

MINUTE ITEM

This Calendar Item No. C13.
was approved as Minute Item
No. 13 by the State Lands
Commission by a vote of 3
to 0 at its 10.29.79
meeting.

CALENDAR ITEM
C13.

10/79
PRC 5468.1
Horn

EXTENSION OF CONSTRUCTION DATES
LEASE PRC 5468.1

At its meeting on April 27, 1978, the Commission approved a 20-year General Lease - Industrial Use for Pacific Gas & Electric Company's (PG&E) proposed expansion of its Moss Landing Marine Terminal. Late in 1978 (July), the Commission approved an amendment to the lease relative to construction dates and authorized staff to send PG&E a letter detailing the impounding of certain volumetric rentals.

PG&E is currently seeking a permit from the United States Army Corps of Engineers; which permit is the last outstanding permit yet to be issued. It is highly unlikely that PG&E will obtain the necessary Corps approval and commence construction by January 1, 1980, the current construction commencement date. At PG&E's request staff is recommending that the lease be amended to require PG&E to commence construction within 180 days of the issuance of all final, nonappealable authorizations for the terminal expansion project. PG&E would be required to conclude construction within 2 years of such commencement date.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CONFIRM THAT IT HAS MADE AN ENVIRONMENTAL FINDING FOR THE PROJECT ON APRIL 27, 1978, IN COMPLIANCE WITH CEQA AND THE STATE EIR GUIDELINES, AND FIND THAT THE INSTANT AMENDMENT TO PRC 5468.1 DOES NOT REQUIRE A NEW ENVIRONMENTAL ASSESSMENT.
2. AUTHORIZE AMENDMENT OF LEASE PRC 5468.1 TO PACIFIC GAS AND ELECTRIC COMPANY TO REQUIRE PG&E TO COMMENCE CONSTRUCTION UNDER THE LEASE WITHIN 180 DAYS OF THE ISSUANCE OF ALL FINAL, NONAPPEALABLE AUTHORIZATIONS FOR THE PROJECT AND TO COMPLETE SUCH CONSTRUCTION WITHIN 2 YEARS OF SUCH CONSTRUCTION BEGINNING DATE.

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CALENDAR PAGE	064
MINUTE PAGE	2033