

**CALENDAR ITEM
C63**

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03/25/08
WP 7458.2
J. Porter

AMENDMENT OF LEASE

LESSEE:

Plumas-Sierra Rural Electric Cooperative
73233 State Route 70, Suite A
Portola, CA 96122

AREA, LAND TYPE, AND LOCATION:

3.53 acres, more or less, of State school lands located in Section 36, Township 24 North, Range 17 East, MDM, near the town of Doyle, Lassen County.

AUTHORIZED USE:

Use and maintenance of an overhead 69kV transmission line and maintenance of an existing 7.2kV distribution line.

LEASE TERM:

25 years, beginning September 27, 1990, and ending September 26, 2015, unless sooner terminated as provided under the lease.

CONSIDERATION:

\$690 yearly rent payable in five-year increments, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

PROPOSED AMENDMENT:

Authorized improvements are amended to permit the upgrade of the existing #2 ACSR-4 conductor to 336 MCM four-wire, the relocation of the existing 7.2kV distribution circuit onto the nearby existing 69kV transmission line, and the removal of approximately 1,428 linear feet of three-phase overhead conductor and associated powerline poles. The legal description of the Lease Premises contained in the original lease is deleted in its entirety and replaced by the legal description shown in Exhibit B. Effective September 27, 2008, the annual rent is revised to \$108. All other terms and conditions of the lease shall remain in effect without amendment.

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OTHER PERTINENT INFORMATION:

1. Lease No. PRC 7458.2 was issued to Plumas-Sierra Rural Electric Cooperative (Lessee) in 1990. The rent was originally established at \$600 per year, based on a leased area of 3.53 acres. In 1996, the rent was revised to \$690 per year. As part of the current lease amendment application, a new independent survey was conducted and approved by Commission staff. The new Lease Premises, as shown on Exhibit A and described in Exhibit B, is revised to 1.33 acres. Based on the smaller lease area and a new staff appraisal conducted as part of the lease amendment application, staff is recommending the annual rent for the Lease Premises be revised to \$108, to be effective on the next anniversary date of the lease (September 27, 2008).
2. Lessee's application to amend the Lease requested authorization for a construction project (Project) to upgrade its distribution facilities, relocate an existing distribution circuit and remove other existing power lines and poles on the Lease Premises. However, the Lessee completed the Project prior to receiving such authorization from the Commission. After staff review of pertinent information submitted by Lessee, staff determined that the Project was completed after Lessee obtained all other necessary governmental permits and approvals and that to the best of the parties' knowledge, all of the terms and conditions of the California Environmental Quality Act were satisfied and no undue damage was caused to the Lease Premises.
3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 2, Replacement or Reconstruction; Title 14, California Code of Regulations, section 15302.

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300.

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

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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:

U.S. Department of Agriculture, Rural Development, and the Bureau of Land Management

EXHIBITS:

- A. Location Map
- B. Legal Description

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 2, REPLACEMENT OR RECONSTRUCTION; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15302

AUTHORIZATION:

AUTHORIZE THE AMENDMENT OF LEASE NO. PRC 7458.2, A GENERAL LEASE – RIGHT OF WAY USE, OF STATE SCHOOL LANDS, EFFECTIVE SEPTEMBER 21, 2007, TO PERMIT THE UPGRADE OF THE EXISTING #2 ACSR-4 CONDUCTOR TO 336 MCM FOUR-WIRE, THE RELOCATION OF THE EXISTING 7.2KV DISTRIBUTION CIRCUIT ONTO THE NEARBY EXISTING 69KV TRANSMISSION LINE, AND THE REMOVAL OF APPROXIMATELY 1,428 LINEAR FEET OF THREE-PHASE OVERHEAD CONDUCTOR AND ASSOCIATED POWERLINE POLES; THE LEGAL DESCRIPTION OF THE LEASE PREMISES CONTAINED IN SECTION 3 OF THE LEASE IS DELETED IN ITS ENTIRETY AND REPLACED BY THE LEGAL DESCRIPTION SHOWN IN EXHIBIT A AND DESCRIBED IN EXHIBIT B, BOTH ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; EFFECTIVE SEPTEMBER 27, 2008, THE ANNUAL RENT IS REVISED TO \$108; ALL

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OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.

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