

AGENDA ITEM

This Calendar Item No. C9  
was adopted as a rule from  
the 9 by the State Lands  
Commission by a vote of 2  
to 0 at its 3/28/85  
meeting.

CALENDAR ITEM

- A)
- ) Statewide
- S)

C09

03/28/85  
PRC 5438  
Lipphardt

AMENDMENT TO LEASE PRC 5438.1  
GENERAL LEASE - RIGHT-OF-WAY USE

APPLICANT: Pacific Gas and Electric Company  
Attention: Ron Pearson  
77 Beale Street  
San Francisco, California 94106.

AREA, TYPE LAND AND LOCATION:  
Tide, submerged, and school lands throughout  
California.

LAND USE: Transportation of natural and synthetic gas.

TERMS OF ORIGINAL LEASE:

Initial period: 20 years beginning January 1,  
1978.

Renewal options: Two successive periods of ten  
years each.

Public liability insurance: \$1,000,000 per  
occurrence for bodily injury  
and \$1,000,000 for property  
damage, or combined single  
limit coverage of \$1,000,000,  
or alternatives acceptable to  
the State Lands Commission.

CONSIDERATION: Annual rental is calculated by multiplying each  
1,000 cubic feet of natural or synthetic gas  
passing through any portion of PG&E's pipeline  
system by \$0.000047. Minimum annual rental is  
set at \$20,000; with a five-year rent review.

CALENDAR PAGE	34
ROUTE PAGE	902

CALENDAR ITEM NO. C09 (CONT'D)

**BASIS FOR CONSIDERATION:**

Pursuant to 2 Cal. Adm. Code 2003.

**APPLICANT STATUS:**

Applicant is Owner, Lessee, or Permittee of upland.

**STATUTORY AND OTHER REFERENCES:**

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AB 884:

N/A.

**OTHER PERTINENT INFORMATION:**

1. Lessee is presently required to submit any volumetric rental due over the minimum annual rent and a volumetric report detailing the commodities passing through Lessee's gas pipeline system to the staff of the State Lands Commission on a semi-annual basis. Lessee gathers the volumetric information annually and has requested they be allowed to submit their reports on an annual basis because their information gathering procedure is geared to annual collections. Since the amount of volumetric rental due over the minimum, historically, has been less than the present minimum annual rental amount, staff feels it is in the best interest of the State to amend the Lease to provide for annual volumetric reporting. Annual reporting will decrease the amount of staff time expended monitoring this Lease.
2. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

CALENDAR	35
MINUTE	903

CALENDAR ITEM NO. C:09 (CONT'D)

3. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. but will not affect those significant lands.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. FIND THAT THIS ACTIVITY WILL INVOLVE LANDS IDENTIFIED AS POSSESSING SIGNIFICANT ENVIRONMENTAL VALUES PURSUANT TO P.R.C. 6370, ET SEQ., BUT THAT SUCH ACTIVITY WILL HAVE NO DIRECT OR INDIRECT EFFECT ON SUCH LANDS.
3. AUTHORIZE ISSUANCE TO PACIFIC GAS AND ELECTRIC COMPANY OF AN AMENDMENT TO LEASE PRC 5438.1, SUBSTANTIALLY IN THE FORM ON FILE IN THE PRINCIPAL OFFICE OF THE STATE LANDS COMMISSION, WHICH AMENDS THE DUE DATE FOR ANY VOLUMETRIC RENTAL PAYMENT OWED IN EXCESS OF THE MINIMUM ANNUAL RENTAL, AND THE DUE DATE FOR THE VOLUMETRIC REPORT TO ANNUALLY ON OR BEFORE MARCH 1. ALL REMAINING TERMS AND CONDITIONS OF LEASE PRC 5438.1 REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. THE EFFECTIVE DATE OF THIS AMENDMENT IS MARCH 1, 1985.