There would be little or no impact to parking during construction of the new distribution lines.

### ***2.16.4 HAZARDS TO PEDESTRIANS, CONFLICTS WITH ALTERNATIVE TRANSPORTATION, AND IMPACTS TO RAIL, WATERBORNE***

Neither the modifications to the existing facilities nor the new distribution poles would create hazards or barriers to pedestrians. Few pedestrians use Fink Road where the alternative tie-in is located, and the design would adhere to safety codes for ground clearances. They would also have no conflict with alternative transportation such as buses and would have no impact on rail, waterborne, or air traffic.

### ***2.16.5 CHANGE AIR TRAFFIC PATTERNS OR INCREASE AIR TRAFFIC HAZARDS***

The tie-in that extends perpendicular to Davis Road is more than 3000 feet from the Naval Auxiliary Landing Field. Distribution line poles would be less than 45 feet tall and would not extend into air safety zones. The proposed project would not cause any change to existing air traffic patterns or congestion. Crop dusting aircraft typically fly low over agricultural fields, so power lines and other obstructions can create hazards to the pilots (see Section 2.2, Agriculture). With the proposed mitigation measures in agriculture, the impact of the proposed project on air traffic would be less than significant.

### ***2.16.6 TRANSPORTATION IMPACT SUMMARY***

By implementing the identified mitigation, the proposed project would not create significant impacts to transportation, circulation, or parking, nor would it create traffic hazards.

## **2.17 UTILITIES AND SERVICE SYSTEMS**

Utility services in the Westside Zone of Stanislaus County are provided by both public and private entities. PG&E currently provides the electrical and gas utilities in the Westside Zone. Both Pacific Bell and Evans Communications provide communication services in the area. The City of Patterson provides water, storm drain, and sewage treatment services within its city limits, and the Patterson Irrigation District, the West Stanislaus Irrigation District and the Del Puerto Water District provide irrigation water in the acquisition area. Stanislaus County manages the county landfill on Fink Road.

### **Significance Criteria**

The proposed project would have a significant environmental impact on utilities and service systems if it would exceed wastewater treatment requirements established by the Regional Water Quality Control Board (RWQCB), resulting in the need for new facilities for wastewater treatment or storm water drainage; require additional water supplies; exceed the available landfill capacity, or not comply with federal, state, and local statutes and regulations related to solid waste. Since electrical power is an essential public service, any substantial loss in local reliability would also be a significant impact.

#### ***2.17.1 RWQCB WASTEWATER TREATMENT REQUIREMENTS***

The acquisition and related modifications to substations and distribution lines would not result in any wastewater discharges, and, therefore, the proposed project would not impact any wastewater treatment requirements established by the RWQCB.

#### ***2.17.2 WASTEWATER TREATMENT OR STORM WATER DRAINAGE FACILITIES***

The project would not result in any discharges or additional storm water runoff. Therefore, no additional wastewater treatment or storm drainage facilities would be needed, and the project would not affect these utilities.

#### ***2.17.3 WATER SUPPLIES***

The planned construction at the substations and the distribution tie-in lines would require a small amount of water for dust control. This water would be available from existing irrigation district resources, and no additional entitlements would be necessary. Therefore, there would be no impact on water supplies from this project.

#### ***2.17.4 SOLID WASTE AND REGULATORY COMPLIANCE***

Construction crews would dispose of any debris from construction activities at local landfills. The amount of waste would be negligible and is not expected to include any hazardous materials. Construction along the Fink Road alternatives would require the replacement of approximately 25 wood poles. TID would recycle the poles, if they were still usable. Typically, utility poles do not exceed the federal hazardous waste criteria (particularly if they are only treated on one end and this end has been buried for some time). Under California law, non-Resource Conservation and Recovery Act (RCRA) wastes may be recycled under certain circumstances. Non-RCRA utility poles may be reused by the district provided they are stored and handled properly. Extra poles may be given to adjacent landowners, employees, nonprofit groups, or other customers provided that are not burned, chipped or mulched, or used as structural supports. Large poles may be used for landscaping.

### **2.17.5 ELECTRIC UTILITIES**

The severance of the electrical distribution system from the remainder of the PG&E system would not result in a significant loss of reliability of electrical service in the region. The severance points and the boundary of the Westside Zone were established after detailed discussions with PG&E. The points were selected to minimize disruption of electrical service in the area. PG&E would retain ownership of the 60-kV lines in the Westside Zone and would still be able to transmit power between the Patterson, Salado and other substation in the area. As a result of the planned tie-in lines, all PG&E customers along the periphery of the zone would be served from the substations outside the area with a level of reliability that is comparable to present service, and TID will be able to provide comparable service for all its customers within the Westside Zone.

### **2.17.6 UTILITIES SUMMARY**

The proposed project would have little or no impact on public utilities and service systems.

## **2.18 MANDATORY FINDINGS OF SIGNIFICANCE**

With the incorporation of the recommended mitigation measures, the proposed acquisition and resulting construction at the substations, severance points, and distribution tie-in lines would not produce any environmental effects that would result in a mandatory finding of significance, as identified in Section 15065 of the CEQA Guidelines.

### **2.18.1 POTENTIAL TO DEGRADE THE QUALITY OF THE ENVIRONMENT, SUBSTANTIALLY REDUCE FISH AND WILDLIFE HABITAT, CAUSE POPULATIONS TO DROP BELOW SELF-SUSTAINING LEVELS, THREATEN OR ELIMINATE PLANT OR ANIMAL COMMUNITIES, REDUCE THE NUMBER OR RESTRICT THE RANGE OF PROTECTED SPECIES, OR ELIMINATE IMPORTANT EXAMPLES OF CALIFORNIA HISTORY OR PREHISTORY**

Biological surveys show that the acquisition and related construction activity would not substantially degrade the quality of the environment, substantially reduce fish and wildlife habitat, cause populations to drop below self-sustaining levels, or eliminate plant or animal communities. The project would not threaten any plant or animal communities or reduce the number or restrict the range of any protected species. Cultural resource surveys show that the project would not eliminate important examples of California history or prehistory.

### **2.18.2 IMPACTS THAT ARE INDIVIDUALLY LIMITED, BUT CUMULATIVELY CONSIDERABLE**

The cumulative impacts of the proposed project are not significant. Cumulative impacts would occur if the projects were to add substantially to existing environmental concerns or induce substantial growth in the area.

The acquisition of the resulting construction would result in some impacts that add to ongoing environmental concerns in the project area. Among these concerns are the conversion of agricultural land to nonagricultural uses and the high ambient concentrations of ozone and particulates. The proposed project would result in the additional loss of less than 0.001 acres of agricultural land. The loss of less than an acre of land is an insignificant incremental impact. The loss of agricultural land in the region would be essentially the same whether or not this project is implemented.

Similarly, the emissions of ozone precursors would be well below the significance level established by the SJVUAQMD and would not appreciably affect the regional ozone levels. Particulate emissions would be controlled by compliance with air district regulations. Implementation of the project would not have an appreciable effect on these cumulative air quality concerns in the air basin.

Although impaired water quality is a significant concern in the region, the project would not discharge any pollutants to surface waters and would have a negligible effect on water quality in the area. Disposal of construction debris would have an insignificant effect on groundwater or landfill capacity.

Finally, the proposed project could produce cumulative impacts if it would lead to other similar projects or induce substantial growth. The proposed project is being undertaken to provide service to existing customers in the Westside Zone and would not result in other projects in the region. While there may be long-term benefits in the area from connecting to the TID system, the change in utility providers is not expected to induce substantial growth in the area. The cost of utilities is only one factor that affects the siting of future residences and businesses.

In summary, the incremental effect of the proposed project on agricultural land and air quality is insignificant and would not have an appreciable effect on these significant concerns. There would be no adverse cumulative impacts from other construction activity in the project area. The proposed project would not require the development of other projects in the TID electrical system or induce growth the greater project area.

### ***2.18.3 ADVERSELY AFFECT HUMAN BEINGS***

The proposed project would not significantly produce environmental effects that would cause substantial adverse effects on human beings, either directly or indirectly. Potential effects resulting for humans from hazardous materials is possible, but standard practices and mitigation measures are in place to ensure that the impacts would be less than significant. The project would not significantly affect local utilities, municipal systems, transportation and public service systems, population and housing, or recreational resources.

## **SECTION 3**

### **REFERENCES**

---

- Applied EarthWorks, Inc. Cultural Resources Studies for the Turlock Irrigation District Westside Acquisition Project, Stanislaus County, California. February, 2001.
- Banks, Peter M. An Archaeological Reconnaissance of the Fink Road Landfill Project, Stanislaus County. California Archaeological Consultants, Inc., Oakland, CA. 1984.
- California Air Resources Board. Standards for Delivery Trucks and Gasoline Pickup Trucks. 1992.
- California Air Resources Board, <http://www.arb.ca.gov/>. Turlock Air Quality Monitoring Station. 1999.
- California Department of Fish and Game. *Staff Report Regarding Mitigation for Impacts to Swainson's Hawk (Buteo swainsoni) in the Central Valley of California.* 1994.
- California Department of Fish and Game. Natural Diversity Data base. 2000.
- Canaday, T., M. Ostrogorsky, and M. Hess. *Archaeological Survey of Right-of-Way Corridor and Extra Work Spaces, Construction Spread 5B, California, PGT-PG&E Pipeline Expansion Project.* INFOTEC Research, Inc., Fresno, CA. 1992.
- Davis-King, Shelley. Historic Properties Survey Report for the proposed Fink Road Landfill Expansion, Stanislaus County, California. Davis-King & Associates, Standard, California. 1999.
- Department of Conservation Office of Land Conservation. *California Agricultural Land Evaluation and Site Assessment Model Instruction Manual.* 1997.
- Derr, Eleanor. Cultural Resources Study for Pacific Bell Mobile Services, 22118 G Street, Crows Landing, Stanislaus County, Site No. PL-CWL-M1. Cultural Resources Unlimited, Rancho Cordova, CA. 1998.
- Federal Emergency Management Agency. Flood Insurance Rate map, Stanislaus County. revised September 29, 1989.
- Gooch, K.M. *Stanislaus County: An Illustrated History.* 1988.

- Harris, Cyril M., Editor, *Handbook of Acoustical Measurements and Noise Control, Third Edition*. 1991.
- Holman and Associates. Beltran/Shumake Planned Development Archaeological Report. Holman and Associates Archaeological Consultants, San Francisco, CA. 1988.
- International Conference of Building Officials. *Uniform Building Code*. 1994.
- Latta, F.F. *Handbook of Yokut Indians*. 1949.
- Leary, W. "Panel Sees No Proof of Health Hazards from Power Lines," *The New York Times*, pg. A1. November 1, 1996.
- Moratto, M.J., et al. *Cultural Resources Assessment Report, PGT-PG&E Pipeline Expansion Project, Idaho, Washington, Oregon, and California, Phase 1: Survey, Inventory, and Preliminary Evaluation of Cultural Resources*. INFOTEC Research, Inc., Fresno, CA. 1990.
- Moratto, M.J. et al. *Project Overview, Research Design, and Archaeological Inventory*. Archaeological Investigations, PGT-PG&E Pipeline Extension Project, Idaho, Washington, Oregon, and California, Vol I, Michael J. Moratto, general editor. INFOTEC Research Inc., Fresno, CA. 1994.
- National Institute of Environmental Health. *Health Effects from Exposures to Power-Line Frequency Electric and Magnetic Fields*. NIH Publication No. 99-4493. 1999.
- National Institute of Health. *Assessment of Health Effects from Exposure to Power-Line Frequency Electric and Magnetic Fields, Working Group Report*. 1998.
- New England Journal of Medicine vo. 337. *Residential Exposure to Magnetic Fields and Acute Lymphoblastic Leukemia in Children*. July 1997.
- Peter Klaveness & Associates. California Park South Noise Study. Undated.
- Public Utilities Commission of the State of California. *General Order No. 95*. November 1990.
- San Joaquin Valley Unified Air Pollution Control District. *Guide for Assessing and Mitigating Air Quality Impacts*. April, 1998.
- San Joaquin Valley Unified Air Pollution Control District. URBEMIS 7G Modeling Program. 1998.
- Secor, 2001a, *Phase I Environmental Site Assessment Report and Soil Sampling Program, Pacific Gas and Electric Company, Patterson Substation, Oak Flat Road, Patterson, California*, February, 2001.

- Secor, 2001b, *Phase I Environmental Site Assessment Report and Soil Sampling Program, Pacific Gas and Electric Company, Salado Substation, Orange and Elm Avenues, Patterson, California*, February, 2001.
- Stanislaus County Department of Planning and Community Development. *General Plan Support Documentation*. June 1987.
- Stanislaus County Department of Planning and Community Development. *Stanislaus County General Plan*, October 1994.
- Stanislaus County Department of Planning and Community Development. Zoning map. May 1999.
- Turlock Irrigation District. Rule 1050.001. February 1992.
- U.S. Army Corps of Engineers. Technical report Y87-1. U.S. Army Corps of Engineers Waterways Experiment Station, Vicksburg, MI. 1987.
- U.S. Fish and Wildlife Service. Species list.
- U.S. Environmental Protection Agency. AP-42 for Heavy Duty Diesel Construction Equipment and Delivery Trucks and Gasoline Pickup Trucks. 1995.
- U.S. Environmental Protection Agency. *Noise from Construction Equipment and Operations*. Prepared by Bolt et al. Beranek, and Newman, Boston, MA. 1971.
- U.S. Environmental Protection Agency. Barnes. *Power Plant Construction Noise Guide*. 1976.
- U.S. Environmental Protection Agency. *Procedures for Emission Inventory Preparation Volume IV: Mobile Sources*. 1992.
- U.S. Environmental Protection Agency. Region 9 Preliminary Remediation Goals. 1999.
- U.S. Geological Survey. 7.5 minute Quadrangles: Brush Lake (1976), Crows Landing (1970), Patterson (1971), Westley (1980).



# **APPENDIX A**

---

## **SPECIAL-STATUS PLANT AND WILDLIFE SPECIES DOCUMENTED OR POTENTIALLY OCCURRING IN THE GREATER PROJECT VICINITY**

**THIS PAGE LEFT INTENTIONALLY BLANK**

TABLE A-1  
SPECIAL-STATUS PLANT SPECIES DOCUMENTED OR POTENTIALLY-OCCURRING IN THE GREATER PROJECT VICINITY

Common Name	Scientific Name	Federal Status <sup>a</sup>	State Status <sup>b</sup>	CNPS List <sup>c</sup>	Habitat	Likelihood of Occurrence
Vernal pool smallscale	<i>Atriplex persistens</i>	none	none	1B	Alkaline vernal pools	Very low: the CNDDDB (2000) contains one occurrence of this species; there is no suitable habitat for this species within any of the survey areas.
Heartscale	<i>Atriplex cordulata</i>	SC	none	1B	Valley and foothill grassland, chenopod scrub	Very low: intensively cultivated fields and highly disturbed ruderal vegetation do not represent suitable habitat for this species; the CNDDDB (2000) contains only one historical occurrence in the greater project vicinity.
Brittlescale	<i>Atriplex depressa</i>	none	none	1B	Chenopod scrub, valley and foothill grassland, meadows, and vernal pools.	Very low: intensively cultivated fields and highly disturbed ruderal vegetation do not represent suitable habitat for this species; the CNDDDB (2000) contains only one occurrence in the greater project vicinity, this occurrence is along the San Joaquin River.
Big tarplant	<i>Blepharizonia plumosa</i> ssp. <i>plumosa</i>	none	none	1B	Valley and foothill grassland	Very low: intensively cultivated fields and highly disturbed ruderal vegetation do not represent suitable habitat for this species; the CNDDDB (2000) contains only one 1878 occurrence in the greater project vicinity.
Delta button-celery	<i>Eryngium racemosum</i>	SC	E	1B	Riparian scrub; seasonally inundated floodplain on clay soils.	Very low: intensively cultivated fields and highly disturbed ruderal vegetation do not represent suitable habitat for this species; the CNDDDB (2000) contains only one occurrence in the greater project vicinity, this occurrence is along the San Joaquin River.
Diamond-petaled poppy	<i>Eschscholzia rhombipetala</i>	SC	none	1B	Valley and foothill grassland.	Very low: intensively cultivated fields and highly disturbed ruderal vegetation do not represent suitable habitat for this species; the CNDDDB (2000) search revealed only one occurrence, just northwest of the project area.
Alkali milk-vetch	<i>Astragalus tener</i> ssp. <i>tener</i>	SC	none	1B	Valley and foothill grassland, vernal pools	Very low: intensively cultivated fields and highly disturbed ruderal vegetation do not represent suitable habitat for this species; the CNDDDB (2000) contains only one historical occurrence within the greater project area.

<sup>a</sup> SC=Species of Concern.

<sup>b</sup> T = Threatened; E = Endangered; SC=State of California Species of Special Concern.

<sup>c</sup> CNPS L list 1B includes species that are rare, threatened, or endangered in California and elsewhere.

SOURCE: Moore Biological Resources

TABLE A-2  
SENSITIVE WILDLIFE SPECIES DOCUMENTED OR POTENTIALLY OCCURRING IN THE GREATER PROJECT VICINITY

Common Name	Scientific Name	Federal Status <sup>a</sup>	State Status <sup>b</sup>	Habitat	Likelihood of Occurrence
Swainson's hawk	<i>Buteo swainsoni</i>	none	T	Nesting: large trees, usually within riparian corridors; foraging: agricultural fields and grassland.	Moderate: the CNDDDB (2000) contains numerous occurrences throughout the greater project vicinity. The closest occurrence to a nesting Swainson's hawk with respect to any of the survey areas is approximately one mile northeast of the Patterson substation along the San Joaquin River.
Alutian Canada goose	<i>Brania canadensis leucopareia</i>	T	none	Forages in cultivated grain fields or pasture; loafs on lakes, reservoirs, and ponds.	Moderate: the CNDDDB (2000) contains two occurrences just north of the project area; however, much of the project area is suitable for wintering geese.
Prairie falcon	<i>Falco mexicanus</i>	none	SC	Breeds on cliffs; forages in dry, open, hilly, or flat grasslands.	Very low: the CNDDDB (2000) contains only one occurrence of nesting prairie falcons in cliffs in the foothills west of the project area; may occasionally forage in the area.
Tricolored blackbird	<i>Agelaius tricolor</i>	SC	none	Seeks cover in wetland vegetation, especially tules and cattails; also in trees and shrubs.	Moderate: may use agricultural fields to forage; however, there is no nesting habitat within or near any of the survey areas; the CNDDDB (2000) contains several occurrences within the greater project vicinity.
Burrowing owl	<i>Athene cunicularia</i>	SC	none	Uses ground squirrel or other small mammal burrows for roosting and nesting cover.	Low: limited areas within the project site provide suitable burrow habitat and intensively farmed fields represent low quality habitat for this species; the CNDDDB (2000) does not contain any occurrences within the immediate survey areas but does contain two occurrences in the greater project vicinity.
San Joaquin kit fox	<i>Vulpes macrotis mutica</i>	E	T	Inhabits open, dry annual or perennial grasslands and scrublands with loose soil for denning.	Low: range of this species is primarily the foothills located west of the California Aqueduct, however, range extended out to the valley floor near Patterson; intensively farmed fields serve as limited habitat for this species.
Sacramento splittail	<i>Pogonichthys macrolepidotus</i>	T	SC	Lower reaches of the Sacramento-San Joaquin Delta in low to moderate salinity.	Very low: occurs in the San Joaquin River; the CNDDDB (2000) contains one occurrence within the greater project vicinity, however there is no habitat for this species near any of the survey areas.
California tiger salamander	<i>Ambystoma californiense</i>	C	SC	Seasonal water bodies without fish (i.e., vernal pools and stock ponds) with surrounding grassland/ woodland habitats containing burrows.	Very low: there is no breeding habitat within the survey areas; the CNDDDB (2000) contains only one occurrence of this species within the greater project vicinity.

**TABLE A-2  
SENSITIVE WILDLIFE SPECIES DOCUMENTED OR POTENTIALLY OCCURRING IN THE GREATER PROJECT VICINITY**

Common Name	Scientific Name	Federal Status <sup>a</sup>	State Status <sup>b</sup>	Habitat	Likelihood of Occurrence
Western spadefoot toad	<i>Scaphiopus hammondi</i>	SC	none	Most of the year this species is found in underground burrows, in drying mud cracks, and under surface objects. Grasslands with vernal pools are optimal habitats.	Very low: there is no breeding habitat within the survey areas; the CNDDB (2000) contains three occurrence of this species within the greater project vicinity, all of which are in Salado Creek.
Moestan blister beetle	<i>Lytta moesta</i>	SC	none	Annual grassland, foothill woodland, and saltbush scrub. Habitat and life history poorly understood.	Very low: intensively cultivated fields and highly disturbed ruderal vegetation do not represent suitable habitat for this species; the CNDDB (2000) search revealed only one occurrence, just northwest of the project area.
Valley elderberry longhorn beetle	<i>Desmocerus californicus dimorphus</i>	T	E	Elderberry shrubs, usually in Central Valley riparian habitats.	None: no elderberry shrubs were located during the recent survey; the CNDDB (2000) does not contain any occurrences within the project area; however, the CNDDB contains one occurrence just northeast of the project area.

<sup>a</sup> T = Threatened; E = Endangered; C = Candidate; SC = Species of Concern

<sup>b</sup> T = Threatened; E = Endangered; SC = State of California Species of Special Concern

SOURCE: Moore Biological Resources

# **APPENDIX B**

---

## **SCREENING AIR TOXICS HEALTH RISK ASSESSMENT FOR THE METERING PAD AT THE PATTERSON SUBSTATION**

THIS PAGE LEFT INTENTIONALLY BLANK

## SCREENING AIR TOXICS HEALTH RISK ASSESSMENT FOR THE METERING PAD AT THE PATTERSON SUBSTATION

An air toxics health risk assessment was carried out for the construction of a metering pad at the Patterson Substation. It was assumed that, during construction, 4 holes would be dug as foundation for the pad. Each hole would be about 1 square yard in area and 1 yard deep. For the 4 holes, approximately 4 cubic yards of soil would be excavated and dropped into truck beds and removed from the site. During this operation, a fraction of the soil that is contaminated with arsenic would become airborne and would be transported offsite by the wind.

Emissions of the arsenic-contaminated particulate matter were estimated using EPA emission factors published in AP-42. The emission factors for construction site handling of soil are reported in Sections 13.2.3 and 13.2.4 of AP-42. These emission factors were derived from field measurements at similar sites.

The equation reported in Section 13.2.4 of AP-42 for dropping soil onto truck beds is given below:

$$E(\text{kg/Mg}) = k \times (0.0016) \times (U/2.2)^{1.3} / (M/2)^{1.4}, \text{ where:}$$

**E** = PM-10 emission factor in kilograms per million grams of soil dropped,

**k** = particle size multiplier for PM-10 (dimensionless),

**U** = mean wind speed, meters per second,

**M** = material moisture content (%).

It was assumed that the moisture content of the 4 cubic yards of soil would be 2%, and the bulk density is 1.5 kg/m<sup>3</sup>. If all of the soil is removed in one day, the PM-10 emissions from the site would be 3.96 grams, based on the above equation.

Ambient air concentrations of PM-10 were estimated using the EPA dispersion model SCREEN3. This model can calculate the maximum one-hour concentrations of PM-10 at receptors downwind of the construction site. Based on the one-hour concentrations, maximum daily and long-term average concentrations can be estimated at the same receptors. The nearest sensitive receptors from the construction site are residences to the south-southwest of the substation, about 50 to 100 meters away. The SCREEN3 modeling results show that the maximum one-hour downwind concentration would be 4 to 6 micrograms per cubic meter. If the construction is an 8-hour day, the maximum daily concentration would be reduced by at least a factor of three, or would range between 1.3 to 2.0 micrograms per cubic meter. The long-term average concentration would be reduced even further, because of the time period when no emissions occur. The annual average concentration would be about 0.005 micrograms per cubic meter, an extremely low concentration.

Since the arsenic is contained in the soil being removed, exposure would be dependent on the concentration of arsenic in the soil particles. The Phase 1 soil analysis indicates that the



concentration of arsenic is about 150 mg/kg. Assuming this arsenic contamination, the estimated arsenic concentrations at the nearest offsite residences are given below:

<u>Time average</u>	<u>Maximum Concentration (ug/m<sup>3</sup>)</u>
24-hr	3.0 X 10 <sup>-4</sup>
Annual	8.1 X 10 <sup>-7</sup>

The maximum cancer risk from exposure to arsenic was estimated using the unit risk value for arsenic ( $3.3 \times 10^{-3}/\text{ug}/\text{m}^3$ ) published by CA Office of Environmental Health Hazard Assessment (OEHHA). The maximum risk was estimated to be  $2.8 \times 10^{-11}$ , or well below the significance threshold of  $1 \times 10^{-6}$ . The chronic and acute exposure levels are also well below the chronic and acute acceptable exposure levels (AELs) of  $0.5 \text{ ug}/\text{m}^3$ . Therefore the impacts from constructing the metering pad at the Patterson station would not be significant.

# TURLOCK IRRIGATION DISTRICT WESTSIDE ACQUISITION PROJECT MITIGATION MONITORING PLAN

Pursuant to Section 21081.6 of the Public Resources Code, Turlock Irrigation District (TID) has developed a program to monitor the implementation of the mitigation measures identified in the Mitigated Negative Declaration for the Westside Acquisition Project. Under the proposed agreement with Pacific Gas and Electric Company (PG&E), PG&E crews will perform the work at the severance points, and TID crews will perform the engineering, planning, and construction of the distribution tie-in lines within the Westside service zone. Crews will install the metering equipment and make the other physical changes at the substation. TID is responsible for ensuring implementation of the adopted mitigation measures for the project and will need to monitor the activities of the all worker crews as necessary to ensure compliance with the adopted measures. Mitigation monitoring will occur in the following phases:

## 1. Distribution Lines

- Engineering and Right-of-Way Planning
- Construction Activities
- Ongoing Operations

## 2. Substation Construction

### 1. DISTRIBUTION LINES

TID will perform the engineering and right-of-way planning for distribution tie-in lines for the TID Westside Acquisition Project. After certification of the project and prior to the start of construction, the TID Project Manager or his designee shall prepare a report that describes the final route of the distribution tie-in lines and verifies that the adopted mitigation measures have been performed. The reporting requirements are listed after each measure.

#### **Engineering and Right-of-Way Planning**

The following mitigation measures relate to the engineering and right-of-way planning of the tie-in lines:

***Agriculture-2*** Consult with the landowners concerning the placement of poles in cultivated land and relocate the poles, as practical, to produce the least disturbance to irrigation equipment and farming practices. *Document landowner contact and record any landowner requests on pole placement.*

***Agriculture-3*** If a landowner is concerned with potential impacts to aerial application of pesticides, adjust the location of the proposed lines and pole height and configuration, where practical, to reduce impacts to flight patterns. *Record any landowner concern with impacts to aerial application and, if the landowner requests adjustments, document the adjustments or explain why adjustments are not practical.*

***Biology-1***

If the Fink Road alternative is used, have a qualified biologist conduct pre-construction surveys for nesting raptors where tree trimming or removal appears to be necessary. These surveys would only be necessary for construction between April 1 and September 15. In the event that nesting raptors such as Swainson's hawk or other migratory birds are found nesting in a tree to be removed or trimmed, construction should be delayed until the biologist confirms nesting has been completed and the young are capable of flying and foraging independently. *If construction on the Fink Road alternative is planned, document the dates of construction. If construction is planned between April 1 and September 15, include a report by a qualified biologist and summarize the implementation of any recommendations. A qualified biologist familiar with the project is:*

*Diane Moore  
Moore Biological Consultants  
1300 W. Lodi Avenue, Suite A16  
Lodi, CA 95242  
Voice: (209) 365-6828  
Fax: (209) 365-6829*

*Qualified biologists are also available from*

*Stu Russell  
Environmental Science Associates  
225 Bush Street, Suite 1700  
San Francisco, CA 94104  
Voice: (415) 896-5900  
Fax: (415) 962-2900*

***Cultural-1***

When landowners have granted the private easements west of Davis Road and east of Medlin Road, perform preconstruction cultural resource surveys of these routes if the relocated routes include areas not disturbed by intensive agricultural operations. *Note the existing conditions at the site of the final route west of Davis Road. If the area is not disturbed in intensive agriculture, provide a copy of the cultural resources preconstruction survey.*

***Hazards-3***

When excavating in contaminated soil areas, follow applicable requirements of Comprehensive Environmental Response, Compensation, and Liability Act and the California Code of Regulations Title 22 regarding the disposal of wastes. *Maintain records of all contaminated soils removed during project construction. Compliance with state and federal requirements needs to be documented, including applicable generator manifest and reporting requirements.*

***Hazards-4***

In the event that the Fink Road alternative through Crows Landing is used to tie the severed distribution lines into the PG&E system, contact the landowner and the Stanislaus County Environmental Health Services Department to identify the extent of the leaking tank on the 1998 Cortese list and locate the replacement poles

outside the contaminated area, if possible. *If the Fink road alternative is used, provide records on contact with landowner and the Stanislaus County Environmental Health Services Department. Document that the location is outside the contaminated areas. If excavation must occur in the contaminated area, document why relocation is not possible and apply Mitigation Measure Hazards-4.*

The engineering and right-of-way compliance report should be prepared prior to the start of construction.

### **Construction Contracts**

The following measures relate to actual construction activities and should be incorporated into any construction contracts. The TID Project Manager or his designee shall verify that the following mitigation measures have been incorporated into contractor instructions:

***Agriculture-1*** Re-till agricultural land used for laydown activities and pole placement to offset compaction caused by heavy material storage and construction activities, as requested by the landowner.

***Cultural-2*** If previously unidentified subsurface archaeological or paleontological features or deposits are uncovered during construction, stop work immediately in the vicinity of a discovery, and contact a qualified cultural resources consultant to determine if the resource is significant. *Notify the TID Project Manager if archaeological or paleontological features are discovered during construction. Maintain records if archaeological or paleontological features are encountered during construction. A qualified cultural resources consultant familiar with the project is:*

*Mark Clark Baloian  
Applied EarthWorks  
5090 North Flint Avenue, Suite 101  
Fresno, CA 93711-3064  
Voice: (209) 229-1856  
Fax: (209) 229-2019*

### **Ongoing Operations**

The following mitigation measure relates to ongoing operations. Implementation of the following mitigation measures will be TID's responsibility and should also be incorporated into TID standard practices.

***Hazards-5*** Inspect the acquired distribution lines annually to maintain at least 18 inches of separation between the conductors and nearby flammable vegetation. *Maintain records of line inspections.*

## **2. Substation Construction**

TID shall provide a written report that documents compliance with the following conditions:

***Hazards-1*** Prior to construction, educate workers on the identification and handling of hazardous materials, spill-containment methods, and agency notification procedures. Notify agencies and perform the required remediation if there is a release of reportable quantities of PCB oils, petroleum products, or other hazardous substances during construction. *Include worker education requirements and notification procedures in construction contract documents. Maintain records of work attendance of education sessions. Any release of the following quantities of pollutants is reportable:*

<i>PCBs</i>	<i>1 pound</i>
<i>Petroleum products</i>	<i>42 gallons</i>
<i>Arsenic compounds</i>	<i>1 pound</i>

*Accidental spills or releases of amounts equal to or greater than these quantities should be reported immediately to the local agencies and to Les Berger at TID (209) 883-8349. Local agency contact is the following:*

*Brad Hicks  
Stanislaus County Environmental Resources  
3800 Cornicopia Way  
Modesto, CA 95358  
Voice: (209) 525-6700  
Fax: (209) 525-6773*

***Hazards-2*** Wet down the sites and implement dust control measures prior to and during any excavation activity at the Patterson Substation to prevent exposure to air-borne particulates. Have workers wear gloves or other protective clothing when handling soils at the Patterson Substation. *Presoak the construction site prior to construction each day unless 0.25 inches of precipitation have fallen in the past 24 hours and apply water as often as necessary during the construction activity to maintain moist conditions and prevent visible particulate emissions. Document worker use of protective clothing.*

***Hazards-3*** When excavating in contaminated soil areas, follow applicable requirements of Comprehensive Environmental Response, Compensation, and Liability Act and the California Code of Regulations Title 22 regarding the disposal of wastes. *Maintain records of all contaminated soils removed during project construction. Compliance with state and federal requirements needs to be documented, including applicable generator manifests and reporting requirements.*

**TURLOCK IRRIGATION DISTRICT  
WESTSIDE ACQUISITION PROJECT**

**MITIGATED NEGATIVE DECLARATION  
DISTRIBUTION LIST**

The following agencies and interested parties receive a copy of the Initial Study and proposed Mitigated Negative Declaration for the Turlock Irrigation District Westside Acquisition Project.

**Local Responsible Agencies**

City of Patterson  
P.O. Box 667  
Patterson, CA 95363  
Attn.: Rod Simpson, Planning Department

**State Agencies**

State Clearinghouse (15 copies)  
1400 Tenth Street  
Sacramento, CA 95814

**State Responsible Agencies Receiving Clearinghouse Copies**

Department of Transportation  
1976 E. Charter Way  
P.O. Box 2048  
Stockton, CA 95201  
Attn.: Carlos P. Yamzon

California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
Attn.: Andrew Barnstable

**State Trustee Agencies Receiving Clearinghouse Copies**

Department of Fish and Game  
Environmental Services  
1234 East Shaw Avenue  
Fresno, CA 93710  
Attn.: Dr. Jeff Single

Native American Heritage Commission  
915 Capitol Mall, Room 364  
Sacramento, CA 95814  
Attn.: Debbie Treadway

**Federal Trustee Agencies**

US Fish and Wildlife Service  
3310 El Camino Avenue, Suite 130  
Sacramento, CA 95821  
Attn.: Shelia Larsen

**Local Concerned Agencies/ Interested Parties**

Stanislaus County  
Planning and Community Development  
1100 H Street, 2nd Floor  
Modesto, CA 95354  
Attn.: Kirk Ford

Stanislaus County  
Public Works Department  
1100 H Street  
Modesto, CA 95354  
Attn.: Ron Cherrier

Stanislaus County  
Environmental Health Services  
3800 Cornicopia Way  
Modesto, CA 95358  
Attn: Brad Hicks, Senior Hazardous Materials Specialist

Patterson Irrigation District  
P.O. Box 685  
Patterson, CA 95363  
Attn.: John Sweigard, General Manager

Mariposa County Planning Department  
P.O. Box 2039  
Mariposa, CA 95338-2039  
Attn: Eric Jay Toll

Tuolumne County Community Development Department  
2 South Green Street  
Sonora, CA 95370  
Attn: Beth Shane

Pacific Gas and Electric Company  
77 Beale Street  
San Francisco, CA 94105  
Attn: Steve Garber

Pacific Gas and Electric Company  
1524 North Carpenter Road  
Modesto, CA 95351-1110  
Attn: Jim Johnson

**Stanislaus County Library  
46 N Salado Avenue  
Patterson, CA 95363**

**Griffith, Masuda, Godwin & Errick  
517 E. Olive Avenue  
P. O. Box 510  
Turlock, CA 95381  
Attn: Roger Masuda**

**Turlock Irrigation District (3 copies)  
333 East Canal Drive  
Turlock, CA 95381-0949  
Attn: Kirk Tabar**





Gray Davis  
GOVERNOR

STATE OF CALIFORNIA  
Governor's Office of Planning and Research  
State Clearinghouse



Steve Nissen  
DIRECTOR

**ACKNOWLEDGEMENT OF RECEIPT**

DATE: June 26, 2001  
TO: Kirk Tabar  
Turlock Irrigation District  
333 East Canal Drive  
P.O. Box 949  
Turlock, CA 95381-0949  
RE: Westside Acquisition Project  
SCH#: 2001062089

This is to acknowledge that the State Clearinghouse has received your environmental document for state review. The review period assigned by the State Clearinghouse is:

Review Start Date: June 20, 2001  
Review End Date: July 19, 2001

We have distributed your document to the following agencies and departments:

California Energy Commission  
Caltrans, District 10  
Department of Conservation  
Department of Fish and Game, Region 4  
Department of Food and Agriculture  
Department of Health Services  
Department of Parks and Recreation  
Department of Water Resources  
Native American Heritage Commission  
Office of Historic Preservation  
Public Utilities Commission  
Regional Water Quality Control Bd., Region 5 (Sacramento)  
Resources Agency  
State Lands Commission  
State Water Resources Control Board, Clean Water Program

The State Clearinghouse will provide a closing letter with any state agency comments to your attention on the date following the close of the review period.

Thank you for your participation in the State Clearinghouse review process.



**DEPARTMENT OF TRANSPORTATION**

P.O. BOX 2048 (1976 E. CHARTER WAY)  
STOCKTON, CA 95201  
TDD (209) 948-7981  
(209) 941-1921



July 11, 2001

**10-STA-33, I-5  
West Acquisition Project  
Notice of Completion  
Mitigated Negative Declaration  
Patterson, Crow's Landing  
APN T4,5,6S; R6,7,8E Mount Diablo Base**

Kirk Tabar  
Turlock Irrigation District  
333 E. Canal Drive  
Turlock, CA 95381-0949

Dear Mr. Tabar:

Thank you for the opportunity to review the above referenced document, the notice of completion of a mitigated negative declaration for the West Acquisition Project located in Patterson and Crow's Landing, Townships 4, 5 and 6 South Ranges 6, 7 and 8 East; Mount Diablo Base. We have circulated these document through our normal Intergovernmental Review process and received the following comments:

Environmental Branch

- The document addresses the need for an annula permit or easements along SR 33; however, there is no indications that biological, cultural, or hazardous waste studies were completed within the Caltrans Right of Way. If permits are required then all studies must be completed.
- Native American consultation is highly recommended.

If you have any questions or concerns regarding this project, please contact John E. Williamson of my staff at (209) 948-7936 (e-mail: [john\\_e\\_williamson@dot.ca.gov](mailto:john_e_williamson@dot.ca.gov)).

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Dumas", written over a circular stamp or mark.

**TOM DUMAS, Chief  
Office of Intermodal Planning**

**Appendix C**  
**Notice of Completion**

*State of California*  
*Office of Planning and Research*  
*1400 Tenth Street*  
*Sacramento, CA 95814*

**Westside Acquisition Project**

**Project Title**

225 square miles in western Stanislaus County, including Patterson and Crows-Landing  
12 square miles in Mariposa and Toulumne County

**Project Location - Specific**

Patterson

Stanislaus  
Mariposa, Toulumne

**Project Location - City**

**Project Location - County**

**Description of Nature, Purpose, and Beneficiaries of Project**

TID would acquire the Pacific Gas & Electric Company electrical facilities in the Westside Zone and make the physical changes needed for TID operation and service to customers within the zone. These changes include modifications within two substations, installation of severance facilities at eight points along the periphery of the zone, and construction of up to 8,600 feet of distribution tie-in lines. TID plans to lease the facilities to the Westside Power Authority, a joint powers agency consisting of TID and the Patterson Irrigation District. TID would also acquire the right to serve in a South Shore Zone near Don Pedro reservoir, an area that presently contains limited distribution facilities and would not require any severance construction.

**Turlock Irrigation District**

**Lead Agency**

**Division**

333 East Canal Drive, P.O. Box 949, Turlock Irrigation District 95381-0949

**Address Where Copy of EIR is Available**

June 20, 2001 to July 20, 2001

**Review Period**

Kirk Tabar

(209) 883-8349

**Contact Person**

**Area Code / Phone / Extension**

NOTICE OF COMPLETION AND ENVIRONMENTAL DOCUMENT TRANSMITTAL FORM

See NOTE BELOW  
SCH# \_\_\_\_\_

1. Project Title Westside Acquisition Project  
2. Lead Agency Turlock Irrigation District  
3a. Street Address 333 East Canal Drive  
3c. County Stanislaus 3d. Zip 95381-0949

3. Contact Person Kirk Tabar  
3. Contact Person Kirk Tabar  
3b. City Turlock  
3c. Phone (209) 883-8349

Project Location

4. County Stanislaus, Mariposa, Toulumne  
4b. Assessor's Parcel No. N/A  
5a. Cross Streets N/A  
6. With 2 miles: a. State Hwy# SH 33, I-5  
c. Railways Union Pacific

4a. City/Community Patterson, Crows Landing  
4c. Section \_\_\_\_\_ Twp. T 4,5,6 S Range R 6,7,8 E  
5b. For Rural, Nearest Community Patterson, Crows Landing  
b. Airports Patterson, NASA Crows Landing Facility  
d. Waterways Orestimba and Del Puerto creeks, Aqueduct, canals

7. Document Type

CEQA 01.  NOP 05.  Supplement/Subsequent EIR (Prior SCH No.: \_\_\_\_\_) NEPA 09.  NOI OTHER 13.  Joint Document  
02.  Early Cons 10.  FONSI 14.  Final Document  
03.  Neg Dec 06.  NOE 11.  Draft EIS 15.  Other \_\_\_\_\_  
04.  Draft EIR 07.  NOC 12.  EA

8. Local Action Type

01.  General Plan Update 05.  Annexation 09.  Rezone 12.  Waste Mgmt Plan  
02.  New Element 06.  Specific Plan 10.  Land Division (Subdivision, Parcel Map, Tract Map, etc.) 13.  Cancel Ag Preserve  
03.  General Plan Amendment 07.  Community Plan 11.  Use Permit 14.  Other

9. Development Type

01.  Residential: Units \_\_\_\_\_ Acres \_\_\_\_\_ 07.  Mining: Mineral \_\_\_\_\_  
02.  Office: Sq.ft. \_\_\_\_\_ Acres \_\_\_\_\_ Employees \_\_\_\_\_ 08.  Power: Type 12-kV Watts \_\_\_\_\_  
03.  Shopping/Commercial: Sq.ft. \_\_\_\_\_ Acres \_\_\_\_\_ Employees \_\_\_\_\_ 09.  Waste Treatment: Type \_\_\_\_\_  
04.  Industrial: Sq.ft. \_\_\_\_\_ Acres \_\_\_\_\_ Employees \_\_\_\_\_ 10.  OCS Related  
05.  Water Facilities: MGD \_\_\_\_\_ 11.  Other: \_\_\_\_\_  
06.  Transportation: Type \_\_\_\_\_

10. Total Acres Less than 2.0 acres disturbance

11. Total Jobs Created XXXX

12. Project Issues Discussed in Document

01.  Aesthetic/Visual 09.  Geologic/Seismic 17.  Social 25.  Wetland/Riparian  
02.  Agricultural Land 10.  Jobs/Housing Balance 18.  Soil Erosion 26.  Wildlife  
03.  Air Quality 11.  Minerals 19.  Solid Waste 27.  Growth Inducing  
04.  Archaeological/Historical 12.  Noise 20.  Toxic/Hazardous 28.  Incompatible Land Use  
05.  Coastal Zone 13.  Public Services 21.  Traffic/Circulation 29.  Cumulative Effects  
06.  Economic 14.  Schools 22.  Vegetation 30.  Other Energy  
07.  Fire Hazard 15.  Septic Systems 23.  Water Quality  
08.  Flooding/Drainage 16.  Sewer Capacity 24.  Water Supply

13. Funding (approx.) Federal \$ \_\_\_\_\_ State \$ \_\_\_\_\_ Total \$ \_\_\_\_\_

14. Present Land Use and Zoning Agricultural, with pockets of industrial, commercial, residential and other urban uses.

15. Project Description see attached

16. Signature of Lead Agency Representative [Signature] Date 6.19.01

NOTE: Clearinghouse will assign identification numbers for all new projects. If a SCH number already exists for a project (e.g., from a Notice of Preparation or previous draft document) please fill it in.

**Reviewing Agencies**

- |   |   |
|---|---|
| <input type="checkbox"/> Resources  | <input checked="" type="checkbox"/> Caltrans District           |
| <input type="checkbox"/> Boating / Waterways                              | <input type="checkbox"/> Dept. of Transportation Planning       |
| <input type="checkbox"/> Conservation                                     | <input type="checkbox"/> Aeronautics                            |
| <input checked="" type="checkbox"/> Fish and Game                         | <input type="checkbox"/> California Highway Patrol              |
| <input type="checkbox"/> Forestry   | <input type="checkbox"/> Housing and Community Development      |
| <input type="checkbox"/> Colorado River Board                             | <input type="checkbox"/> Statewide Health Planning              |
| <input type="checkbox"/> Dept. Water Resources                            | <input type="checkbox"/> Health                                 |
| <input type="checkbox"/> Reclamation                                      | <input type="checkbox"/> Food and Agriculture                   |
| <input type="checkbox"/> Parks and Recreation                             | <input checked="" type="checkbox"/> Public Utilities Commission |
| <input checked="" type="checkbox"/> Office of Historic Preservation       | <input type="checkbox"/> Public Works                           |
| <input type="checkbox"/> Native American Heritage Commission              | <input type="checkbox"/> Corrections                            |
| <input type="checkbox"/> S.F. Bay Conservation and Development Commission | <input type="checkbox"/> General Services                       |
| <input type="checkbox"/> Coastal Commission                               | <input type="checkbox"/> OLA                                    |
| <input type="checkbox"/> Energy Commission                                | <input type="checkbox"/> Santa Monica Mountains                 |
| <input type="checkbox"/> State Lands Commission                           | <input type="checkbox"/> TRPA                                   |
| <input type="checkbox"/> Air Resources Board                              | <input type="checkbox"/> OPR - OLGA                             |
| <input type="checkbox"/> Solid Waste Management Board                     | <input type="checkbox"/> OPR - Coastal                          |
| <input type="checkbox"/> SWRCB: Sacramento                                | <input type="checkbox"/> Bureau of Land Management              |
| <input type="checkbox"/> RWQCB: Region #                                  | <input type="checkbox"/> Forest Service                         |
| <input type="checkbox"/> Water Rights                                     | <input type="checkbox"/> Other _____                            |
| <input type="checkbox"/> Water Quality                                    | <input type="checkbox"/> Other _____                            |

**For SCH Use Only:**

Date Received at SCH \_\_\_\_\_ Catalog Number \_\_\_\_\_

Date Review Starts \_\_\_\_\_ Applicant \_\_\_\_\_

Date to Agencies \_\_\_\_\_ Consultant \_\_\_\_\_

Date to SCH \_\_\_\_\_ Contact \_\_\_\_\_ Phone \_\_\_\_\_

Clearance Date \_\_\_\_\_ Address \_\_\_\_\_

Notes: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# **TURLOCK IRRIGATION DISTRICT WESTSIDE ACQUISITION PROJECT**

## **PROJECT DESCRIPTION**

The Turlock Irrigation District (TID), a public entity, plans to purchase electric facilities within 225 square miles of western Stanislaus County from Pacific Gas & Electric Corporation (PG&E), a regulated utility. The negotiated purchase includes approximately 200 linear miles of distribution facilities, all the equipment at the Patterson Substation, the distribution equipment within the Salado Substation, 0.25 miles of 60-kV transmission line into the Patterson Substation, and, eventually, a 1.1-mile 60-kV transmission tap line to Patterson Frozen Foods. The transfer agreement also includes the lease of the land at the Patterson Substation and a portion of the Salado Substation property. The proposed project also includes the physical changes needed for TID to operate the acquired facilities independent of the PG&E system and serve the customers within the zone, including installing severance facilities at eight points in the distribution system along the boundaries of the new TID Westside service zone.

TID also plans to acquire from PG&E the right to serve electricity in the South Short Zone, an area near Don Pedro Reservoir that presently contains limited distribution facilities and would not require any severance construction.

The acquisition is subject to California Public Utilities Code Section 9608, which was enacted in 2000. Section 9608 requires the California Public Utility Commission (CPUC) approval of the proposed service area agreement between TID and PG&E and the release of PG&E from its obligation to serve the area to be transferred to TID. TID plans to finance the acquisition of the facilities from PG&E and in turn lease the electric distribution facilities under a long-term agreement to the Westside Power Authority (WPA), a joint powers agency consisting of the TID and the Patterson Irrigation District. The WPA would contract with TID for all operation, maintenance, construction, customer service, and electric power needed for the WPA electric distribution system.



Gray Davis  
GOVERNOR

STATE OF CALIFORNIA

Governor's Office of Planning and Research  
State Clearinghouse



Steve Nissen  
DIRECTOR

July 20, 2001

Kirk Tabar  
Turlock Irrigation District  
333 East Canal Drive  
P.O. Box 949  
Turlock, CA 95381-0949

Subject: Westside Acquisition Project  
SCH#: 2001062089

Dear Kirk Tabar:

The State Clearinghouse submitted the above named Negative Declaration to selected state agencies for review. The review period closed on July 19, 2001, and no state agencies submitted comments by that date. This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act.

Please call the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process. If you have a question about the above-named project, please refer to the ten-digit State Clearinghouse number when contacting this office.

Sincerely,

Terry Roberts  
Senior Planner, State Clearinghouse

# Griffith, Masuda & Emrick

A PROFESSIONAL LAW CORPORATION

517 East Olive Street  
Turlock, California 95380  
(209) 667-5501

[www.calwaterlaw.com](http://www.calwaterlaw.com)

Roger K. Masuda  
Matthew L. Emrick  
Sara J. Lima

W. Coburn Cook, 1892-1953  
Lin H. Griffith, retired

Please reply to  
P.O. Box 510  
Turlock, CA 95381-0510

Fax (209) 667-8176

[merrick@calwaterlaw.com](mailto:merrick@calwaterlaw.com)

July 25, 2001

TO: Kirk Tabar

FROM:



Matthew L. Emrick, Assistant General Counsel,  
Turlock Irrigation District

**RE:** *Comments From Cal Trans On Westside Acquisition Project Negative Declaration*

We have reviewed the comments received by the District from Cal Trans, and have the following responses:

**Comment 1:** The District will obtain all necessary easements from Cal Trans that may be necessary for this project. That part of State Route 33 within the project area was reviewed as to biological, cultural, and hazardous waste impacts. Route 33 is specially mentioned as being part of the Geographic Area of the Project addressed by the Negative Declaration (e.g. pg. 1-1) and is shown in the map of the Project Area on Figure 1-1. The District will comply with all required permits and environmental review for any future projects in this area.

**Comment 2:** The Negative Declaration was sent to the Native American Heritage Commission, which did not comment on the Negative Declaration.

[end]

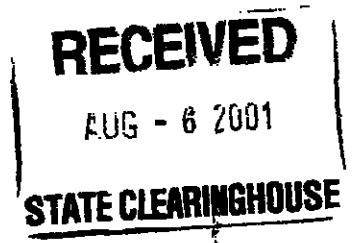


**Notice of Determination**

To:  Office of Planning and Research  
1400 Tenth Street  
Sacramento, CA 95814

From: Turlock Irrigation District  
P. O. Box 949  
Turlock, CA 95381

County Clerk  
County of: San Joaquin \_\_\_\_\_ Fresno \_\_\_\_\_  
Stanislaus  Tuolumne   
Madera \_\_\_\_\_ Mariposa   
Merced \_\_\_\_\_ Kern \_\_\_\_\_



Subject: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Project Title: Westside Acquisition Project

State Clearinghouse Number (If submitted to Clearinghouse)	Lead Agency Contact Person	Area Code/Telephone/Extension
SCH 2001062089	Chris Kiriakou	(209) 883-8210

**Project Location (include county)**

225 square mile area in western Stanislaus County encompassing the City of Patterson and the town of Crows Landing. Also including the South Shore area of Don Pedro Reservoir in Tuolumne and Mariposa Counties.

**Project Description:**

Acquisition of PG & E service territory, related facilities (including 200 miles of distribution facilities and related equipment), and rights of electrical service. The project will include physical changes necessary for TID to operate the acquired facilities independent of the PG & E system including installing metering equipment and up to 8,600 feet of tie-in-lines.

This is to advise that the TURLOCK IRRIGATION DISTRICT, Responsible Agency, has approved the above described project on July 31, 2001 and has made the following determinations regarding the above described projects.

1. The project will not have a significant effect on the environment. A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
2. An Environmental Impact Report was not prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures were made a condition of the approval of the project.
4. A statement of Overriding Considerations was not adopted for this project.
5. Findings were made pursuant to CEQA.
6. The project will have no adverse impact on wildlife.

This is to certify that the Final Environmental Assessment/Initial Study with comments and responses and record of project approval is available to the General Public at:

Turlock Irrigation District, 333 E. Canal Dr., Turlock, CA 95380 (209) 883-8300

*Chris Kiriakou* August 2, 2001 Project Manager  
Signature: Chris Kiriakou Date Title

Date received for filing and posting at OPR: \_\_\_\_\_



Gray Davis  
GOVERNOR

STATE OF CALIFORNIA

Governor's Office of Planning and Research  
State Clearinghouse



Steve Nissen  
DIRECTOR

July 20, 2001

Kirk Tabar  
Turlock Irrigation District  
333 East Canal Drive  
P.O. Box 949  
Turlock, CA 95381-0949

Subject: Westside Acquisition Project  
SCH#: 2001062089

Dear Kirk Tabar:

The State Clearinghouse submitted the above named Negative Declaration to selected state agencies for review. The review period closed on July 19, 2001, and no state agencies submitted comments by that date. This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act.

Please call the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process. If you have a question about the above-named project, please refer to the ten-digit State Clearinghouse number when contacting this office.

Sincerely,

Terry Roberts  
Senior Planner, State Clearinghouse

# FILED

## Notice of Determination

2001 AUG -9 PM 3: 30

To:   x   Office of Planning and Research  
1400 Tenth Street  
Sacramento, CA 95814

From: Turlock Irrigation District  
P. O. Box 949  
Turlock, CA 95381

TIM R. JOHNSON, CLERK

  x   County Clerk  
County of:

San Joaquin	___	Fresno	___
Stanislaus	<u>  x  </u>	Tuolumne	<u>  x  </u>
Madera	___	Mariposa	<u>  x  </u>
Merced	___	Kern	___

BY *Chris Kiriakou*  
DEPUTY

Subject: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Project Title: Westside Acquisition Project

State Clearinghouse Number (If submitted to Clearinghouse)	Lead Agency Contact Person	Area Code/Telephone/Extension
SCH 2001062089	Chris Kiriakou	(209) 883-8210

**Project Location (include county)**

225 square mile area in western Stanislaus County encompassing the City of Patterson and the town of Crows Landing. Also including the South Shore area of Don Pedro Reservoir in Tuolumne and Mariposa Counties.

**Project Description:**

Acquisition of PG & E service territory, related facilities (including 200 miles of distribution facilities and related equipment), and rights of electrical service. The project will include physical changes necessary for TID to operate the acquired facilities independent of the PG & E system including installing metering equipment and up to 8,600 feet of tie-in-lines.

This is to advise that the TURLOCK IRRIGATION DISTRICT, Responsible Agency, has approved the above described project on July 31, 2001 and has made the following determinations regarding the above described projects.

1. The project will not have a significant effect on the environment. A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
2. An Environmental Impact Report was not prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures were made a condition of the approval of the project.
4. A statement of Overriding Considerations was not adopted for this project.
5. Findings were made pursuant to CEQA.
6. The project will have no adverse impact on wildlife.

This is to certify that the Final Environmental Assessment/Initial Study with comments and responses and record of project approval is available to the General Public at:

Turlock Irrigation District, 333 E. Canal Dr., Turlock, CA 95380 (209) 883-8300

<u><i>Chris Kiriakou</i></u>	August 2, 2001	Project Manager
Signature: Chris Kiriakou	Date	Title

Date received for filing and posting at OPR: \_\_\_\_\_

# FILED

## Notice of Determination

AUG 06 2001

To:   x   Office of Planning and Research  
1400 Tenth Street  
Sacramento, CA 95814

From: Turlock Irrigation District  
P. O. Box 949  
Turlock, CA 95381

Don Z. Phillips  
COUNTY CLERK

*Mary F. Wyly*

Mary F. Wyly

<u>  x  </u> County Clerk					
County of:	San Joaquin	___	Fresno	___	
	Stanislaus	<u>  x  </u>	Tuolumne	<u>  x  </u>	
	Madera	___	Mariposa	<u>  x  </u>	
	Merced	___	Kern	___	

Subject: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Project Title: Westside Acquisition Project

State Clearinghouse Number (If submitted to Clearinghouse)	Lead Agency Contact Person	Area Code/Telephone/Extension
SCH 2001062089	Chris Kiriakou	(209) 883-8210

**Project Location (include county)**

225 square mile area in western Stanislaus County encompassing the City of Patterson and the town of Crows Landing. Also including the South Shore area of Don Pedro Reservoir in Tuolumne and Mariposa Counties.

**Project Description:**

Acquisition of PG & E service territory, related facilities (including 200 miles of distribution facilities and related equipment), and rights of electrical service. The project will include physical changes necessary for TID to operate the acquired facilities independent of the PG & E system including installing metering equipment and up to 8,600 feet of tie-in-lines.

This is to advise that the TURLOCK IRRIGATION DISTRICT, Responsible Agency, has approved the above described project on July 31, 2001 and has made the following determinations regarding the above described projects.

1. The project will not have a significant effect on the environment. A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
2. An Environmental Impact Report was not prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures were made a condition of the approval of the project.
4. A statement of Overriding Considerations was not adopted for this project.
5. Findings were made pursuant to CEQA.
6. The project will have no adverse impact on wildlife.

This is to certify that the Final Environmental Assessment/Initial Study with comments and responses and record of project approval is available to the General Public at:

Turlock Irrigation District, 333 E. Canal Dr., Turlock, CA 95380

(209) 883-8300

*Chris Kiriakou*  
Signature: Chris Kiriakou

August 2, 2001  
Date

Project Manager  
Title

Date received for filing and posting at OPR: \_\_\_\_\_

Notice of Determination

FILED

To:  Office of Planning and Research  
1400 Tenth Street  
Sacramento, CA 95814

From: Turlock Irrigation District  
P. O. Box 949  
Turlock, CA 95381  
01 AUG 14 AM 8:37  
KAREN MATHEWS, COUNTY CLERK

County Clerk  
County of: San Joaquin \_\_\_\_\_ Fresno \_\_\_\_\_  
Stanislaus  Tuolumne   
Madera \_\_\_\_\_ Mariposa   
Merced \_\_\_\_\_ Kern \_\_\_\_\_

BY Linda Carter  
DEPUTY

Subject: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Project Title: Westside Acquisition Project

State Clearinghouse Number (if submitted to Clearinghouse)	Lead Agency Contact Person	Area Code/Telephone/Extension
SCH 2001062089	Chris Kiriakou	(209) 883-8210

Project Location (include county)

225 square mile area in western Stanislaus County encompassing the City of Patterson and the town of Crows Landing. Also including the South Shore area of Don Pedro Reservoir in Tuolumne and Mariposa Counties.

Project Description:

Acquisition of PG & E service territory, related facilities (including 200 miles of distribution facilities and related equipment), and rights of electrical service. The project will include physical changes necessary for TID to operate the acquired facilities independent of the PG & E system including installing metering equipment and up to 8,600 feet of tie-in-lines.

This is to advise that the TURLOCK IRRIGATION DISTRICT, Responsible Agency, has approved the above described project on July 31, 2001 and has made the following determinations regarding the above described projects.

1. The project will not have a significant effect on the environment. A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
2. An Environmental Impact Report was not prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures were made a condition of the approval of the project.
4. A statement of Overriding Considerations was not adopted for this project.
5. Findings were made pursuant to CEQA.
6. The project will have no adverse impact on wildlife.

This is to certify that the Final Environmental Assessment/Initial Study with comments and responses and record of project approval is available to the General Public at:

Turlock Irrigation District, 333 E. Canal Dr., Turlock, CA 95380 (209) 883-8300

	August 2, 2001	Project Manager
Signature: Chris Kiriakou	Date	Title

Date received for filing and posting at OPR: \_\_\_\_\_

DEPT. OF FISH AND GAME FEE EXEMPTION

De Minimis Impact Finding

**Project Title & Proponent:**

Westside Acquisition Project. The Project proponent is Turlock Irrigation District, 333 East Canal Drive, Turlock, CA 95380.

**Location:**

225 square mile area in western Stanislaus County encompassing the City of Patterson and the town of Crows Landing. Also including the South Shore area of Don Pedro Reservoir in Tuolumne and Mariposa Counties.

**Project Description:**

Acquisition of PG & E service territory, related facilities (including 200 miles of distribution facilities and related equipment), and rights of electrical service. The project will include physical changes necessary for TID to operate the acquired facilities independent of the PG & E system including installing metering equipment and up to 8,600 feet of tie-in-lines.

**Findings of Exemption:**

1. An Initial Study\Mitigated Negative Declaration, conducted by the Turlock Irrigation District, evaluated the potential for adverse environmental impacts resulting from approval and implementation of the project.
2. The lead agency has no evidence before it, including the information in the Mitigated Negative Declaration and comments of appropriate reviewing agencies, to indicate that the proposed project could have any potential for adverse effects on fish and wildlife resources.

**Certification:**

I certify that the lead agency has made the above findings of fact and the based on the Initial Study & Mitigated Negative Declaration and hearing record the project will not individually or cumulatively have an adverse effect on wildlife resources, as defined in Section 711.2 of the Fish & Game Code.



[name]

Lead Agency: Turlock Irrigation District

Date: August 2, 2001

OFFICE OF THE BOARD OF DIRECTORS  
OF THE TURLOCK IRRIGATION DISTRICT

Turlock, California  
31st July 2001

The meeting of the Board of Directors of the Turlock Irrigation District was called to order in regular session on the 31st day of July 2001. Present were: Directors Michael V. Crowell (President), Phillip N. Short, Michael C. Berryhill, Sidney M. Long, and Randy Fiorini (Vice President); General Manager Larry Weis; and Secretary Barbara A. Hetrick.

MOTION APPROVING CONSENT CALENDAR

Moved by Director Short, seconded by Director Long, that the consent calendar consisting of the following be approved:

- A. Minutes of the regular meeting of July 24, 2001.
- B. Demands against the District represented by check numbers 178321 to 178479, inclusive, in the amount of \$4,082,196.31.

The President declared the motion carried.

PUBLIC HEARING  
ON ADOPTION OF THE MITIGATED  
NEGATIVE DECLARATION FOR THE  
WESTSIDE ACQUISITION PROJECT

A public hearing was held at 10:00 a.m. regarding adoption of the Mitigated Negative Declaration for the Westside Acquisition Project. Assistant General Manager of Energy Resources Chris Kiriakou reviewed the scope of the project, which entails acquisition by the Turlock Irrigation District of 225-square miles of Pacific Gas & Electric Company electrical facilities between the San Joaquin River and the Western Stanislaus County Line. It includes physical changes needed in order for the District to operate the facilities independently of the Pacific Gas and Electric Company system and to serve customers within the designated area. These changes consist of modifications to two substations, installation of severance facilities at eight points along the outside edge of the zone, and construction of up to 8,600 feet of distribution tie-in lines. The project also includes acquiring from Pacific Gas and Electric Company the rights to serve electricity to an area near Don Pedro Reservoir that presently contains limited distribution facilities and would not require any severance construction.

In addition, Mr. Kiriakou reported that the District has, pursuant to the guidelines of the California Environmental Quality Act of 1970, reviewed the project and found that it will not

31 July 2001

have a significant impact on the environment after implementation of the proposed mitigation measures.

There being no objections to the Mitigated Negative Declaration for the Westside Acquisition Project, the Board of Directors adopted the following resolution:

RESOLUTION NO. 2001-61

RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TURLOCK IRRIGATION DISTRICT  
ADOPTING A MITIGATED NEGATIVE DECLARATION  
FOR THE WESTSIDE ACQUISITION PROJECT

WHEREAS, Turlock Irrigation District ("District") plans to acquire electric facilities within a 225-square mile area in Western Stanislaus County from Pacific Gas & Electric Company encompassing the towns of Patterson and Crows Landing, and to also acquire the right to serve electricity to the South Shore of Don Pedro Reservoir; and

WHEREAS, these planned acquisitions are known as the Westside Acquisition Project ("Project"); and

WHEREAS, the Project is fully described in the Initial Study and Mitigated Negative Declaration prepared for the Project on behalf of the District, which is attached to this resolution as Exhibit A; and

WHEREAS, attached as Exhibit B are copies of comments received during the public review period and the District's responses to those comments.

NOW, THEREFORE, BE IT RESOLVED that

1. The Board of Directors has considered the Initial Study and the proposed Mitigated Negative Declaration together with all comments received during the public review process.
2. The Board of Directors finds that on the basis of the Initial Study and the comments received, there is no substantial evidence the Project with the proposed mitigation may have a significant effect on the environment.
3. The Board of Directors finds that the Mitigated Negative Declaration was independently reviewed and directed by the District and reflects the District's independent judgment and analysis.
4. The custodian and location of the District's record for the Project is Mr. Chris Kiriakou, Turlock Irrigation District, 333 East Canal Drive, Turlock, California.



31 July 2001

BE IT FURTHER RESOLVED that:

1. The Mitigated Negative Declaration for the Westside Acquisition Project is approved and adopted.
2. The Mitigation Monitoring Plan for the Westside Acquisition Project is approved and adopted.
3. The General Manager of the District, or the General Manager's designee, is directed to file a Notice of Determination.

Moved by Director Berryhill, seconded by Director Long, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

Ayes: Directors Short, Berryhill, Long, Fiorini, Crowell  
Noes: Directors None  
Absent: Directors None

The President declared the resolution adopted.

#### WATER AND POWER REPORT

Utility Analyst Susan Gomes presented the Water Report dated July 31, 2001. Computed natural flow in the Upper Tuolumne between July 1 and 29 averaged 224 cubic feet per second, and yield was at 12,883 acre-feet. San Francisco reservoirs contain 603,440 acre-feet of storage. Daily releases are at 922 cubic feet per second, 453 of which are being diverted to the City for municipal purposes. Don Pedro contains 1,392,860 acre-feet of storage. Its elevation is at 773.5 feet and continuing to recede. Inflow to the reservoir is averaging 318 cubic feet per second. Combined releases are at 2,758 cubic feet per second, 1,863 of which are being diverted to the Turlock Irrigation District, 790 to the Modesto Irrigation District, and the remaining 105 are going to the river. Turlock Lake storage is at 30,570 acre-feet and holding steady.

Energy Resources Technician Michelle Bonander reported that the daily system electrical peak for last week reached 357.96-megawatts, 60.04-megawatts less than forecasted for July. Energy use decreased three percent, Don Pedro generation decreased 24 percent, total purchases increased 64 percent, and wholesale sales increased 132 percent over 2000 at the same time. The load was met with TID hydro and thermal generation, NCPA, short-term firm, and long-term firm purchases. According to the Dow-Jones Index, most power prices increased at both the California-Oregon Border and Palo Verde.

Water Records Manager Mike Kavarian reviewed irrigation activities during the week of July 23. The Call Center received 2,051 orders for water, and flows ranged between 1,397 and

Notice of Determination

FILED

To:   x   Office of Planning and Research  
1400 Tenth Street  
Sacramento, CA 95814

From: Westside Power Authority  
P. O. Box 685  
Paterson, CA 95363-0685

AUG 14 AM 8:36

SARAH MATHEWS, COUNTY CLERK

Linda Carter

  x   County Clerk  
County of: San Joaquin \_\_\_\_\_ Fresno \_\_\_\_\_  
Stanislaus   x   Tuolumne   x    
Madera \_\_\_\_\_ Mariposa   x    
Merced \_\_\_\_\_ Kern \_\_\_\_\_

DEPUTY

Subject: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Project Title: Westside Acquisition Project

State Clearinghouse Number (if submitted to Clearinghouse)	Responsible Agency Contact Person	Area Code/Telephone/Extension
SCH 2001062089	Larry Weis	(209) 883-8211

Project Location (include county)

225 square mile area in western Stanislaus County encompassing the City of Patterson and the town of Crows Landing. Also including the South Shore area of Don Pedro Reservoir in Tuolumne and Mariposa Counties.

Project Description:

Acquisition of PG & E service territory, related facilities (including 200 miles of distribution facilities and related equipment), and rights of electrical service. The project will include physical changes necessary to operate the acquired facilities independent of the PG & E system including installing metering equipment and up to 8,600 feet of tie-in-lines.

This is to advise that the WESTSIDE POWER AUTHORITY, as a responsible agency, has approved the above described project on August 8, 2001 and has made the following determinations regarding the above described projects.

1. The project will not have a significant effect on the environment. A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
2. An Environmental Impact Report was not prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures were made a condition of the approval of the project.
4. A statement of Overriding Considerations was not adopted for this project.
5. Findings were made pursuant to CEQA.
6. The project will have no adverse impact on wildlife.

This is to certify that the Final Environmental Assessment/Initial Study with comments and responses and record of approval is available to the General Public at the lead agency: Turlock Irrigation District, 333 E. Canal Dr., Turlock, CA 95380 (209) 883-8300:

*Larry Weis* \_\_\_\_\_ August 9, 2001 \_\_\_\_\_ General Manager  
Signature: Larry Weis Date Title

Date received for filing and posting at OPR: \_\_\_\_\_

DEPT. OF FISH AND GAME FEE EXEMPTION

De Minimis Impact Finding

**Project Title & Proponent:**

Westside Acquisition Project. The Project proponent is the Westside Power Authority, P. O. Box 685, Paterson, CA 95363-0685 is a responsible agency for the project.

**Location:**

225 square mile area in western Stanislaus County encompassing the City of Patterson and the town of Crows Landing. Also including the South Shore area of Don Pedro Reservoir in Tuolumne and Mariposa Counties.

**Project Description:**

Acquisition of PG & E service territory, related facilities (including 200 miles of distribution facilities and related equipment), and rights of electrical service. The project will include physical changes necessary to operate the acquired facilities independent of the PG & E system including installing metering equipment and up to 8,600 feet of tie-in-lines.

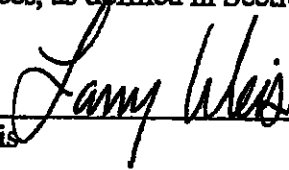
**Findings of Exemption:**

1. An Initial Study\Mitigated Negative Declaration, conducted by the Turlock Irrigation District as lead agency, evaluated the potential for adverse environmental impacts resulting from approval and implementation of the project.
2. The Westside Power Authority as a responsible agency has no evidence before it, including the information in the Mitigated Negative Declaration and comments of appropriate reviewing agencies, to indicate that the proposed project could have any potential for adverse effects on fish and wildlife resources.

**Certification:**

I certify that the lead agency has made the above findings of fact and the based on the Initial Study & Mitigated Negative Declaration and hearing record the project will not individually or cumulatively have an adverse effect on wildlife resources, as defined in Section 711.2 of the Fish & Game Code.

Larry Weis



Responsible Agency: Westside Power Authority

Date: August 9, 2001

RESOLUTION NO. 2001-1

RESOLUTION OF THE COMMISSION  
OF THE WESTSIDE POWER AUTHORITY  
ADOPTING A MITIGATED NEGATIVE DECLARATION  
FOR THE WESTSIDE ACQUISITION PROJECT

WHEREAS, Turlock Irrigation District ("District") plans to acquire electric facilities within a 225-square mile area in Western Stanislaus County from Pacific Gas & Electric Company encompassing the towns of Patterson and Crows Landing, and to also acquire the right to serve electricity to the South Shore of Don Pedro Reservoir; and

WHEREAS, these planned acquisitions are known as the Westside Acquisition Project ("Project"); and

WHEREAS, the Westside Power Authority ("WPA") will lease the Project facilities from Turlock irrigation District under a long term lease agreement and is a responsible agency for the Project; and

WHEREAS, the Project is fully described in the Initial Study and Mitigated Negative Declaration prepared for the Project, which is attached to this resolution as Exhibit A and was adopted by the Turlock Irrigation District on July 31, 2001; and

WHEREAS, attached as Exhibit B are copies of comments received by the Turlock Irrigation District during the public review period and the responses to those comments.

NOW, THEREFORE, BE IT RESOLVED that

1. The Commission has considered the Initial Study and the proposed Mitigated Negative Declaration together with all comments received during the public review process.
2. The Commission finds that on the basis of the Initial Study and the comments received, there is no substantial evidence the Project with the proposed mitigation may have a significant effect on the environment and will have no adverse affect (de minimus) on wildlife.

3. The Commission finds that the Mitigated Negative Declaration was independently reviewed and reflects WPA's independent judgment and analysis.
4. The Commission finds that the Mitigated Monitoring Plan, attached as Exhibit C, has been reviewed and no further mitigation measures are necessary.
5. The custodian and location of the record for the Project is Mr. Chris Kiriakou, Turlock Irrigation District, 333 East Canal Drive, Turlock, California.

BE IT FURTHER RESOLVED that:

1. The Mitigated Negative Declaration for the Westside Acquisition Project is approved and adopted.
2. The Mitigation Monitoring Plan for the Westside Acquisition Project is approved.
3. The Chief Executive Officer/General Manager of the WPA, or his designee, is directed to file a Notice of Determination.

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that she is the Secretary of the Westside Power Authority and that the foregoing resolution was adopted by the Commission of said Authority at a meeting thereof, duly and regularly held on August 8, 2001 at which meeting a quorum of the Commission was at all times present and acting.

IN WITNESS WHEREOF, I have set my hand this 8th day of August 2001.

  
Secretary

COPY

FILED

Notice of Determination

AUG 13 2001

To:   x   Office of Planning and Research  
1400 Tenth Street  
Sacramento, CA 95814

From: Westside Power Authority  
P. O. Box 685  
Paterson, CA 95363-0685

**Don Z. Phillips**

COUNTY CLERK

*Mary P. Wyly*  
Mary P. Wyly

<u>  x  </u> County Clerk				
County of:	San Joaquin	___	Fresno	___
	Stanislaus	<u>  x  </u>	Tuolumne	<u>  x  </u>
	Madera	___	Mariposa	<u>  x  </u>
	Merced	___	Kern	___

Subject: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Project Title: Westside Acquisition Project

State Clearinghouse Number (If submitted to Clearinghouse)	Responsible Agency Contact Person	Area Code/Telephone/Extension
SCH 2001062089	Larry Weis	(209) 883-8211

Project Location (include county)

225 square mile area in western Stanislaus County encompassing the City of Patterson and the town of Crows Landing. Also including the South Shore area of Don Pedro Reservoir in Tuolumne and Mariposa Counties.

Project Description:

Acquisition of PG & E service territory, related facilities (including 200 miles of distribution facilities and related equipment), and rights of electrical service. The project will include physical changes necessary to operate the acquired facilities independent of the PG & E system including installing metering equipment and up to 8,600 feet of tie-in-lines.

This is to advise that the WESTSIDE POWER AUTHORITY, as a responsible agency, has approved the above described project on August 8, 2001 and has made the following determinations regarding the above described projects.

1. The project will not have a significant effect on the environment. A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
2. An Environmental Impact Report was not prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures were made a condition of the approval of the project.
4. A statement of Overriding Considerations was not adopted for this project.
5. Findings were made pursuant to CEQA.
6. The project will have no adverse impact on wildlife.

This is to certify that the Final Environmental Assessment/Initial Study with comments and responses and record of approval is available to the General Public at the lead agency: Turlock Irrigation District, 333 E. Canal Dr., Turlock, CA 95380, (209) 883-8300:

Signature: Larry Weis	<i>Larry Weis</i>	August 9, 2001	General Manager
		Date	Title

Date received for filing and posting at OPR: 8-13-01

COPY

DEPT. OF FISH AND GAME FEE EXEMPTION

FILED

AUG 13 2001

Don Z. Phillips

De Minimis Impact Finding

COUNTY CLERK  
*Mary E. Wiley*

**Project Title & Proponent:**

Westside Acquisition Project. The Project proponent is the Westside Power Authority, P. O. Box 685, Paterson, CA 95363-0685 is a responsible agency for the project.

**Location:**

225 square mile area in western Stanislaus County encompassing the City of Patterson and the town of Crows Landing. Also including the South Shore area of Don Pedro Reservoir in Tuolumne and Mariposa Counties.

**Project Description:**

Acquisition of PG & E service territory, related facilities (including 200 miles of distribution facilities and related equipment), and rights of electrical service. The project will include physical changes necessary to operate the acquired facilities independent of the PG & E system including installing metering equipment and up to 8,600 feet of tie-in-lines.

**Findings of Exemption:**

1. An Initial Study\Mitigated Negative Declaration, conducted by the Turlock Irrigation District as lead agency, evaluated the potential for adverse environmental impacts resulting from approval and implementation of the project.
2. The Westside Power Authority as a responsible agency has no evidence before it, including the information in the Mitigated Negative Declaration and comments of appropriate reviewing agencies, to indicate that the proposed project could have any potential for adverse effects on fish and wildlife resources.

**Certification:**

I certify that the lead agency has made the above findings of fact and the based on the Initial Study & Mitigated Negative Declaration and hearing record the project will not individually or cumulatively have an adverse effect on wildlife resources, as defined in Section 711.2 of the Fish & Game Code.

*Larry Weis*  
\_\_\_\_\_  
Larry Weis

Responsible Agency: Westside Power Authority

Date: August 9, 2001

COPY

FILED

AUG 13 2001

Don Z. Phillips

COUNTY CLERK

Mary F. Wyly

RESOLUTION NO. 2001-1

RESOLUTION OF THE COMMISSION  
OF THE WESTSIDE POWER AUTHORITY  
ADOPTING A MITIGATED NEGATIVE DECLARATION  
FOR THE WESTSIDE ACQUISITION PROJECT

WHEREAS, Turlock Irrigation District ("District") plans to acquire electric facilities within a 225-square mile area in Western Stanislaus County from Pacific Gas & Electric Company encompassing the towns of Patterson and Crows Landing, and to also acquire the right to serve electricity to the South Shore of Don Pedro Reservoir; and

WHEREAS, these planned acquisitions are known as the Westside Acquisition Project ("Project"); and

WHEREAS, the Westside Power Authority ("WPA") will lease the Project facilities from Turlock irrigation District under a long term lease agreement and is a responsible agency for the Project; and

WHEREAS, the Project is fully described in the Initial Study and Mitigated Negative Declaration prepared for the Project, which is attached to this resolution as Exhibit A and was adopted by the Turlock Irrigation District on July 31, 2001; and

WHEREAS, attached as Exhibit B are copies of comments received by the Turlock Irrigation District during the public review period and the responses to those comments.

NOW, THEREFORE, BE IT RESOLVED that

1. The Commission has considered the Initial Study and the proposed Mitigated Negative Declaration together with all comments received during the public review process.
2. The Commission finds that on the basis of the Initial Study and the comments received, there is no substantial evidence the Project with the proposed mitigation may have a significant effect on the environment and will have no adverse affect (de minimus) on wildlife.



3. The Commission finds that the Mitigated Negative Declaration was independently reviewed and reflects WPA's independent judgment and analysis.
4. The Commission finds that the Mitigated Monitoring Plan, attached as Exhibit C, has been reviewed and no further mitigation measures are necessary.
5. The custodian and location of the record for the Project is Mr. Chris Kiriakou, Turlock Irrigation District, 333 East Canal Drive, Turlock, California.


BE IT FURTHER RESOLVED that:

1. The Mitigated Negative Declaration for the Westside Acquisition Project is approved and adopted.
2. The Mitigation Monitoring Plan for the Westside Acquisition Project is approved.
3. The Chief Executive Officer/General Manager of the WPA, or his designee, is directed to file a Notice of Determination.

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that she is the Secretary of the Westside Power Authority and that the foregoing resolution was adopted by the Commission of said Authority at a meeting thereof, duly and regularly held on August 8, 2001 at which meeting a quorum of the Commission was at all times present and acting.

IN WITNESS WHEREOF, I have set my hand this 8th day of August 2001.

  
Secretary

## Notice of Determination

To:   x   Office of Planning and Research  
 1400 Tenth Street  
 Sacramento, CA 95814

From: Westside Power Authority  
 P. O. Box 685  
 Paterson, CA 95363-0685

  x   County Clerk  
 County of:      San Joaquin                Fresno            
                          Stanislaus        x        Tuolumne        x    
                          Madera                Mariposa        x    
                          Merced                Kern          

**Subject:** Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

**Project Title:**      Westside Acquisition Project

State Clearinghouse Number (If submitted to Clearinghouse)	Responsible Agency Contact Person	Area Code/Telephone/Extension
SCH 2001062089	Larry Weis	(209) 883-8211

**Project Location (include county)**

225 square mile area in western Stanislaus County encompassing the City of Patterson and the town of Crows Landing. Also including the South Shore area of Don Pedro Reservoir in Tuolumne and Mariposa Counties.

**Project Description:**

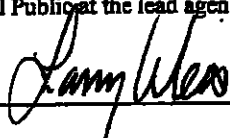
Acquisition of PG & E service territory, related facilities (including 200 miles of distribution facilities and related equipment), and rights of electrical service. The project will include physical changes necessary to operate the acquired facilities independent of the PG & E system including installing metering equipment and up to 8,600 feet of tie-in-lines.

This is to advise that the WESTSIDE POWER AUTHORITY, as a responsible agency, has approved the above described project on August 8, 2001 and has made the following determinations regarding the above described projects.

1.      The project will not have a significant effect on the environment. A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
2.      An Environmental Impact Report was not prepared for this project pursuant to the provisions of CEQA.
3.      Mitigation measures were made a condition of the approval of the project.
4.      A statement of Overriding Considerations was not adopted for this project.
5.      Findings were made pursuant to CEQA.
6.      The project will have no adverse impact on wildlife.

This is to certify that the Final Environmental Assessment/Initial Study with comments and responses and record of approval is available to the General Public at the lead agency: Turlock Irrigation District, 333 E. Canal Dr., Turlock, CA 95380 (209) 883-8300:

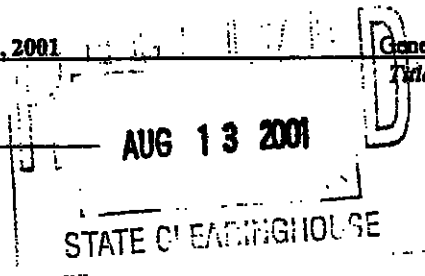
Signature: Larry Weis



August 9, 2001  
 Date

General Manager  
 Title

Date received for filing and posting at OPR: \_\_\_\_\_



OFFICE OF THE BOARD OF DIRECTORS  
OF THE TURLOCK IRRIGATION DISTRICT

Turlock, California  
31st July 2001

The meeting of the Board of Directors of the Turlock Irrigation District was called to order in regular session on the 31st day of July 2001. Present were: Directors Michael V. Crowell (President), Phillip N. Short, Michael C. Berryhill, Sidney M. Long, and Randy Fiorini (Vice President); General Manager Larry Weis; and Secretary Barbara A. Hetrick.

MOTION APPROVING CONSENT CALENDAR

Moved by Director Short, seconded by Director Long, that the consent calendar consisting of the following be approved:

- A. Minutes of the regular meeting of July 24, 2001.
- B. Demands against the District represented by check numbers 178321 to 178479, inclusive, in the amount of \$4,082,196.31.

The President declared the motion carried.

PUBLIC HEARING  
ON ADOPTION OF THE MITIGATED  
NEGATIVE DECLARATION FOR THE  
WESTSIDE ACQUISITION PROJECT

A public hearing was held at 10:00 a.m. regarding adoption of the Mitigated Negative Declaration for the Westside Acquisition Project. Assistant General Manager of Energy Resources Chris Kiriakou reviewed the scope of the project, which entails acquisition by the Turlock Irrigation District of 225-square miles of Pacific Gas & Electric Company electrical facilities between the San Joaquin River and the Western Stanislaus County Line. It includes physical changes needed in order for the District to operate the facilities independently of the Pacific Gas and Electric Company system and to serve customers within the designated area. These changes consist of modifications to two substations, installation of severance facilities at eight points along the outside edge of the zone, and construction of up to 8,600 feet of distribution tie-in lines. The project also includes acquiring from Pacific Gas and Electric Company the rights to serve electricity to an area near Don Pedro Reservoir that presently contains limited distribution facilities and would not require any severance construction.

In addition, Mr. Kiriakou reported that the District has, pursuant to the guidelines of the California Environmental Quality Act of 1970, reviewed the project and found that it will not

31 July 2001

have a significant impact on the environment after implementation of the proposed mitigation measures.

There being no objections to the Mitigated Negative Declaration for the Westside Acquisition Project, the Board of Directors adopted the following resolution:

RESOLUTION NO. 2001-61

RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TURLOCK IRRIGATION DISTRICT  
ADOPTING A MITIGATED NEGATIVE DECLARATION  
FOR THE WESTSIDE ACQUISITION PROJECT

WHEREAS, Turlock Irrigation District ("District") plans to acquire electric facilities within a 225-square mile area in Western Stanislaus County from Pacific Gas & Electric Company encompassing the towns of Patterson and Crows Landing, and to also acquire the right to serve electricity to the South Shore of Don Pedro Reservoir; and

WHEREAS, these planned acquisitions are known as the Westside Acquisition Project ("Project"); and

WHEREAS, the Project is fully described in the Initial Study and Mitigated Negative Declaration prepared for the Project on behalf of the District, which is attached to this resolution as Exhibit A; and

WHEREAS, attached as Exhibit B are copies of comments received during the public review period and the District's responses to those comments.

NOW, THEREFORE, BE IT RESOLVED that

1. The Board of Directors has considered the Initial Study and the proposed Mitigated Negative Declaration together with all comments received during the public review process.
2. The Board of Directors finds that on the basis of the Initial Study and the comments received, there is no substantial evidence the Project with the proposed mitigation may have a significant effect on the environment.
3. The Board of Directors finds that the Mitigated Negative Declaration was independently reviewed and directed by the District and reflects the District's independent judgment and analysis.
4. The custodian and location of the District's record for the Project is Mr. Chris Kiriakou, Turlock Irrigation District, 333 East Canal Drive, Turlock, California.

31 July 2001

BE IT FURTHER RESOLVED that:

1. The Mitigated Negative Declaration for the Westside Acquisition Project is approved and adopted.
2. The Mitigation Monitoring Plan for the Westside Acquisition Project is approved and adopted.
3. The General Manager of the District, or the General Manager's designee, is directed to file a Notice of Determination.

Moved by Director Berryhill, seconded by Director Long, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

Ayes: Directors Short, Berryhill, Long, Fiorini, Crowell  
Noes: Directors None  
Absent: Directors None

The President declared the resolution adopted.

#### WATER AND POWER REPORT

Utility Analyst Susan Gomes presented the Water Report dated July 31, 2001. Computed natural flow in the Upper Tuolumne between July 1 and 29 averaged 224 cubic feet per second, and yield was at 12,883 acre-feet. San Francisco reservoirs contain 603,440 acre-feet of storage. Daily releases are at 922 cubic feet per second, 453 of which are being diverted to the City for municipal purposes. Don Pedro contains 1,392,860 acre-feet of storage. Its elevation is at 773.5 feet and continuing to recede. Inflow to the reservoir is averaging 318 cubic feet per second. Combined releases are at 2,758 cubic feet per second, 1,863 of which are being diverted to the Turlock Irrigation District, 790 to the Modesto Irrigation District, and the remaining 105 are going to the river. Turlock Lake storage is at 30,570 acre-feet and holding steady.

Energy Resources Technician Michelle Bonander reported that the daily system electrical peak for last week reached 357.96-megawatts, 60.04-megawatts less than forecasted for July. Energy use decreased three percent, Don Pedro generation decreased 24 percent, total purchases increased 64 percent, and wholesale sales increased 132 percent over 2000 at the same time. The load was met with TID hydro and thermal generation, NCPA, short-term firm, and long-term firm purchases. According to the Dow-Jones Index, most power prices increased at both the California-Oregon Border and Palo Verde.

Water Records Manager Mike Kavarian reviewed irrigation activities during the week of July 23. The Call Center received 2,051 orders for water, and flows ranged between 1,397 and

**CERTIFICATION OF MINUTES  
OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
TURLOCK IRRIGATION DISTRICT**

I, Barbara A. Hetrick, Secretary of the Board of Directors of the Turlock Irrigation District, does hereby certify that the foregoing is a true and correct copy of a portion of the minutes for the regular meeting of said Board of Directors held the 31<sup>st</sup> day of July 2001.

Dated: October 23, 2001

By *Barbara A. Hetrick*

Name: Barbara A. Hetrick

Title: Secretary of the Board of Directors  
of the Turlock Irrigation District

RESOLUTION NO. 2001-61

RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TURLOCK IRRIGATION DISTRICT  
ADOPTING A MITIGATED NEGATIVE DECLARATION  
FOR THE WESTSIDE ACQUISITION PROJECT

WHEREAS, Turlock Irrigation District ("District") plans to acquire electric facilities within a 225-square mile area in Western Stanislaus County from Pacific Gas & Electric Company encompassing the towns of Patterson and Crows Landing, and to also acquire the right to serve electricity to the South Shore of Don Pedro Reservoir; and

WHEREAS, these planned acquisitions are known as the Westside Acquisition Project ("Project"); and

WHEREAS, the Project is fully described in the Initial Study and Mitigated Negative Declaration prepared for the Project on behalf of the District, which is attached to this resolution as Exhibit A; and

WHEREAS, attached as Exhibit B are copies of comments received during the public review period and the District's responses to those comments.

NOW, THEREFORE, BE IT RESOLVED that

1. The Board of Directors has considered the Initial Study and the proposed Mitigated Negative Declaration together with all comments received during the public review process.
2. The Board of Directors finds that on the basis of the Initial Study and the comments received, there is no substantial evidence the Project with the proposed mitigation may have a significant effect on the environment.
3. The Board of Directors finds that the Mitigated Negative Declaration was independently reviewed and directed by the District and reflects the District's independent judgment and analysis.
4. The custodian and location of the District's record for the Project is Mr. Chris Kiriakou, Turlock Irrigation District 333 East Canal Drive, Turlock, California.

BE IT FURTHER RESOLVED that:

1. The Mitigated Negative Declaration for the Westside Acquisition Project is approved and adopted.
2. The Mitigation Monitoring Plan for the Westside Acquisition Project is approved and adopted.
3. The General Manager of the District, or the General Manager's designee, is directed to file a Notice of Determination.


Moved by Director Berryhill, seconded by Director Long, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

Ayes: Directors Short, Berryhill, Long, Fiorini, Crowell  
Noes: Directors None  
Absent: Directors None

The President declared the resolution adopted.

I, Barbara A. Hetrick, Secretary of the Board of Directors of the TURLOCK IRRIGATION DISTRICT, do hereby CERTIFY that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of Directors held the 31st day of July, 2001.

  
Secretary of the Board of Directors  
of the Turlock Irrigation District



**DEPARTMENT OF TRANSPORTATION**

P.O. BOX 2048 (1976 E. CHARTER WAY)  
STOCKTON, CA 95201  
TDD (209) 948-7981  
(209) 941-1921



July 11, 2001

10-STA-33, I-5  
West Acquisition Project  
Notice of Completion  
Mitigated Negative Declaration  
Patterson, Crow's Landing  
APN T4,5,6S; R6,7,8E Mount Diablo Base

Kirk Tabar  
Turlock Irrigation District  
333 E. Canal Drive  
Turlock, CA 95381-0949

Dear Mr. Tabar:

Thank you for the opportunity to review the above referenced document, the notice of completion of a mitigated negative declaration for the West Acquisition Project located in Patterson and Crow's Landing, Townships 4, 5 and 6 South Ranges 6, 7 and 8 East; Mount Diablo Base. We have circulated these document through our normal Intergovernmental Review process and received the following comments:

Environmental Branch

- The document addresses the need for an annula permit or easements along SR 33; however, there is no indications that biological, cultural, or hazardous waste studies were completed within the Caltrans Right of Way. If permits are required then all studies must be completed.
- Native American consultation is highly recommended.

If you have any questions or concerns regarding this project, please contact John E. Williamson of my staff at (209) 948-7936 (e-mail: [john\\_e\\_williamson@dot.ca.gov](mailto:john_e_williamson@dot.ca.gov)).

Sincerely,

**TOM DUMAS, Chief**  
Office of Intermodal Planning



Gray Davis  
GOVERNOR

STATE OF CALIFORNIA

Governor's Office of Planning and Research  
State Clearinghouse



Steve Nissen  
DIRECTOR

July 20, 2001

Kirk Tabar  
Turlock Irrigation District  
333 East Canal Drive  
P.O. Box 949  
Turlock, CA 95381-0949

Subject: Westside Acquisition Project  
SCH#: 2001062089

Dear Kirk Tabar:

The State Clearinghouse submitted the above named Negative Declaration to selected state agencies for review. The review period closed on July 19, 2001, and no state agencies submitted comments by that date. This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act.

Please call the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process. If you have a question about the above-named project, please refer to the ten-digit State Clearinghouse number when contacting this office.

Sincerely,

Terry Roberts  
Senior Planner, State Clearinghouse

**Document Details Report  
State Clearinghouse Data Base**

**SCH#** 2001062089  
**Project Title** Westside Acquisition Project  
**Lead Agency** Turlock Irrigation District

---

**Type** Neg Negative Declaration

**Description** The Turlock Irrigation District (TID), a public entity, plans to purchase electric facilities within 225 square miles of western Stanislaus County from Pacific Gas & Electric Corporation (PG&E), a regulated utility. The negotiated purchase includes approximately 200 linear miles of distribution facilities, all the equipment at the Patterson Substation, the distribution equipment within the Salado Substation, 0.25 miles of 60 kV transmission line into the Patterson Substation, and eventually a 1.1-mile 60 kV transmission tap line to Patterson Frozen Foods. The transfer agreement also includes the lease of the land at the Patterson Substation and a portion of the Salado Substation property. The proposed project also includes the physical changes needed for TID to operate the acquired facilities independent of the PG&E system and serve the customers within the zone, including installing severance facilities at eight points in the distribution system along the boundaries of the new TID Westside service zone. TID also plans to acquire from PG&E the right to serve the electricity in the South Short Zone, an area near Don Pedro Reservoir that presently contains limited distribution facilities and would not require any severance construction.

---

**Lead Agency Contact**

**Name** Kirk Tabar  
**Agency** Turlock Irrigation District  
**Phone** 209 883-8349 **Fax**  
**email**  
**Address** 333 East Canal Drive  
P.O. Box 949  
**City** Turlock **State** CA **Zip** 95381-0949

---

**Project Location**

**County** Stanislaus, Tuolumne, Mariposa  
**City** Patterson  
**Region**  
**Cross Streets**  
**Parcel No.**  
**Township** 4-6S **Range** 6-8E **Section** **Base**

---

**Proximity to:**

**Highways** 33, I-5  
**Airports** Patterson, NASA Crows Landing  
**Railways** Union Pacific  
**Waterways** Orestimba and Del Puerto creeks, Aqueduct, canals  
**Schools**  
**Land Use** Agricultural, industrial, commercial, residential, and other urban uses.

---

**Project Issues** Aesthetic/Visual; Air Quality; Archaeologic-Historic; Forest Land/Fire Hazard; Geologic/Seismic; Noise; Public Services; Toxic/Hazardous; Vegetation; Water Quality; Wildlife; Other Issues; Cumulative Effects

---

**Reviewing Agencies** Resources Agency; Department of Conservation; Department of Fish and Game, Region 4; Office of Historic Preservation; Department of Parks and Recreation; Department of Water Resources; Caltrans, District 10; Department of Food and Agriculture; Department of Health Services; State Water Resources Control Board, Clean Water Program; Regional Water Quality Control Bd., Region 5 (Sacramento); California Energy Commission; Native American Heritage Commission; Public Utilities Commission; State Lands Commission

**Document Details Report  
State Clearinghouse Data Base**

---

**Date Received** 06/20/2001

**Start of Review** 06/20/2001

**End of Review** 07/19/2001

# Griffith, Masuda & Emrick

A PROFESSIONAL LAW CORPORATION

517 East Olive Street  
Turlock, California 95380  
(209) 667-5501

[www.calwaterlaw.com](http://www.calwaterlaw.com)

Roger K. Masuda  
Matthew L. Emrick  
Sara J. Lima

W. Coburn Cook, 1892-1953  
Lin H. Griffith, retired

Please reply to  
P.O. Box 510  
Turlock, CA 95381-0510

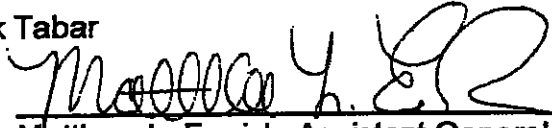
Fax (209) 667-8176

[memrick@calwaterlaw.com](mailto:memrick@calwaterlaw.com)

July 25, 2001

TO: Kirk Tabar

FROM:

  
Matthew L. Emrick, Assistant General Counsel,  
Turlock Irrigation District

RE: *Comments From Cal Trans On Westside Acquisition Project Negative Declaration*

We have reviewed the comments received by the District from Cal Trans, and have the following responses:

**Comment 1:** The District will obtain all necessary easements from Cal Trans that may be necessary for this project. That part of State Route 33 within the project area was reviewed as to biological, cultural, and hazardous waste impacts. Route 33 is specially mentioned as being part of the Geographic Area of the Project addressed by the Negative Declaration (e.g. pg. 1-1) and is shown in the map of the Project Area on Figure 1-1. The District will comply with all required permits and environmental review for any future projects in this area.

**Comment 2:** The Negative Declaration was sent to the Native American Heritage Commission, which did not comment on the Negative Declaration.

[end]

**J**

[[1]]FINEDG:[50680.TX]00009.FIP  
 [[1]]PG&E CORP.

EDGAR only  
 FORM 10-Q

EDG: 2-AUG-2001 16:49  
 R.R. Donnelley (214) 521-4767

BLK: 00-000-0000 00:00  
 770 V3.1 \*\*\*

<PAGE>

**PACIFIC GAS AND ELECTRIC COMPANY, A DEBTOR-IN-POSSESSION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
 (in millions, except share amounts)

<TABLE>

<CAPTION>

	Balance at	
	June 30, 2001	December 31, 2000
	-----	-----
<S>	<C>	<C>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities Not Subject to Compromise</b>		
<b>Current Liabilities</b>		
Short-term borrowings	\$ -	\$ 3,079
Long-term debt, classified as current	-	2,374
Current portion of rate reduction bonds	290	290
Accounts payable:		
Trade creditors	345	3,688
Related parties	7	138
Regulatory balancing accounts	352	196
Other	300	363
Deferred income taxes	45	172
Other	297	670
	-----	-----
<b>Total current liabilities</b>	<b>1,636</b>	<b>10,970</b>
<b>Noncurrent Liabilities</b>		
Long-term debt	3,370	3,342
Rate reduction bonds	1,600	1,740
Deferred income taxes	1,087	929
Deferred tax credits	173	192
Other	3,001	2,968
	-----	-----
<b>Total noncurrent liabilities</b>	<b>9,231</b>	<b>9,171</b>
<b>Liabilities Subject to Compromise</b>		
Financing debt	5,792	-
Trade creditors	5,356	-
	-----	-----
<b>Total liabilities subject to compromise</b>	<b>11,148</b>	<b>-</b>
<b>Preferred Stock With Mandatory Redemption Provisions</b>		
6.30% and 6.57%, outstanding 5,500,000 shares, due 2002-2009	137	137
<b>Company Obligated Mandatorily Redeemable Preferred Securities</b> <b>of Trust Holding Solely Utility Subordinated Debentures</b>		
7.90%, 12,000,000 shares due 2025	-	300
<b>Stockholders' Equity</b>		
<b>Preferred Stock Without Mandatory Redemption Provisions</b>		
Nonredeemable-5% to 6%, outstanding 5,784,825 shares	145	145
Redeemable-4.36% to 7.04%, outstanding 5,973,456 shares	149	149
<b>Common stock, \$5 par value, authorized</b>	<b>1,606</b>	<b>1,606</b>
800,000,000 shares, issued 321,314,760 shares		
<b>Common stock held by subsidiary, at cost, 19,481,213 shares</b>	<b>(475)</b>	<b>(475)</b>
<b>Additional paid-in capital</b>	<b>1,964</b>	<b>1,964</b>
<b>Accumulated deficit</b>	<b>(2,283)</b>	<b>(1,979)</b>
<b>Accumulated other comprehensive loss</b>	<b>(42)</b>	<b>-</b>
	-----	-----
<b>Total stockholders' equity</b>	<b>1,064</b>	<b>1,410</b>
<b>Commitments and Contingencies (Notes 1, 2, 3, and 6)</b>	<b>-</b>	<b>-</b>
	-----	-----
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 23,216</b>	<b>\$ 21,988</b>
	-----	-----

</TABLE>

The accompanying Notes to the Condensed Consolidated Financial Statements are an integral part of this statement.

<PAGE>

PACIFIC GAS AND ELECTRIC COMPANY, A DEBTOR-IN-POSSESSION  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(in millions, except share amounts)

<TABLE>  
<CAPTION>

	Balance at	
	June 30, 2001	December 31, 2000
	<C>	<C>
<S>		
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 132	\$ 111
Short-term investments	3,125	1,283
Accounts receivable:		
Customer (net of allowance for doubtful accounts of \$54 million and \$52 million, respectively)	1,547	1,711
Related parties	20	6
Regulatory balancing account	46	222
Inventories:		
Gas stored underground and fuel oil	262	146
Materials and supplies	126	134
Income taxes receivable	-	1,120
Prepaid expenses and other	210	45
Total current assets	5,468	4,778
Property, Plant, and Equipment		
Electric	16,787	16,335
Gas	7,554	7,537
Construction work in progress	266	249
Total property, plant, and equipment (at original cost)	24,607	24,121
Accumulated depreciation and decommissioning	(11,521)	(11,120)
Net property, plant, and equipment	13,086	13,001
Other Noncurrent Assets		
Regulatory assets	1,843	1,716
Nuclear decommissioning funds	1,332	1,328
Other	1,487	1,165
Total noncurrent assets	4,662	4,209
TOTAL ASSETS	\$ 23,216	\$ 21,988
	*****	*****

</TABLE>

The accompanying Notes to the Condensed Consolidated Financial Statements are an integral part of this statement.



<PAGE>

**PACIFIC GAS AND ELECTRIC COMPANY, A DEBTOR-IN-POSSESSION  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (in millions)**

<TABLE>  
 <CAPTION>

	Three months ended June 30,		Six months ended June 30	
	2001	2000	2001	2000
	<C>	<C>	<C>	<C>
<S>				
Operating Revenues				
Electric	\$ 1,497	\$ 1,801	\$ 2,756	\$ 3,402
Gas	812	495	2,115	1,112
Total operating revenues	2,309	2,296	4,871	4,514
Operating Expenses				
Cost of electric energy	(362)	975	1,955	1,488
Cost of gas	429	182	1,345	465
Operating and maintenance	676	543	1,208	1,094
Depreciation, amortisation, and decommissioning	222	44	439	345
Reorganization professional fees and expenses	8	-	8	-
Total operating expenses	973	1,744	4,955	3,392
Operating Income (Loss)	1,336	552	(84)	1,122
Reorganization interest income	32	-	32	-
Interest income	17	12	24	18
Interest expense (contractual interest of \$195 million and \$396 million for the three- and six-months ended June 30, 2001, respectively)	(257)	(144)	(458)	(285)
Other income (expense), net	(2)	-	(6)	(1)
Income (Loss) Before Income Taxes	1,126	420	(492)	854
Income tax provision (benefit)	424	198	(200)	398
Net Income (Loss)	702	222	(292)	456
Preferred dividend requirement	6	6	12	12
Income (Loss) Available for (Allocated to) Common Stock	\$ 696	\$ 216	\$ (304)	\$ 444

</TABLE>

The accompanying Notes to the Condensed Consolidated Financial Statements are an integral part of this statement.

K

**CERTIFICATE OF SERVICE BY MAIL**

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is Pacific Gas and Electric Company, Law Department B30A, 77 Beale Street, San Francisco, California 94105.

I am readily familiar with the business practice of Pacific Gas and Electric Company for collection and processing of correspondence for mailing with the United States Postal Service. In the ordinary course of business, correspondence is deposited with the United States Postal Service the same day it is submitted for mailing.

On the 4<sup>th</sup> day of January 2002, I served a true copy of **APPLICATION** by placing it for collection and mailing, in the course of ordinary business practice, with other correspondence of Pacific Gas and Electric Company, enclosed in a sealed envelope, with postage fully prepaid, addressed to:

See Attached Service List

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on the 4<sup>th</sup> day of January 2002.

  
BELINDA BATES

## Service List

**Scott T. Steffens**  
Modesto Irrigation District  
P.O. Box 4060  
Modesto, CA 95352

**Christopher J. Mayer**  
Assistant General Manager  
Planning and Marketing  
Modesto Irrigation District  
P.O. Box 4060  
Modesto, CA 95352

**Larry Weis, General Manager**  
Westside Power Authority  
P.O. Box 685  
Patterson, CA 95363-0685

**Larry Weis, General Manager**  
Turlock Irrigation District  
P.O. Box 949  
Turlock, CA 95381-0949

**John Sweigard, General Manager**  
Patterson Irrigation District  
P.O. Box 685  
Patterson, CA 95363

**Roger Masuda**  
Griffith, Masuda & Emrick  
517 East Olive Street  
Turlock, CA 95380

**Garith Krause, Assistant General Manager**  
Merced Irrigation District  
P.O. Box 2288  
Merced, CA 95344-0288