

8. APPLICATION FOR AMENDMENT OF LEASE P.R.C. 1531.2, COVERING A PIPELINE EASEMENT OVER SCHOOL LAND, SAN BERNARDINO COUNTY; PACIFIC GAS AND ELECTRIC COMPANY - W.O. 6481.

After consideration of Calendar Item 35 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE TO PACIFIC GAS AND ELECTRIC COMPANY AN AMENDMENT TO LEASE P.R.C. 1531.2 TO PROVIDE AS FOLLOWS:

1. THE LEASE TERM OF FORTY-NINE (49) YEARS AS SHOWN ON PAGES 1 AND 2 SHALL BE CHANGED TO FIFTEEN (15) YEARS BEGINNING JUNE 24, 1955, AND ENDING JUNE 23, 1970;
2. PARAGRAPH 20 SHALL BE ADDED TO PROVIDE THAT LESSEE SHALL HAVE RIGHT OF RENEWAL FOR THREE ADDITIONAL PERIODS OF TEN YEARS EACH UPON SUCH REASONABLE TERMS AND CONDITIONS AS THE STATE MIGHT IMPOSE;
3. ALL PREPAID RENT REMAINING UNEARNED ON A PRO-RATA BASIS AT THE TIME OF ANY RENEWAL OF THE LEASE SHALL BE CREDITED TO RENT ACCRUING THEREAFTER; AND
4. PARAGRAPH 4 SHALL BE CHANGED TO PROVIDE THAT THE LAND SHALL BE USED DURING THE LEASE TERM FOR LAWFUL COMMERCIAL PURPOSES; NAMELY, THE CONSTRUCTION, PROPER OPERATIONS, AND MAINTENANCE OF PIPELINES FOR THE CONVEYANCE OF GAS.

ALL OTHER TERMS AND CONDITIONS OF SAID LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 35 (1 page)

35.

APPLICATION FOR AMENDMENT OF LEASE P.R.C. 1531.2, COVERING A PIPELINE EASEMENT OVER SCHOOL LAND, SAN BERNARDINO COUNTY; PACIFIC GAS AND ELECTRIC COMPANY - W.O. 6481.

Lease P.R.C. 1531.2 was issued to Pacific Gas and Electric Company for 49 years from June 24, 1955, at a total prepaid rental of \$815.25, for a gas pipeline across a 100' x 5,435' strip of school land in Section 16, Township 28 S., Range 41 E., M.D.M., approximately 30 miles northwesterly of Barstow (see Exhibit "A").

The lessee now requests that the lease be amended to permit installation of additional pipelines, and, in consideration for such authority, the agreement is to be further amended to provide for an initial lease term of 15 years (vs 49 years) retroactive to June 24, 1955, with three 10-year renewal options. The rent will not be changed during the initial 15-year period, as amended; however, a credit for unearned prepaid rent is to be made at the time of each renewal on a pro-rata basis.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE TO PACIFIC GAS AND ELECTRIC COMPANY AN AMENDMENT TO LEASE P.R.C. 1531.2 TO PROVIDE AS FOLLOWS:

1. THE LEASE TERM OF FORTY-NINE (49) YEARS AS SHOWN ON PAGES 1 AND 2 SHALL BE CHANGED TO FIFTEEN (15) YEARS BEGINNING JUNE 24, 1955, AND ENDING JUNE 23, 1970;
2. PARAGRAPH 20 SHALL BE ADDED TO PROVIDE THAT LESSOR SHALL HAVE RIGHT OF RENEWAL FOR THREE ADDITIONAL PERIODS OF TEN YEARS EACH UPON SUCH REASONABLE TERMS AND CONDITIONS AS THE STATE MIGHT IMPOSE;
3. ALL PREPAID RENT REMAINING UNEARNED ON A PRO-RATA BASIS AT THE TIME OF ANY RENEWAL OF THE LEASE SHALL BE CREDITED TO RENT ACCRUING THEREAFTER; AND
4. PARAGRAPH 4 SHALL BE CHANGED TO PROVIDE THAT THE LAND SHALL BE USED DURING THE LEASE TERM FOR LAWFUL COMMERCIAL PURPOSES; NAMELY, THE CONSTRUCTION, PROPER OPERATIONS, AND MAINTENANCE OF PIPELINES FOR THE CONVEYANCE OF GAS.

ALL OTHER TERMS AND CONDITIONS OF SAID LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.