

MEMORANDUM OF UNDERSTANDING

Between the
CALIFORNIA DEPARTMENT OF FORESTRY, SAN DIEGO RANGER UNIT (CDF)
and
SAN DIEGO GAS & ELECTRIC COMPANY (SDG&E)

I. PURPOSE AND STATEMENT OF MUTUAL INTEREST AND BENEFIT:

SDG&E has a major high-voltage transmission line, commonly known as the Southwest Power Link (SWPL), which parallels the United States-Mexico border ranging from 0.10 to 11 miles to the north of the border. SDG&E holds certain easements (SDG&E Easements) granting SDG&E the right to construct and maintain the SWPL on private land within the SWPL corridor (SDG&E Easement Areas).

Wildfires burning underneath or adjacent to the SWPL threaten the reliability and integrity of the SWPL, which is critical infrastructure for supplying power to the Southwest United States. Mitigating the fire hazard by reducing the vegetation located within the SWPL Easement Areas would improve the SWPL's reliability and integrity, which would provide a direct benefit to SDG&E and its customers, and improve the safety of firefighters when working near the SWPL, which is of particular interest to CDF. Reducing the vegetation located within the SWPL Easement Areas would also add a "second line of defense" against wildfires that could jeopardize the SWPL and the border communities, and increase the potential to conduct additional fuel management work.

The area of consideration for vegetation management (Project) under this Memorandum of Understanding is identified as ¼ mile from the center line of SWPL located approximately at Proctor Valley to the west and Jacumba to the east. This area is of particular concern to the CDF as fire frequency is high and border communities are often threatened by wildfires encroaching from Mexico. CDF and SDG&E will identify specific vegetation management locations on a case-by-case basis.

For the reasons stated above, it would be beneficial to both parties to coordinate their efforts with respect to certain aspects of the Project, including but not limited to planning, prioritization, funding and implementation. This Memorandum of Understanding (MOU) sets forth the understandings of the parties to coordinate their efforts with respect to certain aspects of the Project, as more fully described below.

II. GENERAL CONSIDERATIONS:

1. This MOU does not supersede other existing agreements and/or memorandums of understanding between either of the parties.
2. Each party will retain its primary responsibility for meeting all legal and regulatory requirements pertaining to its company or agency and property.
3. Each party will retain all existing authorities for its respective area of jurisdiction and this MOU will not constitute or imply any change of any party's responsibility or liability with respect to its area of jurisdiction.
4. Participation in any phase of the proposed work is voluntary. Nothing contained in this MOU shall obligate any party to continue participating in any phase of the proposed work and any party may terminate its participation in any phase of the proposed work at any time for any reason or no reason.
5. This MOU is not a contract but merely a memorandum of the understanding of the parties to coordinate their efforts with respect to certain aspects of the Project. None of the parties shall be bound with respect to any of the matters set forth in this MOU.
6. Amendments to this MOU may be made by notification of the proposed changes to the other party and will become effective upon execution by both parties, which may occur in counterparts.
7. This MOU may be terminated by delivering written notice to the other party, effective thirty (30) calendar days following the date of delivery of such written notification.

III. THE PARTIES SHALL:

1. Review the entire Project area and identify those sub-areas where cooperating in the proposed vegetation management work would be mutually beneficial.
2. Agree upon the prioritization of the proposed work.
3. Identify to each other the degree of participation each party expects to have with regard to funding, contributed labor, equipment availability, or other potential contributions for the good of the Project.
4. Identify the recommended treatment methods for each sub-area, identify the required environmental permits, approvals and mitigations, and mutually agree who will accomplish the necessary pre-implementation work for each phase.
5. Work within the agreed upon timelines set forth during the Project's planning stages.
6. Notify all landowners in writing, prior to initiation of work, when vegetation management work will take place on their land.
7. Honor commitments made for specific projects, once the implementation phase has been initiated.
8. Exchange funds with another party when one party provides services or materials for another at an agreed upon rate or amount.
9. Work in the spirit of cooperation for all Project activities and take into account the impact of any actions on the good of both parties.

IV. CDF SHALL:

1. Take the lead and responsibility for all fires prescribed by the Project on state and private land that is within its jurisdiction. CDF shall provide a minimum of forty-eight (48) hours advance notification to SDG&E before commencing any prescribed burn.
2. Provide handcrews and other related equipment to perform vegetation management work on those lands where CDF is a beneficiary of the work.
3. Provide handcrews or equipment, for a negotiated fee, to assist in completion of work within the SDG&E Easement Areas that primarily benefits SDG&E.
4. Monitor the fire danger and notify SDG&E on days that are too hazardous to conduct safe vegetation management activities. All or a portion of the project activities will stop when appropriate and deemed so by the CDF.
5. Provide expertise and supervision to ensure that appropriate and acceptable practices are used for the Project.
6. Obtain all necessary approvals and ensure that all environmental concerns and issues are mitigated as required for all private lands within the Project area outside the SDG&E Easement Areas.
7. Postpone prescribed burn projects on days where the reliability or integrity of the SWPL is at risk, as determined by SDGE in its sole discretion.
8. Execute an entry permit with SDG&E prior to entering any SDG&E Easement Area, obligating CDF to (a) maintain in effect certain minimum insurance coverages to protect SDG&E and CDF from claims, losses, liabilities, costs, expenses, demands, complaints, causes of action, liens, obligations, fines and penalties (including but not limited to all investigation costs and reasonable consulting, engineering, in-house or outside attorney's fees or other professional fees) (collectively, Claims) arising out of presence of CDF or any of CDF's employees, agents, representatives, contractors, subcontractors and consultants (collectively, CDF Parties) within the SDG&E Easement Areas, (b) release SDG&E and SDG&E's shareholders, directors, officers, affiliates, employees, contractors, subcontractors and consultants (collectively, SDG&E Parties) from any Claims that CDF or any CDF Party may incur as a result of the presence of CDF or any of the CDF Parties within the SDG&E Easement Areas, and (c) indemnify SDG&E and the SDG&E Parties against any Claims that SDG&E or any SDG&E Party may incur as a as a result of the presence of CDF or any of the CDF Parties within the SDG&E Easement Areas.

VI. SDG&E SHALL:

1. Assist with funding, supervision, and supply personnel to Project activities within SDG&E's Easement that are immediately under or adjacent to the SWPL, as determined to be appropriate by SDG&E.
2. Obtain all necessary approvals and ensure that all environmental concerns and issues are mitigated as required for all lands within the Project area that lie within the SDG&E Easement Areas.

3. Notify CDF of those days where the SWPL's reliability is critical and prescribed burning should not take place under or immediately adjacent to the SWPL.
4. File a FC-31 "Work MOU" and a FC-32 "Request for Work" when requesting CDF handcrews or equipment for work within SDG&E Easement Areas.
5. Exchange funds with CDF, if Project specific costs occur that are agreed upon in advance to be paid for by SDG&E.
6. Not authorize any Project activity to the extent such authorization would exceed the scope of rights granted to SDG&E under the SDG&E Easements.

This MOU shall expire five (5) years from the date of execution by both parties, unless extended by written agreement of both parties. It is currently the intention of both parties to continue coordinating their efforts and extend the MOU beyond the initial five (5) years.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding as of the last date written below:

STATE OF CALIFORNIA
 DEPARTMENT OF FORESTRY AND FIRE PROTECTION
 SAN DIEGO RANGER UNIT

By _____ Date _____
 CHARLES MANER
 Unit Chief

SAN DIEGO GAS & ELECTRIC COMPANY

By _____ Date _____
 DAVID GEIER
 Vice President, Electric Transmission and Distribution