CALENDAR ITEM

C42

A 15 10/22/09
PRC 4449.1
S 33 J. Smith

REVISION OF RENT

LESSEE:

Pacific Gas & Electric Company
Mailcode N10A
P.O. Box 77000
77 Beale Street, Room 2150
San Francisco, California 94177

AREA, LAND TYPE, AND LOCATION:

0.076 acres, more or less, of sovereign lands in the Pacific Ocean, near Point Buchon, San Luis Obispo County.

AUTHORIZED USE:

Maintenance of a cooling water discharge channel associated with the Diablo Canyon Nuclear Power Plant.

LEASE TERM:

49 years, beginning June 1, 1970.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the rent be revised from $120 per year to $900 per year, effective June 1, 2010.

OTHER PERTINENT INFORMATION:

On May 28, 1970, the Commission authorized the issuance of a 49-year Right of Way Lease to the Pacific Gas and Electric Company (PG&E) for construction and maintenance of a cooling water discharge channel associated with the Diablo Canyon Nuclear Power Plant (Plant). The lease will expire on May 31, 2019.

The Plant utilizes once-through cooling water to provide condenser cooling water to Units 1 and Unit 2. PG&E operates the Plant pursuant to an administrative extension of NPDES Permit No. CA0003751 originally issued by the Regional

Water Quality Control Board (RWQCB), Central Coast Region, on May 11, 1990 (Order No. 90-09). The RWQCB will consider the issuance of a revised NPDES permit for the Plant after the State Water Resources Control Board adopts the Statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling, a draft of which is currently out for public comment. Pursuant to the terms of the lease issued by the Commission, PG&E is required to be in compliance with and be bound by all presently existing or subsequently enacted rules, regulations, statutes or ordinances of the Commission or any other governmental agency or entity having lawful authority and jurisdiction.

EXHIBIT:

A. Location and Site Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

APPROVE THE REVISION OF RENT FOR LEASE NO. PRC 4449.1 FROM $120 PER YEAR TO $900 PER YEAR, EFFECTIVE JUNE 1, 2010.

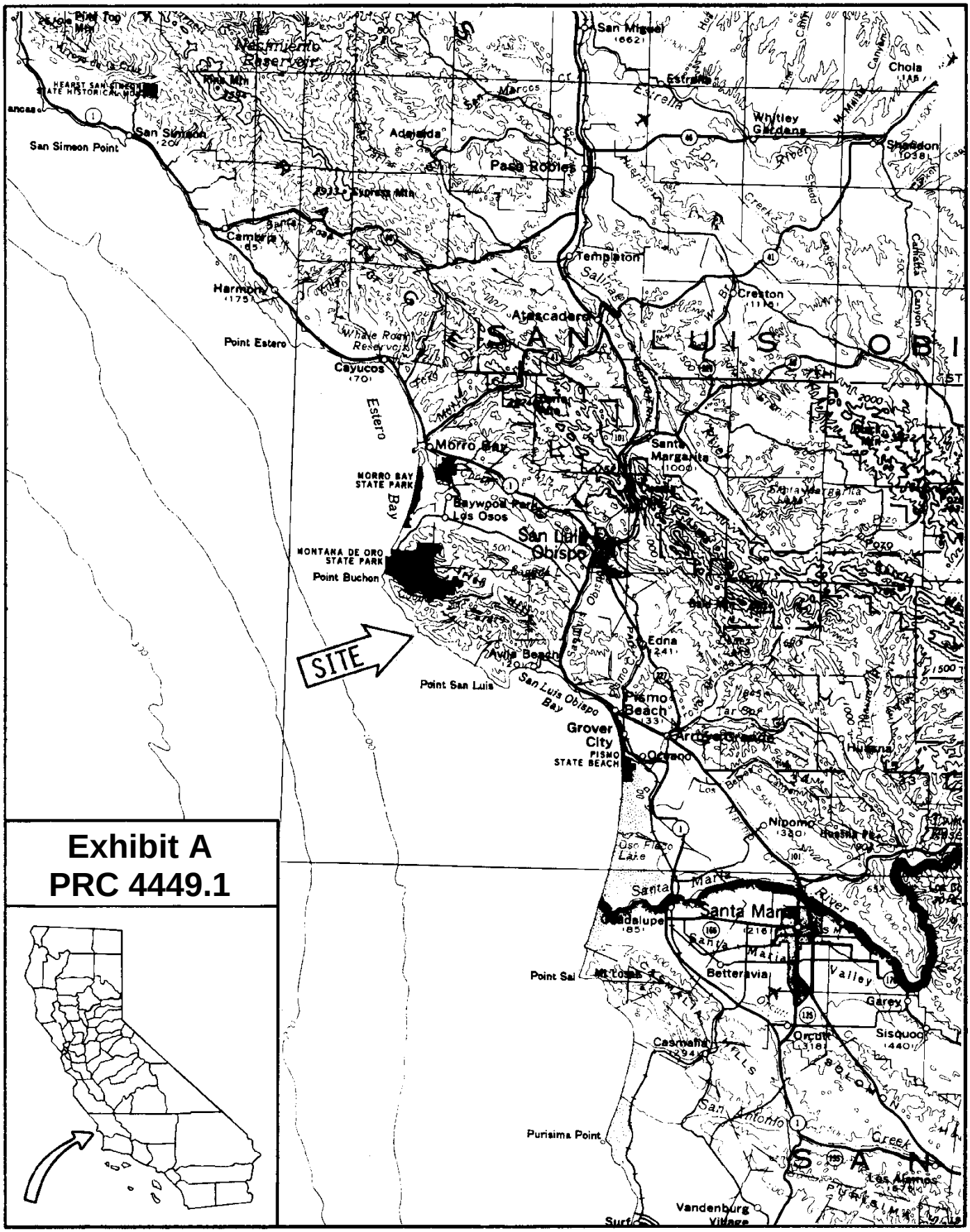

Exhibit A
PRC 4449.1