

**CALENDAR ITEM
C34**

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12/16/02
PRC 6827.1
N. Smith

APPROVAL OF ADDENDUM NO. 15 TO MASTER LEASE PRC NO. 6827.1

LESSEE:

Pacific Gas and Electric Company
245 Market Street
San Francisco, CA 94177

BACKGROUND:

At its April 25, 1985, meeting, the California State Lands Commission approved the issuance of Master Lease PRC 6827.1 (Minute Item No. 4) to Pacific Gas and Electric Company (PG&E) for various electric transmission facilities, 60kV and greater, throughout California.

The master lease provides that the lease may be amended by a series of addendums for the purpose of adding to and deleting from the lease the parcels of State land necessary for the purpose covered under the lease. All other terms and conditions of the lease shall remain in effect without amendment.

CURRENT SITUATION:

PG&E proposes to construct three new 115kV transmission lines which include, one power pole with conductors, on and across sovereign land the State acquired from Santa Clara County Flood Control and Water District, April 25, 1969, along Highway 237 at Guadalupe River in north San Jose, Santa Clara County. This proposed project is necessary to meet the load growth expected to occur in the north San Jose area.

LEASE TERM:

30 years, beginning May 1, 1985.

CONSIDERATION:

\$70,424 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

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OTHER PERTINENT INFORMATION:

1. Applicant has a right to use the uplands adjoining the lease premises.
2. Under the United States Bankruptcy Court Case No. 01-30923 DM filed July 21, 2001, the Court approved the Notice of Entry of Order Regarding Motion for Authorization to Settle Post Petition Third Party Claims in the Ordinary Course of Business which authorizes Pacific Gas and Electric Company to continue their operations.
3. A Mitigated Negative Declaration and Mitigation Monitoring Program were prepared and adopted for this project by the California Public Utilities Commission. The California State Lands Commission's staff has reviewed such documents.
4. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. However, the Commission has declared that all tide and submerged lands are "significant" by nature of their public ownership (as opposed to "environmentally significant"). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code sections 6370, et seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by Title 2, California Code of Regulations, section 2954 is not applicable.

APPROVALS OBTAINED:

California Public Utilities Commission, Department of Fish and Game, Santa Clara Valley Water District and Santa Clara Valley Transportation Authority.

EXHIBITS:

- A. Site and Location Map
- B. Mitigation Monitoring Program

PERMIT STREAMLINING ACT DEADLINE:

2/07/03

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RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT A MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING PROGRAM WERE PREPARED AND ADOPTED FOR THIS PROJECT BY THE CALIFORNIA PUBLIC UTILITIES COMMISSION AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

ADOPT THE MITIGATION MONITORING PROGRAM, AS CONTAINED IN EXHIBIT B, ATTACHED HERETO.

AUTHORIZATION:

AUTHORIZE THE AMENDMENT OF LEASE NO. PRC 6827.1, A GENERAL LEASE – RIGHT OF WAY USE, OF LANDS SHOWN ON EXHIBIT A, ATTACHED, AND BY THIS REFERENCE MADE A PART HEREOF, EFFECTIVE DECEMBER 10, 2002, FOR CONSTRUCTION OF THREE 115kV TRANSMISSION LINES, WITH ONE POLE AND CONDUCTORS ALONG HIGHWAY 237 AT GUADLAUPE RIVER, SANTA CLARA COUNTY; ALL OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.