



Pacific Gas and Electric Company
Community Pipeline Safety Initiative
6111 Bollinger Canyon Rd., 3rd Floor
San Ramon, CA 94583

October 3, 2017

Redwoods Junior College PL
7351 Tompkins Hill Road
Eureka, CA 95501

Re: Use of PG&E Property Requiring CPUC Approval
PG&E Project: RW-C-4715-16

Dear Property Owners:

Thank you for cooperating with PG&E regarding use of our gas pipeline easement area located at APN: 307-011-014-000, County of Humboldt. This letter will provide you with information regarding the process of reviewing your request for PG&E to accept encroachments within this easement.

The continued use of PG&E property will require approval from the California Public Utilities Commission (CPUC) under CPUC Code Section 851.

PG&E is recommending and will prepare and submit to the CPUC, either a Section 851 Advice Letter or a formal Section 851 Application. The type of document submitted to the CPUC for approval will depend on the nature of the use. A brief explanation of each and their processing timelines are attached for your information.

Attached for your review and approval are two (2) originals of the proposed Encroachment Agreement. Please approve all by signature, notarize and return to me at the address noted above, on or before May 1, 2017.

If you have any questions or concerns I can be contacted at 916.204.1500.

Sincerely,

Shay Clarke
Land Agent
Community Pipeline Safety Initiative

PROCESS FOR FILING FOR CPUC APPROVAL **UNDER CODE SECTION 851**

Any proposed use of PG&E property is governed in part by California Public Utilities Code Section 851 and therefore must be approved in advance by the California Public Utilities Commission (CPUC) under a process outlined by Section 851.

Advice Letter Process

Section 851 Pilot Program - ALJ-202 (Approved 8/24/07)

Under Code Section 851, as amended (effective 1/1/06), a streamlined process utilizing an advice letter for approving uses of utility property has been put in place. Under this streamlined process the CPUC must approve or deny advice letter requests within 120 days of PG&E's filing of the advice letter, unless the advice letter application does not include complete information or a timely protest has been filed. Once the submitted advice letter is deemed complete by the CPUC the 120 day clock begins.

Eligibility Criteria

In general, the advice letter pilot program will apply to proposed transactions that meet the following significant conditions. For a complete list of the eligible conditions, please refer to ALJ 202 which can be found at the following website:

http://www.cpuc.ca.gov/PUBLISHED/AGENDA_RESOLUTION/71600.htm

Final determination of whether a specific use may be filed under the Advice Letter process or will require a full 851 application will be made by PG&E.

1. The activity proposed in the transaction will not require environmental review by the CPUC as a lead agency or a responsible agency under the California Environmental Quality Act (CEQA), either because a statutory or categorical exemption applies or because the transaction is not considered a project under CEQA.
2. The transfer of real property, depreciable assets, non-depreciable assets, easement value does not have a fair market value in excess of \$5 million.
3. For a lease or lease equivalent, the total net present value of the lease payments, including any purchase option, does not have a fair market value in excess of \$5 million, and the term of the lease will not exceed 25 years.

Advice Letter Preparation

Once all of the necessary information has been received by PG&E, a complete advice letter information package will be sent to PG&E Regulatory Relations Dept. Regulatory Relations will then collaborate with other departments to seek input, circulate the advice letter for internal review and finalize the advice letter. Advice letters typically can take 2-3 months to draft and finalize for submission. Since advice letters require fewer steps in the development process, this time period may be closer to the two-month mark.

The total process time for final CPUC approval is estimated to be 6 months (60 days PG&E processing + 120 days CPUC review). The 6 month period is from the time a complete package with all necessary information is delivered to Regulatory Relations until the CPUC issues a Resolution approving/denying the advice letter, assuming no protests have been filed.

PROCESS FOR FILING FOR CPUC APPROVAL **UNDER CODE SECTION 851**

Note: Once the Advice Letter has been filed the CPUC is in control of the 120 day time period required to issue an approval/denial.

Formal Section 851 Application

Prior to the adoption of the Advice Letter pilot program, utility transactions involving the transfer or disposition of interests in property used and useful in the provision of services to the public generally required a formal application and a Commission decision pursuant to Section 851.

A formal application filed with the Commission is governed by greater rules and regulation and is subject to greater public scrutiny than its advice letter counterpart. By Commission Rule Article 2.1, the Commission must act on (i.e., approve or deny) the application within 18 months of filing of the application.

Eligibility Criteria

A Formal Application must be submitted if the requirements as outlined in the Advice Letter pilot program are not met or are exceeded.

851 Application Preparation

Preparation of the 851 application is very similar to the process outlined for advice letters. The typical processing time by PG&E is 2-3 months. Since formal applications require additional steps and approvals in the process, this time period is closer to the three-month mark. Therefore, the total process time for approval can be estimated to be approximately 21 months (3 months PG&E + 18 months CPUC) from the time the 851 package or required documentation is delivered to Regulatory Relations to the time the Commission issues a decision approving the application, assuming no protests, discovery, or hearings have occurred.