



**Pacific Gas and
Electric Company**

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Regulatory Relations

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September 28, 2018

Advice 4021-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: Ten Encroachments identified through PG&E's Community Pipeline Safety Initiative (CPSI) – Request for Approval under Public Utilities Code Section 851 and General Order 173

Purpose

Pacific Gas and Electric Company ("PG&E") requests approval under Public Utilities Code Section 851 ("Section 851") and General Order 173 to enter into ten Encroachment Agreements ("Agreements") with third parties ("Owners") as listed in Attachment 1. Supporting documents are included as separate attachments for each Agreement.

In each case, PG&E has inspected the encroachment area and reviewed the Agreements and has determined that the encroachment does not interfere with PG&E's operations or PG&E's ability to provide safe and reliable utility service to its customers. In addition, allowing the encroachments to remain will not be adverse to the public interest.

Background

PG&E's Community Pipeline Safety Initiative ("CPSI") involves inspecting the area above PG&E's gas pipeline (also known as the right-of-way) for items like shed and trees which can interfere with PG&E's ability to maintain, inspect and safely operate its system. Rights-of-way create a shared responsibility between PG&E and property owners to maintain the area above the pipeline. Pipeline rights-of-way on private property are documented in a written and publicly-recorded easement, which gives limited rights to make use of property owned by another.

In the subject transactions, PG&E owns an easement on the right-of-way for PG&E's gas pipeline. The Owners are the fee title owners of the real property where the easements are granted. During PG&E's CPSI inspection, PG&E identified structures ("Improvements") encroaching on PG&E's easement made without PG&E's prior knowledge. In all cases, the encroachments are within an easement area but do not sit on top of a gas pipeline. Yet, the easements prohibit the construction of such improvements. In light of these unintended encroachments, the Owners have agreed

to enter into an Agreement requesting that PG&E grant them permission to maintain and use the Improvement within the easement area.

PG&E has conducted inspections of the properties and identified encroachments and determined that the Improvements into the easement area, as constructed, do not interfere with PG&E's full use of the easement area. PG&E can access its pipeline for any maintenance or safety-related work if necessary. Therefore, PG&E is willing to agree to allow such encroachments within the easement area, subject to the terms and conditions described in the Agreements, and requests California Public Utilities Commission (CPUC or Commission) approval to enter into the Agreements, more specifically described in Attachments 2 - 11.

For encroachments where such conditions are necessary to ensure future operational needs may be met the Agreement(s) reserve PG&E's right to use the encroachment area(s) at any time and for any purpose it deems necessary or appropriate when in the interest of its service to its customers or the public. Further, the Agreement(s) prohibits the Owner from altering the Improvements, rebuilding in the event the Improvements are demolished or destroyed, and the Owner agrees to maintain the Improvements which encroach onto the easement area. PG&E retains the "sole and absolute discretion" to terminate the Owner's rights to encroach into the easement area at any time, should PG&E determine that the owners use of the encroachment area is inconsistent with PG&E operations "or in any way interferes with, impairs or otherwise impedes PG&E's full use of facilities installed or that may be installed by PG&E in the vicinity of the easement area."

There are ten Agreements that require Commission approval. In lieu of submitting ten separate advice letters, PG&E requests Commission approval of these Agreements under this advice letter. A summary of project-specific information can be found in Attachment 1 and additional applicable responses can be found in this advice letter. Supporting documents for each Agreement are included in Attachments 2 - 11.

For the above reasons, the Commission should approve this Section 851 request to grant the Owners as listed in Attachment 1, the ability to continue use of property in the specified Encroachment Areas, and find that doing so is not adverse to the public interest because, in all cases, it will not impair PG&E's provision of safe and reliable utility service.

In accordance with General Order 173, Rule 4, PG&E provides the following information related to the proposed transaction: **See Attachment 1 for details**

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

Pacific Gas and Electric Company
Darren P. Roach
Law Department
P.O. Box 7442
San Francisco, CA 94120
Telephone: (415) 973-6345
Facsimile: (415) 973-5520
Email: DPRC@pge.com

See Attachment 1

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

See Attachment 1

(c) Intended Use of the Property:

The easement(s) expressly prohibit construction of any buildings or structures within the easement(s). The Improvements were previously constructed without PG&E's knowledge or consent and are currently being used and maintained by the Owner. Notwithstanding the prohibition in the easement, PG&E consents to the encroachment of the Improvements onto the easement(s) more specifically described in Attachments 2 - 11.

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

PG&E is not collecting any use fees associated with granting the Agreement(s). The Improvement within the Easement Area does not rise to the level of a right that has any realizable economic value to PG&E.

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

No Applicable

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

There are no changes to PG&E's rate base as a result of granting the proposed easement. This transaction will not impact PG&E's ability to provide safe and reliable service to its customers and public at large.

(g) The Original Cost, Present Book Value, and Present Fair Market Value for Sales of Real Property and Depreciable Assets, and a Detailed Description of How the Fair Market Value Was Determined (e.g., Appraisal):

Not Applicable

(h) The Fair Market Rental Value for Leases of Real Property, and a Detailed Description of How the Fair Market Rental Value Was Determined:

Not Applicable

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

The Improvement within the Easement Area does not rise to the level of a right that has any realizable economic value to PG&E.

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

Not Applicable

(k) Sufficient Information and Documentation (Including Environmental Information) to Show that All of Eligibility Criteria Set Forth in Rule 3 of General Order 173 are Satisfied:

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

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

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

No information is readily available other than what has already been included within this advice letter submittal.

(m) Environmental Information

Pursuant to General Order 173, the Advice Letter program applies to proposed transactions that will not require environmental review by the CPUC as a lead

agency under the California Environmental Quality Act ("CEQA") either because: (a) a statutory or categorical exemption applies (the applicant must provide a Notice of Exemption from the Lead Agency or explain why an exemption applies), or (b) because the transaction is not a project under CEQA (the applicant must explain the reasons why it believes that the transaction is not a project), or (c) because another public agency, acting as the Lead Agency under CEQA, has completed environmental review of the project, and the Commission is required to perform environmental review of the project only as a Responsible Agency under CEQA.

(1), (2) Not a "Project" Under CEQA

If the transaction is not a "project" under CEQA, please explain why.

Approval of these Encroachment Agreements is not a project for purposes of CEQA review as no physical change to the property will result from the approval of the Encroachment Agreements, as the Improvements have already been constructed.

Protests

Anyone wishing to protest this submittal may do so by sending a letter by October 18, 2018, which is 20 days from the date of this submittal. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B13U
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-3582
E-mail: PGETariffs@pge.com

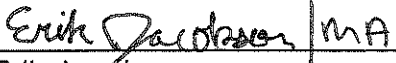
Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

Pursuant to the review process outlined in General Order 173, PG&E requests that this Tier 2 advice submittal become effective on October 28, 2018 which is 30 days from the date of submittal.

Notice

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


Erik Jacobson
Director, Regulatory Relations

Attachments

Attachment 1 – CPSI Encroachments Summary List

Attachment 2 – Tamara F. Myers; 2630 Mattison Lane, Santa Cruz, CA 95062

Attachment 3 – Sujata Salem and Parag Mandrekar; 905 Raintree Court, San Jose, CA 95129

Attachment 4 – Richard Qureshi; 1369 Fitzgerald Drive, Pinole, CA 94564

Attachment 5 – Caryn A. Paidl; 2905 Carey Way, Hollister, CA 95023

Attachment 6 – Gerald and Tana Smith; 5353 Blossom Lane, Paso Robles, CA 93446

Attachment 7 – James and Linda Cozzolino; 11853 San Mateo Road, Half Moon Bay, CA 94019

Attachment 8 – Tina Mastropolito Bruno; 5675 Silverado Place, Paso Robles, CA 93446

Attachment 9 – TBN Southpointe Plaza LLC; 6051 Mack Road, Sacramento, CA 95823

Attachment 10 – Leonard and Deborah Holt; 6848 State Highway 36, Carlotta, CA 95528

Attachment 11 – Harris Feeding Company; 29475 Fresno Coalinga Road, Coalinga, CA, 93210

***** SERVICE LIST Advice 4021-G *****
APPENDIX A

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

Santa Cruz County Government Center
701 Ocean Street, Rm. 310
Santa Cruz, CA 95060

Santa Clara Clerk-Recorder's Office
70 W Hedding St,
San Jose, CA 95110

Contra Costa County Clerk
P.O. Box 350
Martinez, CA 94553

County of San Benito
Office of the Clerk
440 Fifth Street
Second Floor, Room 206
Hollister, CA 95023

San Luis Obispo County Clerk
1055 Monterey Street Suite D120
San Luis Obispo, CA 93408

San Mateo County Clerk
555 County Center
Redwood City, CA 94063

Sacramento County Clerk Recorder
8239 E Stockton Blvd A,
Sacramento, CA 95828

Humboldt County Clerk
825 5th Street
5th Floor
Eureka, CA 95501

Fresno County Clerk
2220 Tulare St,
Fresno, CA 93721

10 current property owners listed on Attachment 1