

MINUTE ITEM

This Calendar Item No. C07 was approved as Minute Item No. 07 by the California State Lands Commission by a vote of 3 to 0 at its 10-1-02 meeting.

**CALENDAR ITEM
C07**

A 26, 17
S 05

10/01/02
PRC 8416 W 25859
L. Burks

GENERAL LEASE - RIGHT OF WAY USE

APPLICANT:

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

AREA, LAND TYPE, AND LOCATION:

0.08 acres, more or less, of tide and submerged lands in Burns Cut-off, between Roberts Island and Rough and Ready Island, near the city of Stockton, San Joaquin County.

AUTHORIZED USE:

Installation of a horizontal directionally drilled four and one-half inch diameter natural gas pipeline to provide reliable natural gas service to Roberts Island.

LEASE TERM:

20 years, beginning September 25, 2002.

CONSIDERATION:

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

SPECIFIC LEASE PROVISIONS:

Liability Insurance: Combined single limit coverage of no less than \$1,000,000.

OTHER PERTINENT INFORMATION:

1. Applicant has a right to use the uplands adjoining the lease premises.
2. The purpose of this project is to provide reliable natural gas service to Roberts Island. Currently natural gas customers on Roberts Island are served from a Compressed Natural Gas (CNG) station on McDonald

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Island Road, but the gas load requirements on Roberts Island have exceeded the capacity of the CNG station to provide reliable service. This pipeline will provide a continuous source of gas for the customers on Roberts Island.

3. Under United States Bankruptcy Court Case No. 01-30923 DM filed July 29, 2001, the Court approved the Notice of Entry of Order Regarding Motion for Authorization to Settle Post Petition Third Party Claims in the Ordinary Course of Business which authorizes Pacific Gas and Electric Company to continue their operations.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA under the general rule that the CEQA applies only to projects which have the potential for causing a significant effect on the environment. The staff believes, based on the information available to it, that there is no possibility that this project may have a significant effect on the environment.

Authority: Title 14, California Code of Regulations, section 15061 (b) (3).

5. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. However, the Commission has declared that all tide and submerged lands are "significant" by nature of their public ownership (as opposed to "environmentally significant"). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code sections 6370, et seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by Title 2, California Code of Regulations, section 2954 is not applicable.

APPROVALS OBTAINED:

Reclamation District 684; City of Stockton; County of San Joaquin; United States Corps of Engineers; California Department of Fish and Game.

EXHIBIT:

- A. Site Plan and Location Map

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PERMIT STREAMLINING ACT DEADLINE:

October 22, 2002

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

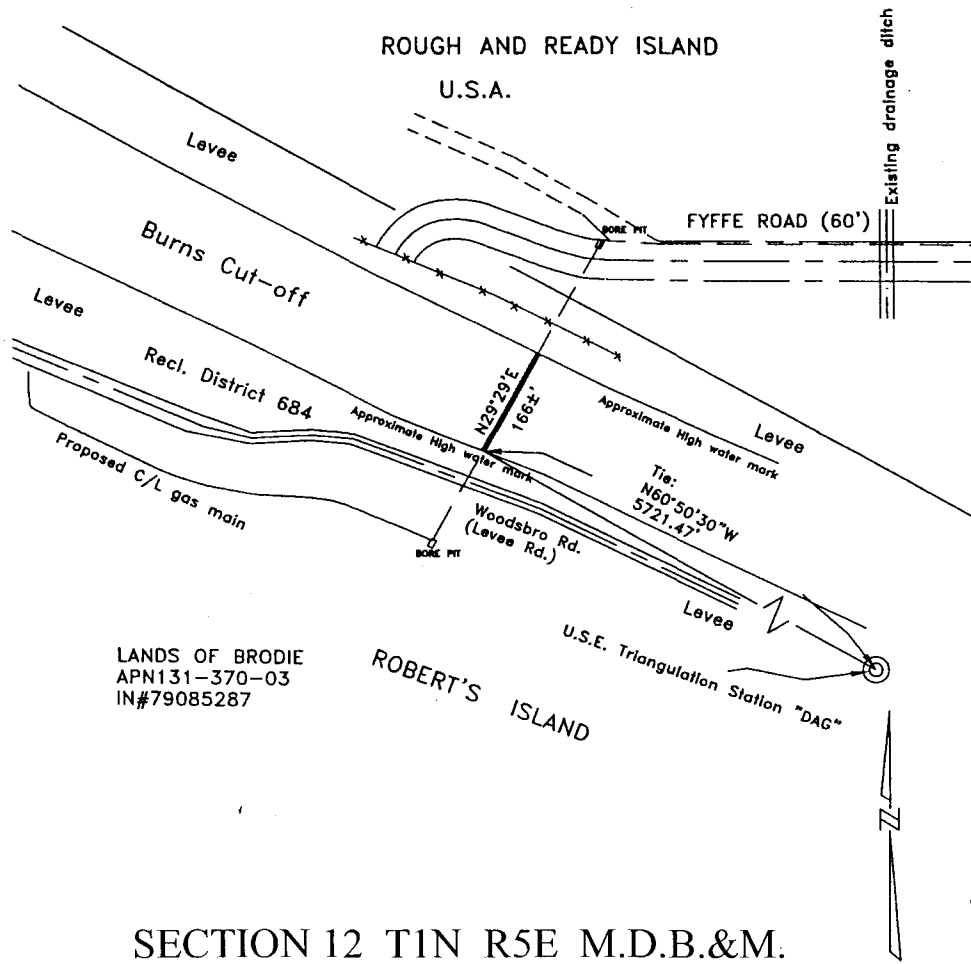
FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THERE IS NO POSSIBILITY THAT THE ACTIVITY MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 (b)(3).

AUTHORIZATION:

AUTHORIZE ISSUANCE TO PACIFIC GAS AND ELECTRIC COMPANY OF A GENERAL LEASE - RIGHT OF WAY USE, BEGINNING SEPTEMBER 25, 2002, FOR A TERM OF 20 YEARS, FOR INSTALLATION OF A HORIZONTAL DIRECTIONALLY DRILLED FOUR AND ONE-HALF INCH DIAMETER NATURAL GAS PIPELINE ON THE LAND SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF \$100, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF NO LESS THAN \$1,000,000.

NO SCALE

SITE MAP



NO SCALE

LOCATION MAP

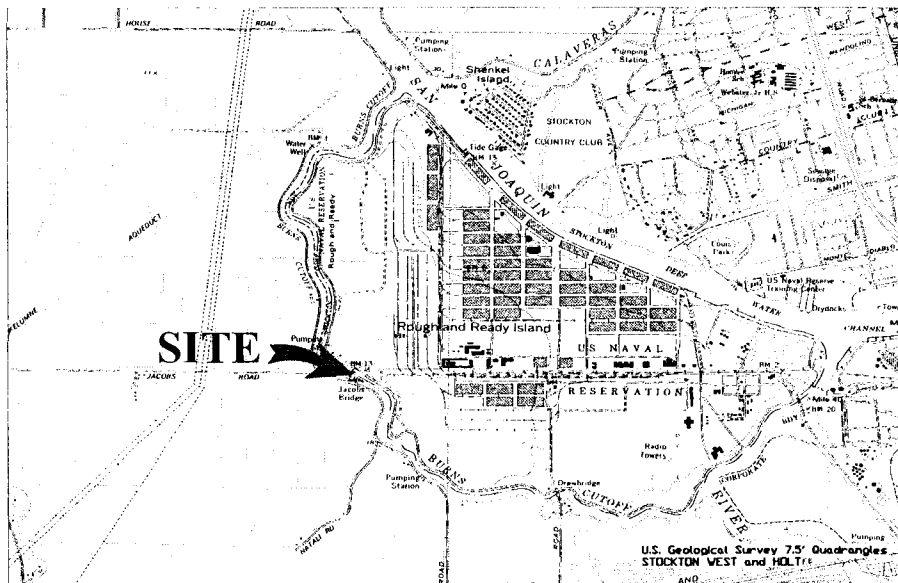


EXHIBIT A W25859

Pacific Gas & Electric
General Lease - R/W Use
U/G Gas Main Crossing
San Joaquin County



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by 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.

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DWC 8-30-02