

**CALENDAR ITEM
123**

A	17	12/18/15 W 26721 PRC 4307.1 PRC 4449.1
S	35	D. Simpkin

**APPLICATION FOR TERMINATION OF A GENERAL LEASE – RIGHT-OF-WAY
USE, TERMINATION OF A GENERAL LEASE – INDUSTRIAL USE, AND ISSUANCE
OF A GENERAL LEASE – INDUSTRIAL USE**

BACKGROUND:

The Pacific Gas and Electric Company (PG&E) owns and operates the Diablo Canyon Nuclear Power Plant (DCPP) located near Avila Beach, San Luis Obispo County. A portion of the facilities, including the cooling water discharge channel, water intake structure and breakwaters, are located on state owned sovereign land. DCPP Units 1 and 2 each operate under a U.S. Nuclear Regulatory Commission (NRC) license. The licenses for Units 1 and 2 expire on November 2, 2024, and August 26, 2025, respectively.

On August 28, 1969, the State Lands Commission (Commission) authorized issuance of a 49-year lease to PG&E for the water intake structures and breakwaters associated with the DCPP (State Lands Lease No. PRC 4307.1, General Lease – Industrial Use). This lease expires on August 27, 2018.

On May 28, 1970, the Commission authorized issuance of a 49-year lease to PG&E for a cooling water discharge channel associated with the DCPP (State Lands Lease No. PRC 4449.1, General Lease – Right-of-Way). This lease expires on May 31, 2019.

LEASE APPLICATION:

PG&E has submitted an application requesting the termination of the two existing leases and the issuance of a new General Lease – Industrial Use for the continued use and maintenance of the water intake structures, breakwaters, cooling water discharge channel, and a number of other structures.

Specifically, the lease application is seeking a new lease to ensure that the term will coincide with the expiration of PG&E's current NRC licenses. PG&E has advised Commission staff that a formal decision regarding whether to

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continue to seek DCPN NRC license renewal has not yet been made. The NRC is currently conducting an environmental review under the National Environmental Protection Act (NEPA) for PG&E's license renewal application submitted in November 2009. Most recently the NRC held an environmental scoping public meeting in August 2015. Additional information relating to the NRC's license renewal process can be found at <http://www.nrc.gov/reactors/operating/licensing/renewal/applications/diablo-canyon.html>.

STAFF ANALYSIS AND RECOMMENDATION:

Staff reasonably expects developments over the next year relating to the operation, permits and licensing of the DCPN that could inform any decision the Commission may make on this lease application. Additionally, staff is still evaluating the appropriate environmental review pursuant to the California Environmental Quality Act (CEQA) for this application. For these reasons, staff believes it would be prudent for the Commission to defer action on this application at this time.

Deferral of action on the current lease application is not a project as defined by CEQA because it is an administrative action that will not result in direct or indirect physical changes in the environment. Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378, subdivision (b)(5); see also Title 14, section 15060, subdivision (c)(3).

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission defer action on the subject lease application for consideration at a future meeting.

EXHIBIT A

W 26721

LAND DESCRIPTION

Two (2) parcels of tide and submerged land situate in the bed of the Pacific Ocean adjacent to those lands as described in Rancho Canada de Los Osos Y Pecho Y Islay and patented September 23, 1869, County of San Francisco, and more particularly described as follows:

Parcel 1 (Formerly PRC 4307)

Commencing at USCGS Triangulation Station "Cove" having CCS27, Zone 5 coordinates N(y)=633,933.238 feet and E(x)=1,146,621.796 feet from which a 12 inch oak with tag (stamped L.S. 2685) set in the northeasterly boundary line of Rancho Canada de Los Osos y Pecho y Islay marking corner No. 15 of said rancho bears N84°56'21.1"E 14,533.372 feet as shown on that unrecorded map titled "Diablo Canyon Boundary Agreement, BLA 113 – Exhibit "B" " recorded, as an exhibit, in that Boundary Line Agreement (BLA) having Document No. 18495 Volume 1529, Page 331 Official Records of said county; thence S17°41'05.6"E 136.305 feet to MHTL station 534 as shown on said map and in said BLA also being the POINT OF BEGINNING; thence along said BLA line the following ninety three (93) courses:

- 1) N67° 59' 26.4"E 84.037 feet;
- 2) S33° 24' 02.2"E 39.528 feet;
- 3) N87° 43' 26.9"E 58.406 feet;
- 4) N89° 29' 45.6"E 114.905 feet;
- 5) S40° 51' 55.4"E 45.898 feet;
- 6) N76° 01' 50.0"E 41.384 feet;
- 7) S52° 51' 06.1"E 58.125 feet;
- 8) S62° 01' 53.4"E 73.969 feet;
- 9) S83° 24' 19.6"E 64.950 feet;
- 10) N10° 43' 09.5"W 34.247 feet;
- 11) N22° 47' 42.1"E 32.238 feet;
- 12) N72° 15' 20.3"E 12.862 feet;
- 13) N26° 31' 28.3"E 25.326 feet;
- 14) N84° 45' 00.7"E 28.198 feet;
- 15) S80° 28' 12.7"E 91.929 feet;
- 16) S04° 18' 04.5"W 56.930 feet;
- 17) S65° 13' 50.2"W 12.533 feet;
- 18) S30° 32' 42.3"E 15.013 feet;
- 19) S63° 53' 42.9"W 27.316 feet;
- 20) S56° 04' 34.3"E 51.158 feet;
- 21) S61° 33' 00.5"E 12.386 feet;
- 22) S81° 59' 38.7"E 31.588 feet;
- 23) S02° 34' 47.8"W 35.325 feet;
- 24) S65° 31' 46.6"W 30.203 feet;
- 25) S12° 12' 59.9"E 15.500 feet;

- 26) N83° 47' 52.0"E 50.908 feet;
- 27) S85° 12' 00.7"E 43.031 feet;
- 28) N34° 39' 52.4"E 30.469 feet;
- 29) S72° 38' 00.7"E 21.479 feet;
- 30) S30° 28' 08.2"E 16.033 feet;
- 31) S76° 39' 18.0"E 29.507 feet;
- 32) N37° 00' 38.7"E 20.100 feet;
- 33) N78° 05' 59.2"E 18.957 feet;
- 34) N39° 56' 40.9"E 17.740 feet;
- 35) S69° 55' 18.9"E 17.972 feet;
- 36) S21° 02' 51.4"E 19.491 feet;
- 37) S65° 04' 16.6"E 25.220 feet;
- 38) S75° 19' 44.6"E 24.519 feet;
- 39) S27° 24' 33.2"W 37.646 feet;
- 40) S50° 10' 08.6"E 22.528 feet;
- 41) S85° 56' 38.0"E 45.243 feet;
- 42) S88° 01' 40.0"E 70.912 feet;
- 43) N77° 40' 26.3"E 28.999 feet;
- 44) S36° 28' 41.3"W 18.368 feet;
- 45) S49° 16' 28.9"W 29.122 feet;
- 46) S47° 08' 29.8"E 16.834 feet;
- 47) S75° 53' 14.8"E 25.881 feet;
- 48) S56° 09' 49.5"E 22.826 feet;
- 49) N54° 09' 15.3"E 12.842 feet;
- 50) S42° 35' 41.9"E 23.256 feet;
- 51) S88° 53' 30.5"E 74.984 feet;
- 52) N11° 23' 04.5"E 94.785 feet;
- 53) S79° 37' 21.0"E 80.995 feet;
- 54) S45° 57' 30.6"E 39.731 feet;
- 55) S81° 34' 47.7"E 28.204 feet;
- 56) N76° 23' 54.1"E 25.979 feet;
- 57) N70° 17' 56.4"E 27.500 feet;
- 58) S18° 38' 04.1"W 19.154 feet;
- 59) S53° 58' 23.6"E 13.329 feet;
- 60) N66° 43' 40.8"E 17.994 feet;
- 61) S22° 40' 21.9"E 12.453 feet;
- 62) S55° 39' 24.0"E 17.283 feet;
- 63) S16° 00' 31.3"E 10.226 feet;
- 64) S45° 20' 21.2"E 18.952 feet;
- 65) S18° 25' 37.0"W 22.145 feet;
- 66) S62° 08' 57.1"E 25.730 feet;
- 67) S26° 53' 33.4"E 37.584 feet;
- 68) S24° 41' 59.7"W 23.093 feet;
- 69) S27° 33' 07.2"E 21.057 feet;
- 70) S01° 38' 18.4"E 16.087 feet;
- 71) N88° 16' 02.0"W 44.310 feet;

- 72) S60° 05' 04.5"W 19.209 feet;
- 73) S15° 42' 00.4"E 18.957 feet;
- 74) S74° 07' 51.1"W 27.207 feet;
- 75) N84° 19' 36.7"W 44.297 feet;
- 76) S26° 49' 33.8"W 31.444 feet;
- 77) S04° 23' 57.7"E 65.835 feet;
- 78) N82° 15' 16.4"W 41.034 feet;
- 79) S15° 29' 00.7"W 27.570 feet;
- 80) S56° 49' 34.4"E 37.813 feet;
- 81) S11° 05' 13.1"W 44.358 feet;
- 82) S86° 12' 59.9"W 36.660 feet;
- 83) S25° 49' 27.8"W 53.281 feet;
- 84) S51° 57' 05.2"E 39.899 feet;
- 85) S87° 29' 01.2"E 58.767 feet;
- 86) S34° 57' 05.4"E 38.420 feet;
- 87) S26° 14' 39.3"W 52.691 feet;
- 88) S24° 32' 33.5"E 21.162 feet;
- 89) S82° 43' 51.4"E 22.128 feet;
- 90) S34° 21' 55.2"E 66.824 feet;
- 91) S60° 36' 00.1"W 44.650 feet;
- 92) S71° 45' 26.1"W 23.291 feet;
- 93) S32° 09' 16.8"E 27.140 feet to MHTL station 500 per said BLA also being the terminus of said BLA from which USCGS Triangulation Station "Patton" having CCS27, Zone 5 coordinates N(y)=633,169.174 feet and E(x)=1,148,540.161feet bears N59° 16' 43.2"E 519.723 feet;

thence leaving said BLA line and along the following forty two (42) courses:

- 1) S32° 09' 16.8"E 34.511 feet;
- 2) S75° 39' 32.3"W 116.193 feet;
- 3) N74° 27' 21.0"W 66.114 feet;
- 4) N08° 55' 37.5"W 43.344 feet;
- 5) S78° 16' 01.5"W 60.001 feet;
- 6) N85° 42' 39.2"W 80.225 feet;
- 7) N75° 30' 00.0"W 119.817 feet;
- 8) N60° 07' 28.1"W 47.380 feet;
- 9) S32° 23' 53.6"W 39.705 feet;
- 10) N83° 28' 50.4"W 54.177 feet;
- 11) N69° 41' 45.4"W 285.029 feet;
- 12) S67° 03' 48.2"W 145.699 feet;
- 13) S19° 08' 31.8"W 133.761 feet;
- 14) S61° 31' 36.5"W 144.369 feet;
- 15) N60° 53' 11.4"W 39.655 feet;
- 16) N29° 06' 48.6"E 42.162 feet;
- 17) N00° 00' 00.0"E 23.343 feet;
- 18) N64° 22' 09.4"W 32.251 feet;

- 19) S65° 06' 44.5"W 55.240 feet;
- 20) N28° 07' 30.1"W 39.165 feet;
- 21) S61° 52' 29.9"W 63.829 feet;
- 22) N88° 33' 20.2"W 30.678 feet;
- 23) N53° 42' 48.6"W 50.606 feet;
- 24) N47° 46' 03.8"W 24.601 feet;
- 25) N06° 42' 13.9"W 65.255 feet;
- 26) N16° 48' 41.7"E 65.533 feet;
- 27) N81° 29' 58.4"E 31.555 feet;
- 28) N22° 24' 31.9"E 69.727 feet;
- 29) N48° 33' 34.8"W 59.368 feet;
- 30) N14° 39' 16.1"W 98.442 feet;
- 31) N13° 18' 12.4"W 51.539 feet;
- 32) N05° 01' 23.7"E 65.238 feet;
- 33) N12° 02' 18.8"W 117.504 feet;
- 34) N14° 51' 14.8"E 29.618 feet;
- 35) N23° 45' 43.4"W 69.338 feet;
- 36) N12° 26' 23.3"W 54.854 feet;
- 37) N41° 19' 42.3"E 76.620 feet;
- 38) N33° 30' 14.3"W 54.315 feet;
- 39) N50° 47' 46.2"E 87.347 feet;
- 40) N32° 19' 11.0"W 57.983 feet;
- 41) N50° 29' 32.3"W 73.878 feet;
- 42) N13° 39' 49.7"W 7.593 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM the following described three parcels of land:

Rock 1

BEGINNING at a point on the boundary of the above described "Parcel 1" from which said USCGS Triangulation Station "Cove" bears N28° 42' 18.4"W 219.306 feet; thence S78° 40' 28.2"E 26.615 feet; thence S13° 47' 34.5"W 26.723 feet; thence N32° 19' 11.0"W 36.895 feet to the POINT OF BEGINNING.

Rock 2

BEGINNING at a point in the above described "Parcel 1" from which said USCGS Triangulation Station "Cove" bears N58° 11' 56.9"W 289.468 feet; thence along the following twenty one (21) courses:

- 1) S76° 10' 37.6"E 173.566 feet;
- 2) S55° 38' 01.8"E 98.250 feet;
- 3) S77° 04' 28.0"E 21.146 feet;
- 4) S25° 29' 10.2"E 47.503 feet;
- 5) S56° 04' 22.9"W 33.540 feet;
- 6) N63° 21' 10.0"W 18.707 feet;

- 7) S38° 00' 00.3"W 10.444 feet;
- 8) S57° 59' 40.6"E 6.792 feet;
- 9) S17° 29' 14.4"E 22.563 feet;
- 10) S82° 54' 12.2"W 47.514 feet;
- 11) N87° 59' 04.6"W 68.813 feet;
- 12) N76° 05' 32.0"W 15.144 feet;
- 13) S77° 46' 04.6"W 21.570 feet;
- 14) N73° 49' 02.1"W 65.984 feet;
- 15) N03° 53' 04.2"E 9.742 feet;
- 16) N87° 34' 01.0"W 64.308 feet;
- 17) N54° 41' 02.1"W 27.954 feet;
- 18) N35° 15' 41.7"W 23.159 feet;
- 19) N05° 47' 36.7"E 57.061 feet;
- 20) N11° 05' 53.4"E 44.574 feet;
- 21) N61° 30' 58.2"E 54.895 feet to the POINT OF BEGINNING.

Rock 3

BEGINNING at a point on the boundary of the above described "Parcel 1" from which said USCGS Triangulation Station "Patton" bears N66° 43' 39.5"W 665.554 feet; thence along the following thirteen (13) courses:

- 1) S78° 16' 01.5"W 60.001 feet;
- 2) N85° 42' 39.2"W 80.225 feet;
- 3) N75° 30' 00.0"W 119.817 feet;
- 4) N60° 07' 28.1"W 47.380 feet;
- 5) N34° 45' 13.5"E 54.878 feet;
- 6) N04° 24' 54.7"E 29.227 feet;
- 7) N32° 31' 17.8"W 34.263 feet;
- 8) S80° 03' 49.7"E 77.716 feet;
- 9) S28° 13' 14.6"E 21.211 feet;
- 10) N51° 33' 49.2"E 21.282 feet;
- 11) S72° 18' 03.1"E 121.733 feet;
- 12) S36° 39' 50.6"E 81.157 feet;
- 13) S23° 48' 51.0"E 32.288 feet to the POINT OF BEGINNING.

Parcel 2 (Formerly PRC 4449)

Commencing at USCGS Triangulation Station "Cove" having CCS27, Zone 5 coordinates N(y)=633,933.238 feet and E(x)=1,146,621.796 feet from which a 12 inch oak with tag (stamped L.S. 2685) set in the northeasterly boundary line of Rancho Canada de Los Osos y Pecho y Islay marking corner No. 15 of said rancho bears N 84°56'21.1"E 14533.372 feet as shown on that unrecorded map titled "Diablo Canyon Boundary Agreement, BLA 113 – Exhibit "B" " recorded, as an exhibit, in that Boundary Line Agreement (BLA) having Document No. 18495 Volume 1529, Page 331 Official

Records of said county; thence N 29°18'55.4"E 1019.389 feet to a point on the shoreline of the Pacific Ocean also being the POINT OF BEGINNING; thence along the following five (5) courses:

- 1) N67° 00' 00.0"E 25.000 feet;
- 2) S23° 00' 00.0"E 100.000 feet;
- 3) S67° 00' 00.0"W 100.000 feet;
- 4) N23° 00' 00.0"W 100.000 feet;
- 5) N67° 00' 00.0"E 75.000 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM all those lands lying above the ordinary high water mark of said ocean.

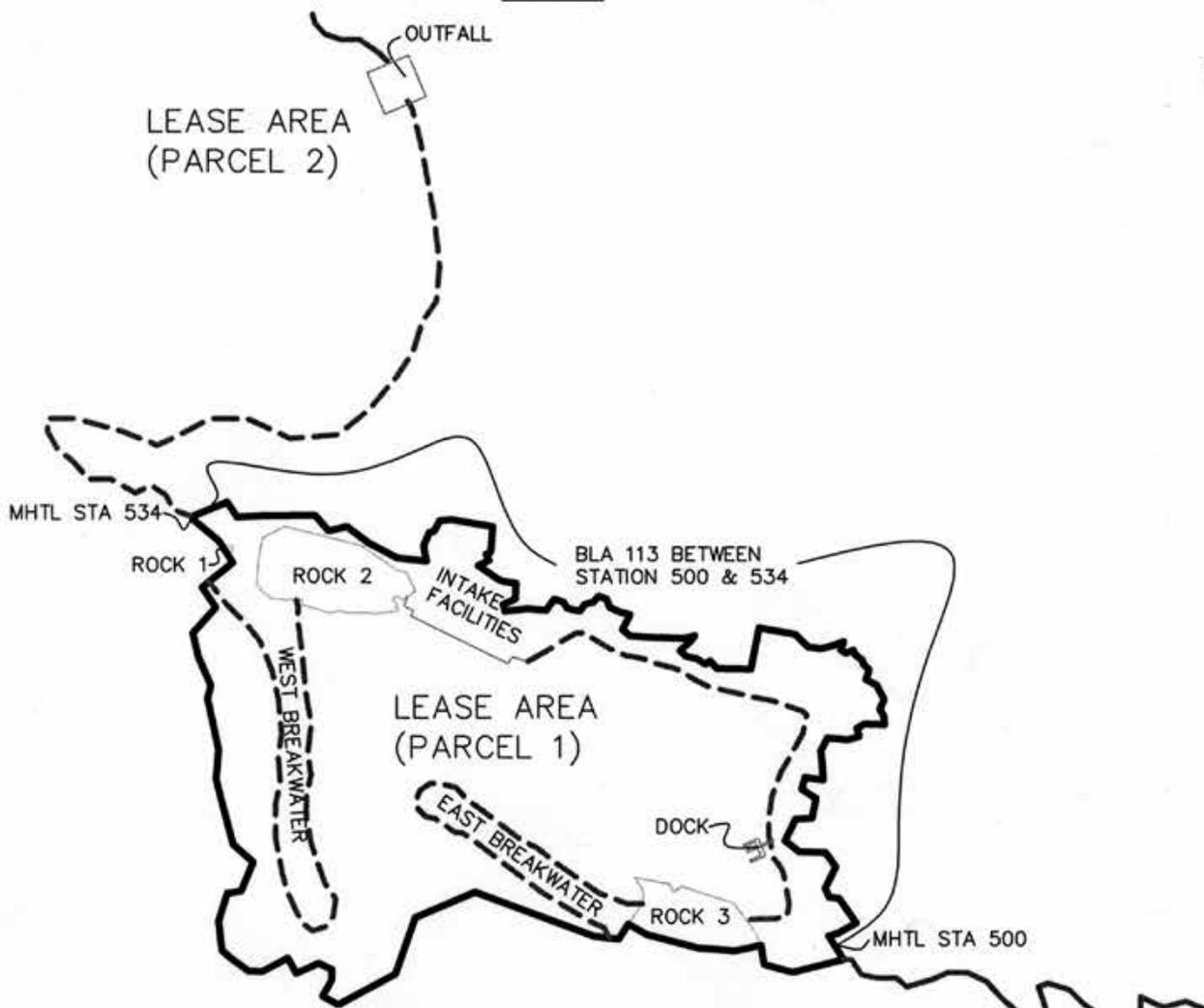
END OF DESCRIPTION

PREPARED 4/24/15 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT



NO SCALE

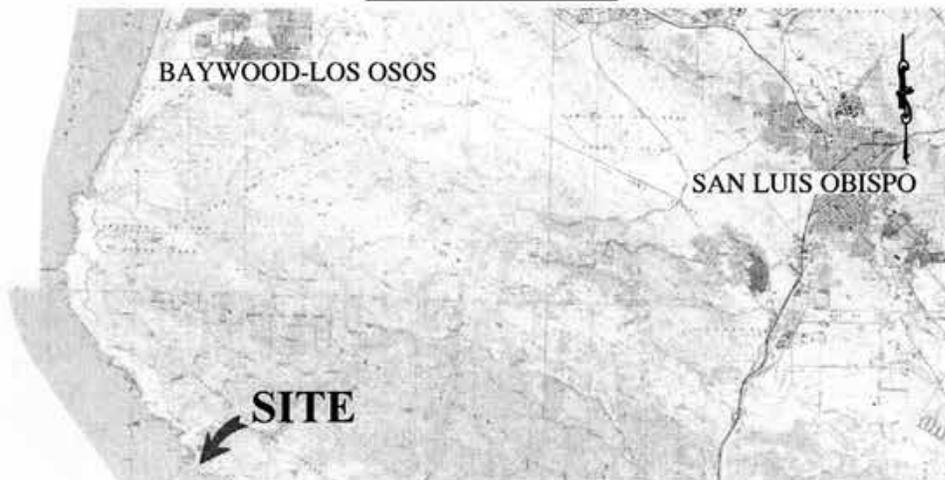
SITE



Diablo Canyon NPP, south of Baywood-Los Osos, Pacific Ocean

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 B

W 26721
PG&E
GENERAL LEASE -
INDUSTRIAL USE
SAN LUIS OBISPO COUNTY

