

REMOVAL OF INCOMPATIBLE VEGETATION NEAR PGE'S BULK TRANSMISSION SYSTEM STATUS UPDATE: JUNE 2013

BACKGROUND:

Following the widespread Northeastern United States power outage resulting from tree-to-transmission line contact, NERC instituted federal regulation FAC-003-1 requiring that all North American transmission owners ensure zero vegetation encroachments on their critical, bulk transmission lines. The regulations are performance-based and zero tolerance because of the risk of a cascading outage. Consistent with other transmission owners across North America, PG&E determined that the only effective approach to achieve compliance with NERC's regulations and to enhance safety and reliability on its critical transmission corridors was to implement a right of way (ROW) reclamation program. This program was initiated in 2009 and involved surveying existing conditions and converting vegetated rights-of-way to conditions more compatible with the operation of a bulk transmission system.

CURRENT STATUS OF ROW RECLAMATION PROGRAM:

The ROW Reclamation Program has been underway for approximately 4.5 years. Of the 6,847.5 miles of critical mileage on PG&E's system, PG&E has classified 3,700 miles of critical transmission line corridor as naturally compatible (i.e. pasture, desert, some agriculture, etc.), has converted 2,602.7 miles to a temporarily¹ compatible condition, and has 544.8 miles remaining to convert (see Figure 1). Additionally, PG&E instituted an ongoing Integrated Vegetation Management (IVM) program in 2013 to maintain and promote the establishment of low growing plant communities in areas where reclamation work has already been completed.

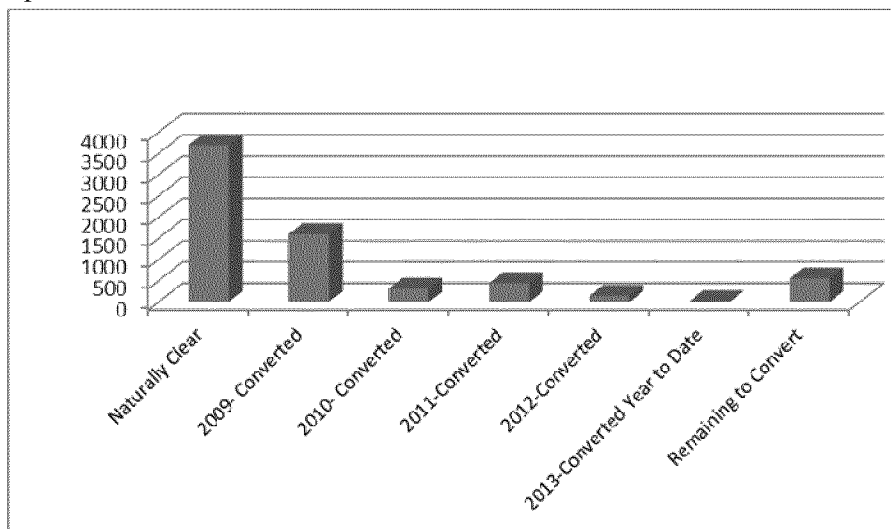


Figure 1: ROW Reclamation Status – May 2013

The majority of the remaining reclamation work is located in or near urban areas. Table 1 provides a list of completed and remaining critical line mileage by county. PG&E's Vegetation Management Department is working closely with customer facing departments within PG&E to identify potential issues before they occur and provide proactive outreach to external stakeholders. Outreach efforts have proven to be

¹ Converted locations will revert back to an incompatible vegetated state unless there is an ongoing IVM maintenance program to promote compatible vegetation.

effective when working with the City of Saratoga, San Mateo County, Golden Gate National Recreation Area and Mid-peninsula Regional Open Space District to name a few.

PG&E’s plan for the next 5 years is to maintain and promote the establishment of low growing plant communities in areas where reclamation work has already been completed, while taking a slow and deliberate approach to reclaim the remaining critical mileage by the end of 2018. Total expenditures for the program can be found in Table 2 (note that the 2013 value represents approved costs through the end of this year). All funding for this program comes from the TO filings through FERC.

Table 1: Reclamation work in miles by county

County	Completed Miles	Remaining Miles	County	Completed Miles	Remaining Miles
Alameda	361.08	40.70	Plumas	30.44	12.50
Amador	26.99	0.40	Sacramento	160.25	27.20
Butte	221.07	29.20	San Benito	130.59	6.20
Calaveras	68.89	2.80	San Francisco	13.12	0.00
Colusa	144.80	1.00	San Joaquin	317.86	17.70
Contra Costa	376.41	68.20	San Luis Obispo	454.54	0.00
El Dorado	31.93	0.00	San Mateo	114.09	3.20
Fresno	674.63	47.90	Santa Clara	190.45	51.00
Glenn	114.05	5.70	Santa Cruz	6.69	3.00
Kern	496.49	5.60	Shasta	332.35	3.40
Kings	170.20	5.00	Siskiyou	14.79	0.00
Lake	2.49	0.10	Solano	272.78	19.10
Madera	72.32	15.50	Sonoma	202.13	23.40
Marin	16.52	0.40	Stanislaus	186.75	10.20
Merced	205.48	39.30	Sutter	70.36	7.90
Monterey	140.85	22.10	Tehama	237.53	6.50
Napa	30.14	10.80	Tuolumne	17.06	5.00
Nevada	19.12	15.00	Yolo	174.52	0.00
Placer	89.06	30.00	Yuba	113.92	8.80

Table 2: Historic and Forecasted Costs Associated with ROW-Reclamation

Year	Spend to Date (000's)	Forecast Spend (000's)
2009	\$6,658	--
2010	\$6,641	--
2011	\$10,188	--
2012	\$11,674	--
2013	--	\$14,689