

CALENDAR ITEM
C10

A) 10
S) 14

08/19/03
PRC 8442.1
L. Burks

**CONSIDER ACCEPTANCE OF A QUITCLAIM DEED AND TERMINATION OF
GENERAL LEASE - RIGHT OF WAY USE**

LESSEE:

CalPeak Power, LLC and CalPeak Power - Midway, LLC

AREA, LAND TYPE, AND LOCATION:

0.04 acres, more or less, of sovereign lands in the Mokelumne River, near the
city of Lodi, San Joaquin County.

AUTHORIZED USE:

Installation of a horizontal directionally drilled 10-inch diameter low pressure
natural gas pipeline under the Mokelumne River from CalPeak's proposed power
plant site that interconnects with PG&E's Line 197.

LEASE TERM:

20 years, beginning February 21, 2003.

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:

Insurance: Lessee shall maintain limits of no less than:

General Liability in the amount of \$1,000,000 each occurrence limit (plus defense
costs) subject to a \$1,000,000 products/completed operations aggregate and a
\$5,000,000 general aggregate; an umbrella policy that affords a \$15,000,000
limit and an excess umbrella that provides an additional limit of \$35,000,000.

Bond: \$15,000.

CALENDAR ITEM NO. **C10** (CONT'D)

OTHER PERTINENT INFORMATION:

1. Applicant has a right to use the uplands adjoining the lease premises.
2. Plans for a 49-megawatt electric generating plant in Lodi have been cancelled after San Joaquin County officials expressed concern over the location of a three mile pipeline that would deliver natural gas from a PG&E pipeline in Acampo.
3. 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 Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378.

EXHIBIT:

- A. Site Plan and Location Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

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 FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

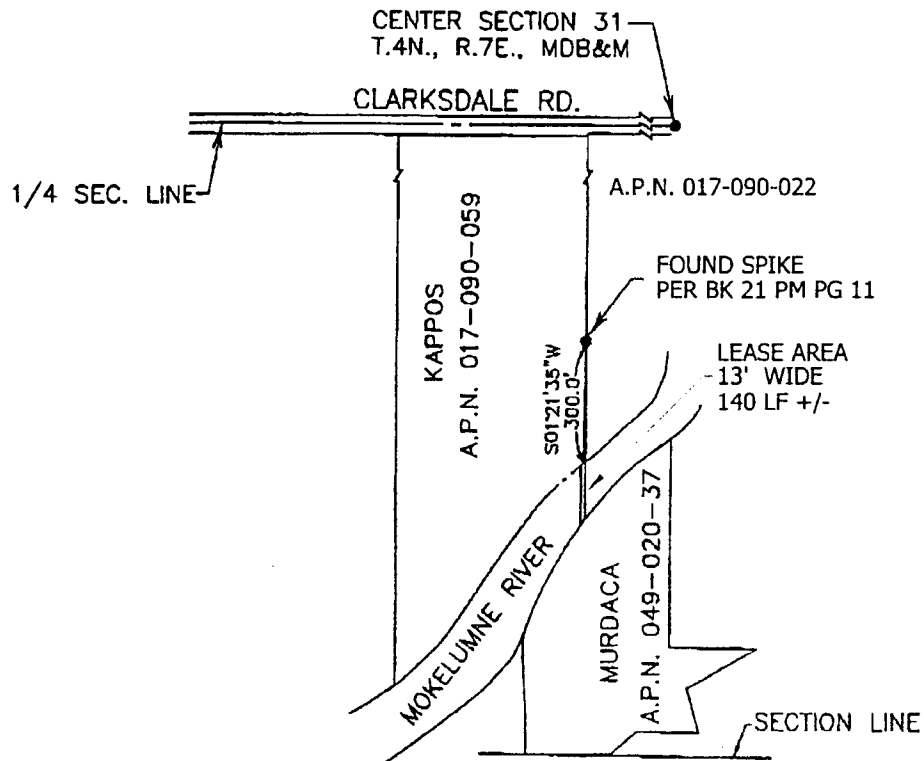
CALENDAR ITEM NO. **C10** (CONT'D)

AUTHORIZATION:

AUTHORIZE THE ACCEPTANCE OF A QUITCLAIM DEED AND
TERMINATION OF GENERAL LEASE – RIGHT OF WAY USE LEASE
NO. PRC 8442.1, EFFECTIVE AUGUST 1, 2003, FOR THE LAND
SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE
A PART HEREOF.

NO SCALE

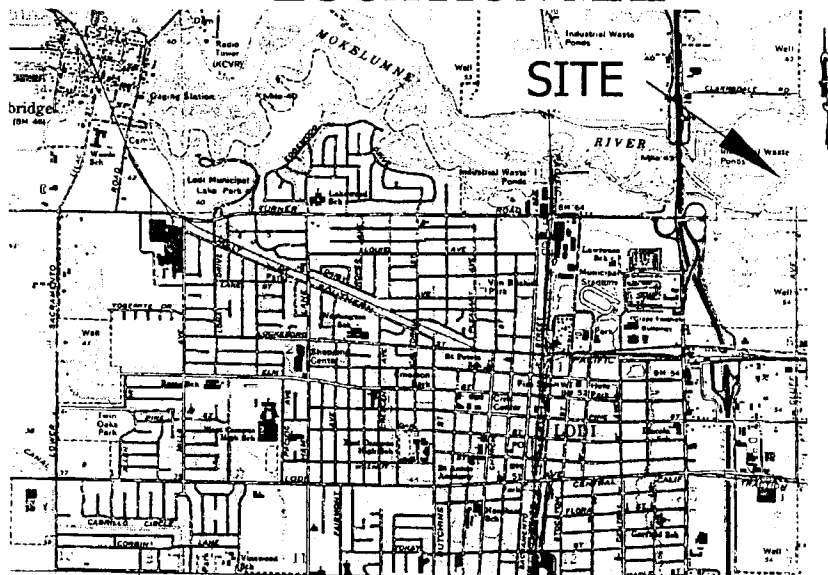
SITE MAP



Mokelumne River Crossing, San Joaquin County
Being a portion of Section 31, T.4N., R.7E., MDM

LOCATION MAP

NO SCALE



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.

MAP SOURCE: USGS QUAD

Exhibit A
W 25886

APN 017-090-059, 022
and APN 049-020-37
Cal Peak Power, LLC.
San Joaquin County



RAB 01-03

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