

**CALENDAR ITEM
C38**

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N. Lee
C. Huitt

**CONSIDER ADOPTION OF A PROPOSED MITIGATED NEGATIVE DECLARATION
AND ISSUANCE OF A GENERAL LEASE – RIGHT OF WAY USE**

APPLICANT:

Pacific Gas and Electric Company (PG&E)
350 Salem Street
Chico, CA 95928

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in the Feather River, adjacent to Sutter County Assessor Parcel Number 10-270-007 and Yuba County Assessor Parcel Number 18-040-003, near the cities of Marysville and Yuba City, Sutter and Yuba counties.

AUTHORIZED USE:

Reconstruction, use and maintenance of an existing, unauthorized single-circuit 60kV overhead transmission line to a double-circuit 60kV overhead transmission line as shown on the attached Exhibit A.

LEASE TERM:

25 years, beginning June 1, 2009.

CONSIDERATION:

\$423 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 in the amount of no less than \$5,000,000.

BACKGROUND INFORMATION:

1. PG&E is proposing to reconstruct an existing 8.3-mile 60kV overhead transmission line between the Pease and Marysville substations in the Yuba City and Marysville area. The existing facility consists of a single-

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circuit wood pole line and is generally located along Pease Road, Laurellen Road, and State Route 20/Levee Road, and traverses several agricultural operations, the Feather River, and Jack Slough. The existing single 60kV line where it crosses the Feather River is located on State-owned sovereign land; however, it has not been previously authorized by the Commission. An application has been submitted by PG&E for a General Lease – Right of way Use to authorize the reconstruction, use and maintenance of the existing transmission line.

2. PG&E's 60kV transmission network, with 135 miles of power lines and ten distribution substations, serves over 70 percent of the electric customers in Yuba County. Due to recent growth, PG&E's transmission planning analysis concluded that the Yuba County 60kV network is deficient and currently operates at 110 percent design capacity. To add transmission capacity and improve service reliability, PG&E is proposing to reconstruct the existing single-circuit 60kV transmission line to a double-circuit line.
3. The proposed project would reconfigure the existing transmission line to a double-circuit wood and tubular steel pole line and would consist of removing all 155 existing 50- to 85-foot-high wood poles that support the current 60kV transmission line between the Pease and Marysville substations. The existing wood poles would be replaced with wood poles that are up to ten feet taller. Angle points and select equipment poles would also be replaced and tubular steel poles, which range from 60 to 105 feet, would be installed for strength and to eliminate the need for guy wires. Given the sensitive nature of the Feather River, several specialized construction techniques will be used to minimize disturbance. An existing pole located between the left bank of the River and the easternmost levee, as well as a pole atop the eastern levee, would be replaced with installation of two new steel poles immediately outside of the Feather River levees. Because of the strength and height of the new steel poles, the entire River can be spanned. Once the two new steel poles are erected, the stringing line would be affixed with the aid of a helicopter. The stringing line would then be attached to the stringing equipment on the outside of the levee. Stringing would occur without disturbance to sensitive habitat within the river corridor.
4. The only improvements that are subject to the Commission's jurisdiction are the two 60kV transmission lines that will cross over the Feather River. No other improvements are or will be placed on lands under the jurisdiction of the Commission.

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OTHER PERTINENT INFORMATION:

1. Applicant has an easement on the uplands adjoining the lease premises.
2. Commission staff completed work on a proposed Mitigated Negative Declaration (proposed MND) for the project. The proposed MND was prepared pursuant to the California Environmental Quality Act (CEQA), and a 30-day public review period was provided for from April 2, 2009 to May 1, 2009. Eight letters of comment were received from the following: California State Clearinghouse; California Department of Transportation, District 3; California Department of Fish and Game; California Public Utilities Commission; City of Yuba City; Sunsweet Growers, Inc.; Dottie Baker; and PG&E.
3. The proposed MND identified potential impacts to the giant garter snake listed as threatened under both the federal endangered species act (FESA) and the California endangered species act (CESA). On February 12, 2009, the U.S. Fish and Wildlife Service (Service) issued a Programmatic Biological Opinion (BO) for the project. The California Department of Fish and Game (CDFG) will use the BO and the MND for issuance of a §2080.1 "Consistency Determination" permit to PG&E for the project.

In addition, the MND identified potential impacts to other Biological Resources, Cultural Resources, Air Quality, Geology/Soils, and Transportation/Traffic. Mitigation measures necessary to reduce all the potential impacts to a less than significant level are also identified in the proposed MND.

4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15025), the staff has prepared a Proposed Mitigated Negative Declaration identified as CSLC MND 747, State Clearinghouse No. 2009042018. Such Proposed Mitigated Negative Declaration was prepared and circulated for public review pursuant to the provisions of the CEQA.

Based upon the Initial Study, the Proposed Mitigated Negative Declaration, and the comments received in response thereto, there is no substantial evidence that the project will have a significant effect on the environment; Title 14, California Code of Regulations, section 15074 (b).

5. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the staff's consultation with the persons nominating

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such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS REQUIRED:

U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, California Regional Water Quality Control Board, State Water Resources Control Board, Central Valley Flood Protection Board, and the Department of Fish and Game

EXHIBITS:

- A. Site and Location Map
- B. Land Description
- C. Mitigation Monitoring Program

PERMIT STREAMLINING ACT DEADLINE:

July 31, 2009

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

CERTIFY THAT A PROPOSED MITIGATED NEGATIVE DECLARATION, CSLC MND NO. 747 AND STATE CLEARINGHOUSE NO. 2009042018, WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA, THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN AND IN THE COMMENTS RECEIVED IN RESPONSE THERETO AND THAT THE MITIGATED NEGATIVE DECLARATION REFLECTS THE COMMISSION'S INDEPENDENT JUDGMENT AND ANALYSIS.

ADOPT THE PROPOSED MITIGATED NEGATIVE DECLARATION AND DETERMINE THAT THE PROJECT, AS APPROVED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

ADOPT THE MITIGATION MONITORING PROGRAM, AS CONTAINED IN EXHIBIT C, ATTACHED HERETO.

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

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AUTHORIZATION:

AUTHORIZE ISSUANCE OF A GENERAL LEASE – RIGHT OF WAY USE TO PACIFIC GAS AND ELECTRIC COMPANY BEGINNING JUNE 1, 2009, FOR A TERM OF 25 YEARS, FOR THE RECONSTRUCTION, USE AND MAINTENANCE OF AN EXISTING, UNAUTHORIZED SINGLE-CIRCUIT 60KV OVERHEAD TRANSMISSION LINE TO A DOUBLE-CIRCUIT 60KV OVERHEAD TRANSMISSION LINE AS SHOWN ON EXHIBIT A (FOR REFERENCE PURPOSES ONLY) AND DESCRIBED IN EXHIBIT B ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF \$423, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; AND LIABILITY INSURANCE WITH COVERAGE OF NO LESS THAN \$5,000,000.