CALENDAR ITEM

C39

A 3, 4 12/02/13

PRC 8856.1

S 3, 4 N. Lee

AMENDMENT OF LEASE

LESSEE:

Pacific Gas and Electric Company
P.O. Box 770000
Mail Code N10A
San Francisco, CA 94177

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Sacramento River, adjacent to Sutter County Assessor's Parcel Number 35-330-020 and Yolo County Assessor's Parcel Number 057-050-03, north of the city of Woodland, Sutter and Yolo Counties.

AUTHORIZED USE:

Construction, use, operation, and maintenance of a 30-inch-diameter steel natural gas pipeline.

LEASE TERM:

20 years, beginning November 16, 2009.

CONSIDERATION:

$3,100 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

PROPOSED AMENDMENT:

Amend the Lease to extend the construction completion date from December 31, 2013 to December 31, 2018. All other terms and conditions of the lease shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

1. Applicant has the right to use the uplands adjoining the lease premises.

2. On November 16, 2009, the Commission approved a 20-year General Lease – Right-of-Way Use with the Pacific Gas and Electric Company (PG&E) for the construction, use, operation, and maintenance of a 30-

inch-diameter steel natural gas pipeline. That lease will expire on November 15, 2029. Construction was anticipated to be completed by December 31, 2013; however, due to changes in construction scheduling, no work within the lease premises has been done.

3. PG&E is now applying to amend the lease to extend the construction completion date from December 31, 2013 to December 31, 2018. PG&E now anticipates the construction of the proposed natural gas pipeline on state sovereign land in the Sacramento River to occur in 2016 and 2017.

4. The California State Lands Commission (Commission) prepared an Environmental Impact Report (EIR) (CSLC EIR No. 740 and State Clearinghouse No. 2007062091) for the PG&E Line 406/407 Natural Gas Pipeline Project (Project) pursuant to the California Environmental Quality Act (CEQA). The Commission certified the Revised Final EIR on November 16, 2009. At the same time, the Commission adopted a Mitigation Monitoring Program (MMP) and CEQA Findings for the Project. A Statement of Overriding Considerations made in conformance with the State CEQA Guidelines (Cal. Code Regs., tit. 14, §§ 15091, 15096, subd. (h), and 15093) was also adopted for the Project for impacts to air emissions.

   The Commission is currently considering a lease amendment for continued work on the Project that includes an extension of the construction end date from December 31, 2013, to December 31, 2018.

5. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBIT:

A**.** Site and Location Map

RECOMMENDED ACTION:
It is recommended that the Commission:

CEQA FINDING:

Find that an EIR, CSLC EIR No. 740 and State Clearinghouse No. 2007062091, was prepared for this Project by the Commission and certified on November 16, 2009, and that the Commission has reviewed and considered the information contained therein.

Re-adopt the Mitigation Monitoring Program, Findings, and Statement of Overriding Considerations as provided from the November 16, 2009, Commission meeting: http://archives.slc.ca.gov/Meeting_Summaries/2009_Documents/11-16-09/Voting_Record.pdf

SIGNIFICANT LANDS INVENTORY FINDING:

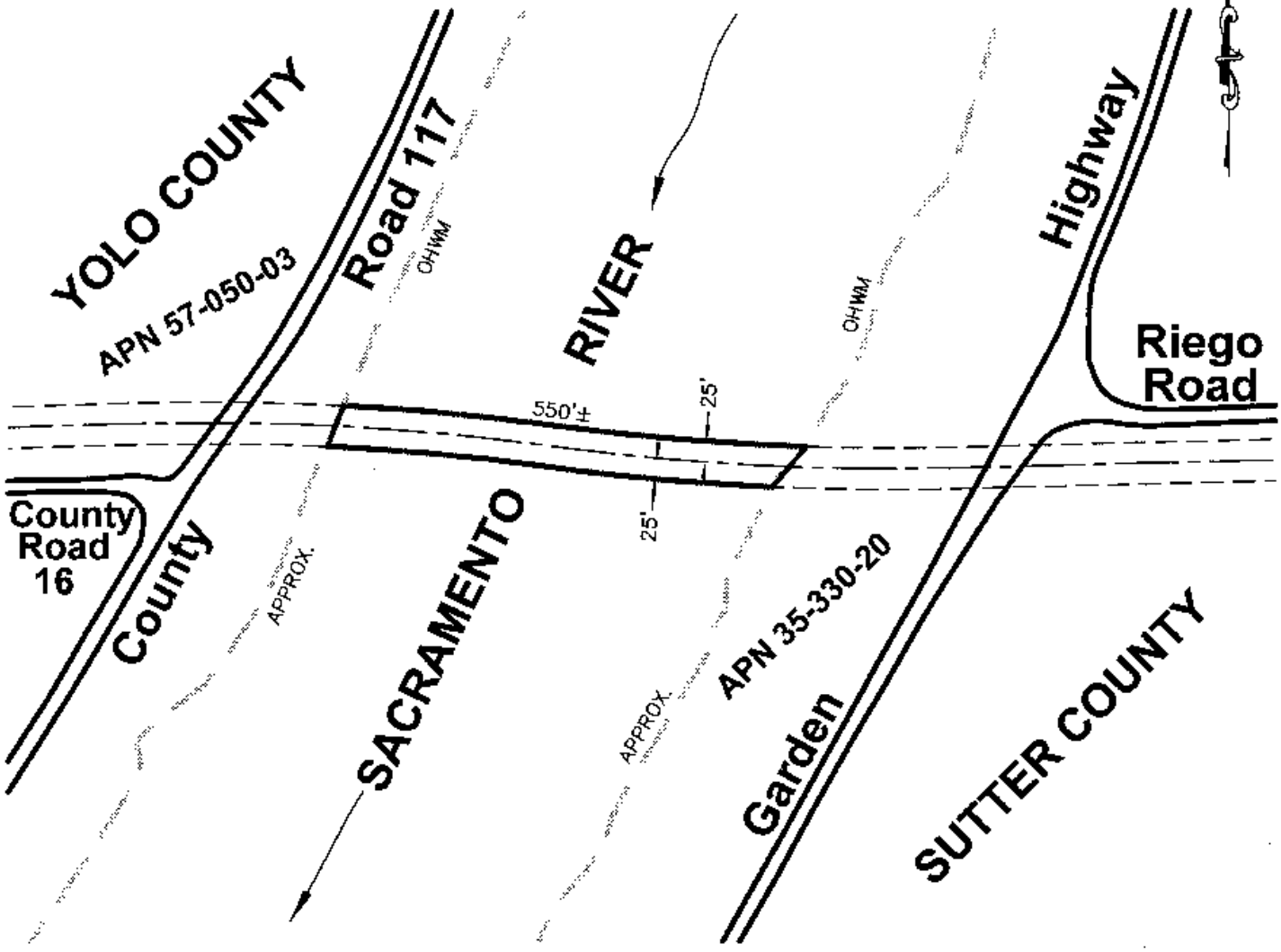
Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

AUTHORIZATION:

Authorize the amendment of Lease No. PRC 8856.1, a General Lease – Right-of-Way Use, effective December 2, 2013, to extend the construction completion date from December 31, 2013 to December 31, 2018; all other terms and conditions of the lease will remain in effect without amendment.

NO SCALE

SITE



PG&E GAS PIPELINE CROSSING at RIEGO ROAD

NO SCALE

LOCATION

MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit A

PRC 8856.1
PACIFIC GAS & ELECTRIC
GENERAL LEASE-
RIGHT-OF-WAY USE
YOLO & SUTTER COUNTIES

EAP 09/11