

**CALENDAR ITEM
C55**

A	Statewide	10/19/12
S	Statewide	PRC 5438.1A
		5438.1B
		5438.1C
		5438.1D
		5438.1E
		5438.1F
		D. Jones

AMENDMENT OF LEASES

APPLICANT:

Pacific Gas and Electric Company
245 Market Street, Mail Code N10A
San Francisco, California 94105

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in various waterways, in various counties, statewide.

AUTHORIZED USE:

Continued use and maintenance of existing transportation, distribution, and gathering pipelines to transport natural gas.

LEASE TERMS FOR SIX LEASES:

20 years, beginning January 1, 2012.

CONSIDERATION FOR SIX LEASES:

First Year Rent: For the period January 1, 2012, through December 31, 2012, the annual rent will be \$10,000 per year per lease.

New Base Rent: During the 2012 lease year, the Commission will establish a new Base Rent for each lease which will be effective retroactive to January 1, 2012. The new base rent will be established by an appraisal of the leased lands funded by the Lessee. If the Commission fails to establish a new Base Rent during 2012, Commission may do so during any of the next nine lease years and the Base Rent will be effective on the following January 1 lease anniversary. The lease also states the Lessor may establish a new Base Rent, based on an appraisal funded by the Applicant, effective on the 10th anniversary of the lease.

CALENDAR ITEM NO. **C55** (CONT'D)

Annual Adjustment Formula: The rent shall be annually adjusted on each anniversary date by use of the Consumer Price Index, as provided in the Lease.

PROPOSED AMENDMENTS:

Amend Section 2 (Special Provisions, Consideration) of the Leases to provide for the establishment of the new Base Rent for the first year of lease, beginning January 1, 2012, and the 10th year of lease through the use of an appraisal of the Lease Premises or such other methodology which is in the State's best interest.

All other terms of the leases shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

1. Applicant has a right to use the upland adjoining the lease premises.
2. On January 26, 2012, the Commission authorized six General Leases – Right-of-Way Use with the Lessee for the use and maintenance of existing transportation, distribution, and gathering pipelines to transport natural gas. The leases require that during the 2012 lease year, the Commission will establish a new Base Rent for each lease, based on an appraisal funded by the Lessee, which will be effective retroactive to January 1, 2012. The lease also requires the Lessor establish a new Base Rent, based on an appraisal funded by the Lessee, effective on the 10th anniversary of the lease. During discussions with the Lessee, it was determined that it would be in the best interest of both parties to amend the leases to authorize that the Base Rent, which is to be effective retroactively to January 1, 2012, and the new Base Rent, which is to be effective on the 10th anniversary of the lease, may be established by either an appraisal "or such other methodology which is in the State's best interests".
3. The staff recommends that the Commission find that each of the subject lease amendments does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

CALENDAR ITEM NO. **C55** (CONT'D)

EXHIBITS:

- A. PRC 5438.1A: Site Map and Location Map
- B. PRC 5438.1B: Site Map and Location Map
- C. PRC 5438.1C: Site Map and Location Map
- D. PRC 5438.1D: Site Map and Location Map
- E. PRC 5438.1E: Site Map and Location Map
- F. PRC 5438.1F: Site Map and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

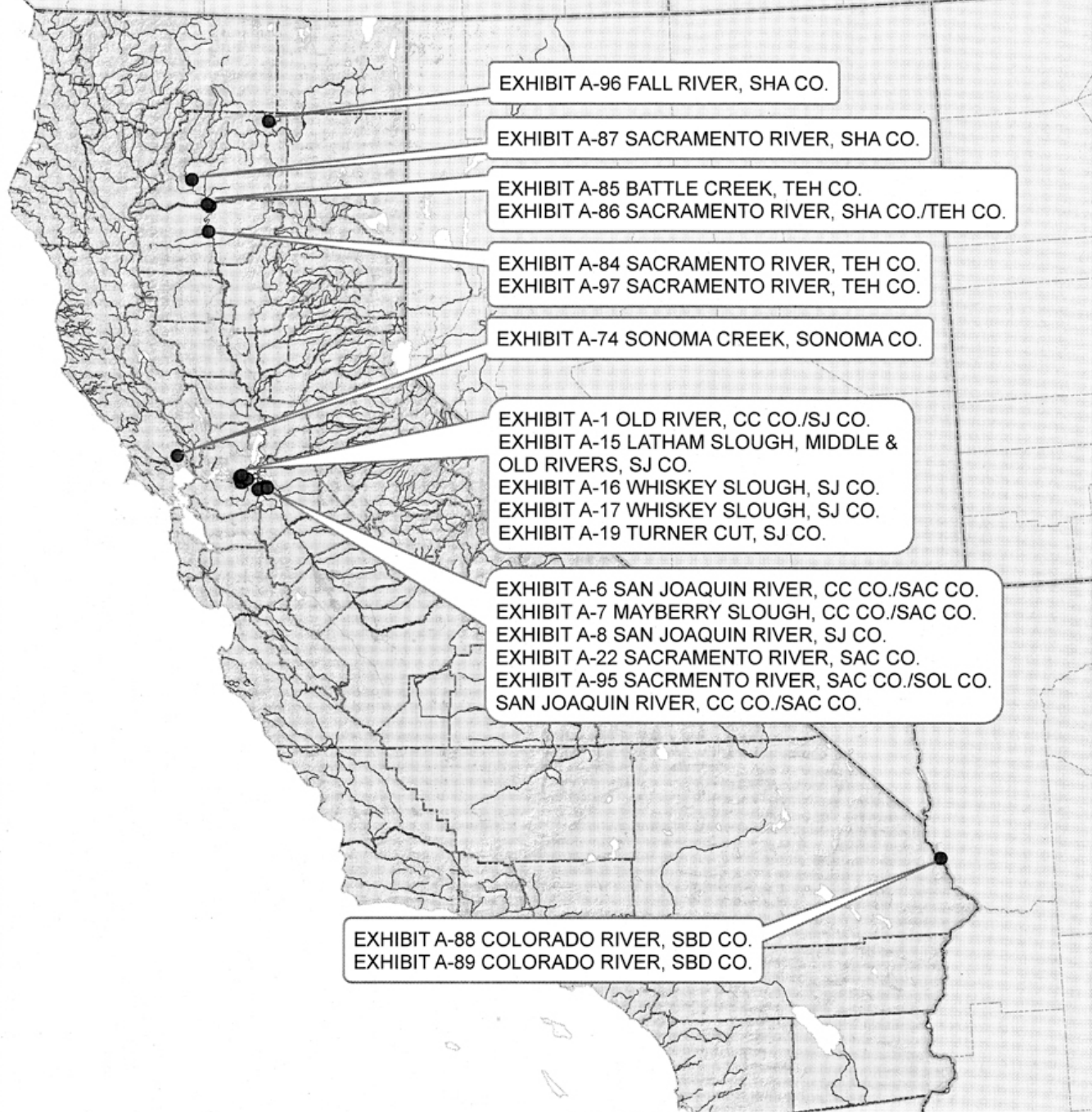
CEQA FINDING:

Find that each of the subject lease amendments is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

AUTHORIZATION:

Authorize the Amendments of Lease Nos. PRC 5438.1A, PRC 5438.1B, PRC 5438.1C, PRC 5438.1D, PRC 5438.1E, and PRC 5438.1F, to amend Section 2, (Special Provisions, Consideration), Paragraph 2.b.2) and Section 2, (Special Provisions, Consideration), Paragraph 2.c.1) of each of the leases to authorize that the Base Rent, which is to be effective retroactively to January 1, 2012, and the new Base Rent, which is to be effective on the 10th anniversary of the lease, may be established by an appraisal or such other methodology that is in the State's best interest; all other terms and conditions of the lease will remain in effect without amendment.

GENERAL LEASE - RIGHT-OF-WAY USE - PRC 5438.1A



LEGEND

- PRC 5438.1A PIPELINE CROSSINGS

NOTES

1. THIS PLAT HAS NOT BEEN APPROVED BY THE STATE LANDS COMMISSION, AND DOES NOT CONSTITUTE AN OFFICIAL PLAT OF SUCH COMMISSION, NOR DOES IT ESTABLISH THE BOUNDARY LINES OF ANY STATE OWNED LANDS DEPICTED HEREON. THIS PLAT CONSTITUTES A PRELIMINARY PLAT ONLY AND IS SUBJECT TO CHANGE.

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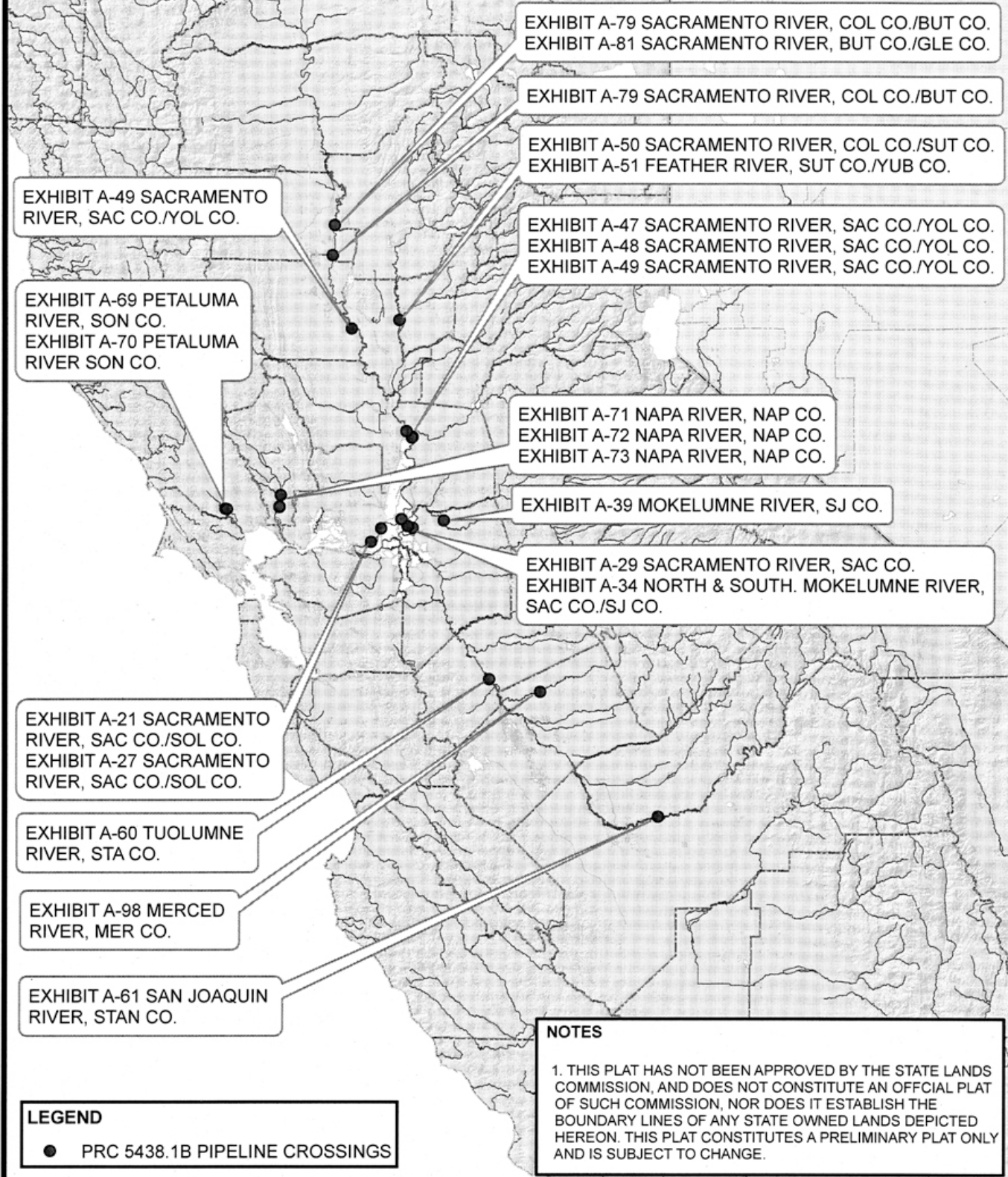
EXHIBIT A
PRC 5438.1A, PACIFIC GAS & ELECTRIC CO.
BASEMAP SOURCES: CALIFORNIA STATE LANDS COMMISSION,
BUREAU OF LAND MANAGEMENT, CAL-ATLAS GEOSPATIAL CLEARINGHOUSE



Drawn By: J. KOEPKE

Date: JANUARY 17, 2012

GENERAL LEASE - RIGHT-OF-WAY USE - PRC 5438.1B



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EXHIBIT A
PRC 5438.1B, PACIFIC GAS & ELECTRIC CO.

BASEMAP SOURCES: CALIFORNIA STATE LANDS COMMISSION,
BUREAU OF LAND MANAGEMENT, CAL-ATLAS GEOSPATIAL CLEARINGHOUSE



Drawn By: J. KOEPKE

Date: JANUARY 17, 2012

GENERAL LEASE - RIGHT-OF-WAY USE - PRC 5438.1C

EXHIBIT A-64 CORTE MADERA CREEK, MAR CO.

EXHIBIT A-40 MOKELUMNE RIVER, SJ CO.

EXHIBIT A-46 MOKRLUMNE RIVER, SAC CO./SJ CO.

EXHIBIT A-4 SAN JOAQUIN RIVER

EXHIBIT A-55 STANISLAUS RIVER, SJ CO./STA CO.
EXHIBIT A-56 STANISLAUS RIVER, SJ CO./STA CO.

EXHIBIT A-56 STANISLAUS RIVER, SJ CO./STA CO.

EXHIBIT A-94 STANISLAUS RIVER, SJ CO./SAN CO.

EXHIBIT A-58 TUOLUMNE RIVER, SJ CO./STA CO.
EXHIBIT A-59 TUOLUMNE RIVER, SJ CO./STA CO.

EXHIBIT A-62 SAN JOAQUIN RIVER, FRE CO./MAD CO.

LEGEND

- PRC 5438.1C PIPELINE CROSSINGS

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EXHIBIT A
PRC 5438.1C, PACIFIC GAS & ELECTRIC CO.

BASEMAP SOURCES: CALIFORNIA STATE LANDS COMMISSION,
BUREAU OF LAND MANAGEMENT, CAL-ATLAS GEOSPATIAL CLEARINGHOUSE



Drawn By: J. KOEPKE

Date: JANUARY 17, 2012

GENERAL LEASE - RIGHT-OF-WAY USE - PRC 5438.1D

EXHIBIT A-76 SACRAMENTO RIVER, COL CO.

EXHIBIT A-75 SACRAMENTO RIVER, COL CO./SUT CO.

EXHIBIT A-35 SACRAMENTO RIVER, SAC CO.

EXHIBIT A-36 GEORGIANA SLOUGH, SAC CO.

EXHIBIT A-93 HOG SLOUGH, SJ CO.

EXHIBIT A-91 HASS SLOUGH, SOL CO.

EXHIBIT A-90 LINDSEY SLOUGH, SOL CO.

EXHIBIT A-20 MONTEZUMA SLOUGH, SOL CO.

EXHIBIT A-92 WHITE SLOUGH, SJ CO.

EXHIBIT A-10 TAYLOR SLOUGH, CC CO.

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LEGEND

● PRC 5438.1D PIPELINE CROSSINGS

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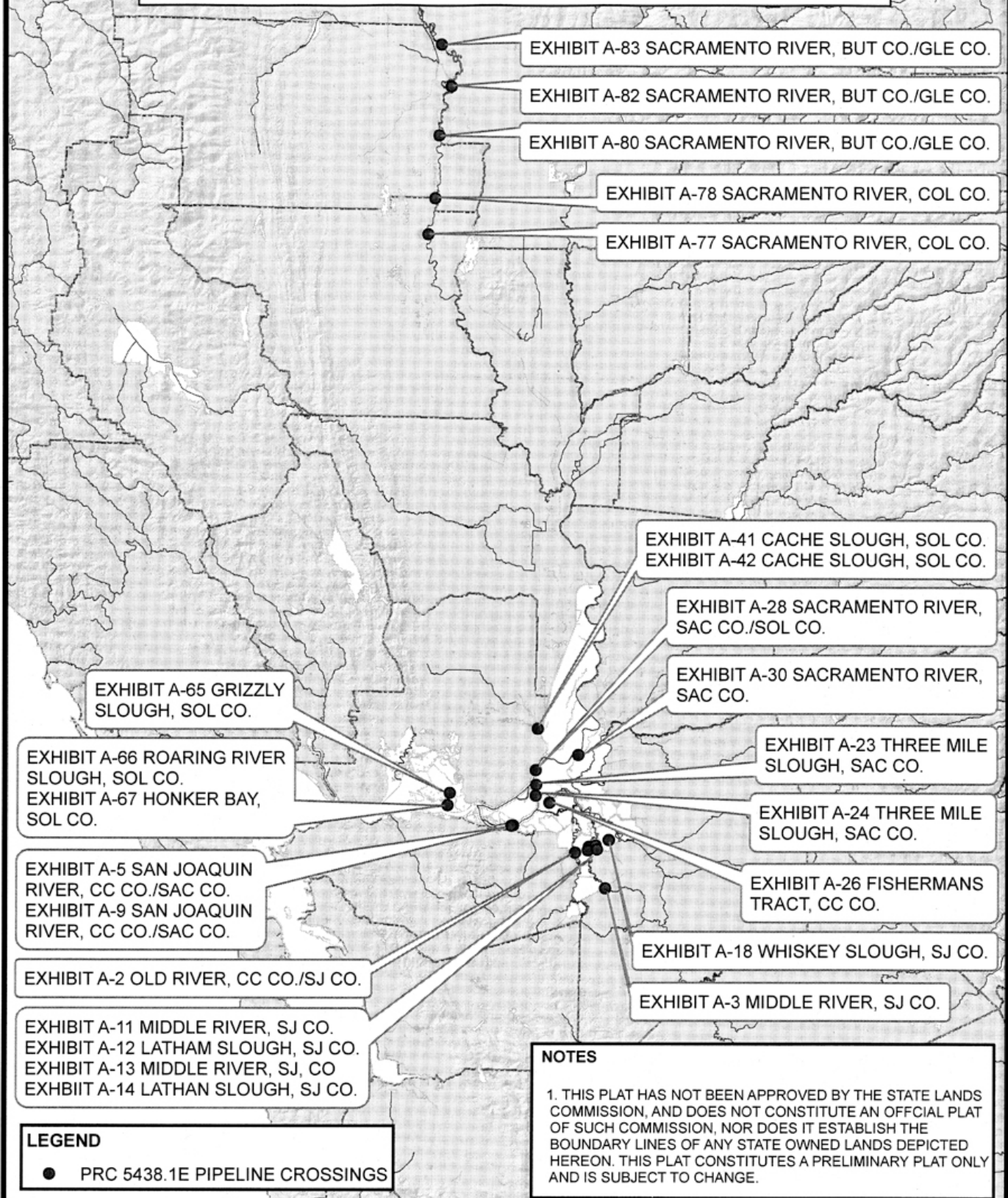
EXHIBIT A
PRC 5438.1D, PACIFIC GAS & ELECTRIC CO.
BASEMAP SOURCES: CALIFORNIA STATE LANDS COMMISSION,
BUREAU OF LAND MANAGEMENT, CAL-ATLAS GEOSPATIAL CLEARINGHOUSE



Drawn By: J. KOEPKE

Date: JANUARY 12, 2012

GENERAL LEASE - RIGHT-OF-WAY USE - PRC 5438.1E



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**EXHIBIT A
PRC 5438.1E, PACIFIC GAS & ELECTRIC CO.**

BASEMAP SOURCES: CALIFORNIA STATE LANDS COMMISSION,
BUREAU OF LAND MANAGEMENT, CAL-ATLAS GEOSPATIAL CLEARINGHOUSE



Drawn By: J. KOEPKE

Date: JANUARY 17, 2012

GENERAL LEASE - RIGHT-OF-WAY USE - PRC 5438.1F

EXHIBIT A-43 SNODGRASS
SLOUGH, SAC CO.

EXHIBIT A-44 GEORGIANA
SLOUGH, SAC CO.

EXHIBIT A-37 GEORGINANA
SLOUGH, SAC CO.

EXHIBIT A-31 GEORGINANA
SLOUGH, SAC CO.

EXHIBIT A-52 OLD RIVER
CC CO./SJ CO.

EXHIBIT A-45 MOKELUMNE
RIVER, SAC CO./SJ CO.

EXHIBIT A-38 SOUTH MOKELUMNE
RIVER, SJ CO.

EXHIBIT A-32 NORTH MOKELUMNE RIVER,
SAC CO./SJ CO.

EXHIBIT A-33 SOUTH MOKELUMNE
RIVER SJ CO.

EXHIBIT A-53 MIDDLE RIVER, SJ CO.

EXHIBIT A-57 SAN JOAQUIN RIVER, SJ CO.

LEGEND

● PRC 5438.1F PIPELINE CROSSINGS

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LANDS COMMISSION



EXHIBIT A
PRC 5438.1F, PACIFIC GAS & ELECTRIC CO.
BASEMAP SOURCES: CALIFORNIA STATE LANDS COMMISSION,
BUREAU OF LAND MANAGEMENT, CAL-ATLAS GEOSPATIAL CLEARINGHOUSE



Drawn By: J. KOEPKE

Date: JANUARY 17, 2012