

**CALENDAR ITEM  
C27**

A 11, 13  
S 3, 5

12/17/14  
PRC 8207.1  
A. Franzoia

**AMENDMENT OF LEASE**

**LESSEE:**

Lodi Gas Storage, L.L.C  
P.O. Box 230  
Acampo, CA 95220

**AREA, LAND TYPE, AND LOCATION:**

1.34 acres, more or less, of sovereign land in the Mokelumne River, North and South Mokelumne Rivers, Broad, Georgiana, Three Mile, Jackson, and Tomato sloughs in the Sacramento River Delta, between the cities of Rio Vista and Lodi, San Joaquin and Sacramento counties.

**AUTHORIZED USE:**

A 24-inch diameter high-pressure gas pipeline.

**LEASE TERM:**

20 years, beginning September 19, 2000.

**CONSIDERATION:**

\$1,070 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

**PROPOSED AMENDMENTS:**

Amend the lease to:

1. Terminate an existing unconditional guaranty by parent company, Buckeye Partners, L.P., and accept a new unconditional guaranty by Brookfield Infrastructure Fund II-A, L.P., Brookfield Infrastructure Fund II-A (CR), L.P., Brookfield Infrastructure Fund II-B, L.P., Brookfield Infrastructure Fund II-C, L.P., Brookfield Infrastructure Fund II-D, L.P., and Brookfield Infrastructure Fund II-D (CR), L.P. (collectively, the "Guarantor") on behalf of BIF II CalGas (Delaware) LLC, for the performance of the lease obligations of its subsidiary, Lodi Gas Storage, L.L.C.

CALENDAR ITEM NO. **C27** (CONT'D)

2. Amend the legal descriptions to conform to as-built construction plans.

All other terms and conditions of the lease shall remain in effect without amendment.

**OTHER PERTINENT INFORMATION:**

1. LGS holds easements for the upland adjoining the lease premises.
2. On September 19, 2000, the Commission authorized a General Lease – Right-of-Way Use, Lease No. PRC 8207.1, to Lodi Gas Storage, L.L.C. (LGS), for the installation of a single 24-inch diameter high-pressure gas pipeline. On October 30, 2007, the Commission authorized the amendment of Lease No. PRC 8207.1 to require a parent guaranty from Buckeye Partners, L.P. The Lessee is now applying for the termination the existing parent guaranty, acceptance of a new parent guaranty and amendment of the legal land descriptions.
3. LGS is 100% owned by Buckeye Gas Storage LLC (Buckeye), a subsidiary of Buckeye Partners, L.P. BIF II CalGas (Delaware) LLC (BIF II CalGas) is acquiring 100% of all outstanding Buckeye interests in LGS pursuant to a Purchase and Sale Agreement dated July 25, 2014.
4. BIF II CalGas is a Delaware limited liability company formed for the sole purpose of holding all interests in LGS. BIF II CalGas is an affiliate of Brookfield Infrastructure Fund II, which is the general partner of a private capital fund that, in conjunction with various third party investors, indirectly owns infrastructure projects in many locations throughout the United States and internationally.
5. On September 3, 2014, a Joint Application for Transfer of Control of Lodi Gas Storage, L.L.C. (U-912-G) Pursuant to Public Utilities Code Section 854(a) was filed with the California Public Utilities Commission. The Joint Application is requesting authorization to transfer control of LGS from Buckeye to BIF II CalGas. The California Public Utilities Commission is scheduled to hear the Joint Application on December 18, 2014.
6. Upon completion of the transaction, LGS will be the only asset owned by BIF II CalGas. LGS will continue to operate as a limited liability company and will continue to operate as an independent natural gas storage provider subject to the jurisdiction of the California Public Utilities Commission. The transaction will not result in the transfer of any certificates, assets or customers of LGS. LGS will continue to be the Commission's Lessee under the Lease.

CALENDAR ITEM NO. **C27** (CONT'D)

7. Staff has reviewed the California Public Utilities Commission's Joint Application for Control of Lodi Gas Storage, L.L.C., filed September 3, 2014; United State Securities and Exchange Commission Form K-6, Brookfield Infrastructure Partners L.P., dated November 7, 2014; Purchase and Sale Agreement, dated July 25, 2014, and Brookfield Investor Relations documents at [www.brookfieldinfrastructure.com](http://www.brookfieldinfrastructure.com).
8. The staff recommends that the Commission find that the subject amendment of lease does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

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

**EXHIBITS:**

- A. Land Description
- B. Site and Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the subject amendment of lease is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

**AUTHORIZATION:**

Authorize the amendment of Lease No. PRC 8207.1, a General Lease-Right-of-Way Use, effective upon the close of sale of LGS, from Buckeye to BIF II CalGas, to authorize the termination of an existing unconditional guaranty by parent company, Buckeye, and acceptance of a new unconditional guaranty by Guarantor, on behalf of BIF II CalGas, for the performance of the lease obligations of its subsidiary, Lodi Gas Storage, L.L.C, and amendment of the legal descriptions to conform to as-built construction plans as described in Exhibit A and shown on Exhibit B (for reference purposes only) and by reference made a part hereof. All other terms and conditions of the lease shall remain in effect without amendment.

**EXHIBIT A- 1 (Three Mile Slough)**

**PRC 8207.1**

**LAND DESCRIPTION**

A 30 foot wide strip of tide and submerged land situate in the bed of Three Mile Slough lying adjacent to, on the left bank, Swamp and Overflowed Lands Survey 386, patented October 16, 1873, County of Sacramento, State of California, and lying 15 foot on each side of the following described centerline:

**BEGINNING** at a point at the intersection of an existing 24 inch natural gas pipeline with the left bank of Three Mile Slough which bears South 53°23'54" East 32,610 feet more or less from NGS Monument "GRAN" (PID JS4770); thence continuing along said pipeline South 4°44'04" East 700.00 feet to a point on the right bank of Three Mile Slough and the end of the herein described centerline.

Sidelines of said strip to be lengthened or shortened so as to begin and terminate on the ordinary high water mark of the right and left banks of said slough.

The Basis of Bearings is CCS83, Zone 2. All distances are grid and in U.S. survey feet.

**END OF DESCRIPTION**

PREPARED 11/21/14 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT



**EXHIBIT A- 2 (Tomato Slough)**

**PRC 8207.1**

**LAND DESCRIPTION**

A 30 foot wide strip of tide and submerged land situate in the bed of Three Mile Slough lying adjacent to, on the left bank, Swamp and Overflowed Lands Survey 701 patented April 14, 1873, County of Sacramento, State of California, and lying 15 foot on each side of the following described centerline:

BEGINNING at a point at the intersection of an existing 24 inch natural gas pipeline with the left bank of Three Mile Slough which bears South 59°10'02" West 24,284 feet more or less from NGS Monument "GRAN" (PID JS4770); thence continuing along said pipeline North 89°57'33" West 55.00 feet to a point on the right bank of Tomato Slough and the end of the herein described centerline.

Sidelines of said strip to be lengthened or shortened so as to begin and terminate on the ordinary high water mark of the right and left banks of said slough.

The Basis of Bearings is CCS83, Zone 2. All distances are grid and in U.S. survey feet.

**END OF DESCRIPTION**

PREPARED 11/21/14 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT



**EXHIBIT A- 3 (Jackson Slough)**

**PRC 8207.1**

**LAND DESCRIPTION**

A 30 foot wide strip of tide and submerged land, whether filled or unfilled, situate in the bed of Jackson Slough lying adjacent to, on the right bank, Swamp and Overflowed Lands Survey 653 patented June 17, 1873, County of Sacramento, State of California, and lying 15 foot on each side of the following described centerline:

**BEGINNING** at a point at the intersection of an existing 24 inch natural gas pipeline with the historic right bank of Three Mile Slough which bears South 50°51'05" West 8,055 feet more or less from NGS Monument "GRAN" (PID JS4770); thence continuing along said pipeline North 58°28'41" East 80.00 feet to a point on the historic left bank of Jackson Slough and the end of the herein described centerline.

Sidelines of said strip to be lengthened or shortened so as to begin and terminate on the ordinary high water mark of the right and left banks of said slough.

The Basis of Bearings is CCS83, Zone 2. All distances are grid and in U.S. survey feet.

**END OF DESCRIPTION**

PREPARED 11/21/14 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT



**EXHIBIT A- 4 (Georgiana Slough)**

**PRC 8207.1**

**LAND DESCRIPTION**

A 30 foot wide strip of tide and submerged land situate in the bed of Georgiana Slough lying adjacent to, on the right bank, Swamp and Overflowed Lands Survey 849 patented April 2, 1873, County of Sacramento, State of California, and lying 15 foot on each side of the following described centerline:

**BEGINNING** at a point at the intersection of an existing 24 inch natural gas pipeline with the right bank of Georgiana Slough which bears South 36°39'06" East 4,219 feet more or less from NGS Monument "GRAN" (PID JS4770); thence continuing along said pipeline South 82°14'43" East 220.00 feet to a point on the left bank of Georgiana Slough and the end of the herein described centerline.

Sidelines of said strip to be lengthened or shortened so as to begin and terminate on the ordinary high water mark of the right and left banks of said slough.

The Basis of Bearings is CCS83, Zone 2. All distances are grid and in U.S. survey feet.

**END OF DESCRIPTION**

PREPARED 11/21/14 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT



**LAND DESCRIPTION**

A 30 foot wide strip of submerged land, whether filled or unfilled, situate in the bed of Broad Slough lying adjacent to Swamp and Overflowed Lands Survey 684, patented August 24, 1894, County of Sacramento, State of California, and lying 15 foot on each side of the following described centerline:

**BEGINNING** at a point at the intersection of an existing 24 inch natural gas pipeline with the historic right bank of Broad Slough which bears South  $76^{\circ}58'43''$  East 10802 feet more or less from NGS Monument "GRAN" (PID JS4770); thence continuing along said pipeline North  $64^{\circ}14'48''$  East 95.74 feet; thence North  $85^{\circ}12'29''$  East 23.27 feet; thence North  $88^{\circ}35'16''$  East 26.48 feet; thence South  $88^{\circ}38'00''$  East 87.64 feet to a point on the historic left bank of Broad Slough and the end of the herein described centerline.

Sidelines of said strip to be lengthened or shortened so as to begin and terminate on the low water mark of the right and left banks of said slough.

The Basis of Bearings is CCS83, Zone 2. All distances are grid and in U.S. survey feet.

**END OF DESCRIPTION**

PREPARED 11/21/14 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT





**EXHIBIT A- 6 (North Fork Mokelumne River)**

**PRC 8207.1**

**LAND DESCRIPTION**

A 30 foot wide strip of tide and submerged land situate in the bed of the North Fork of the Mokelumne River lying adjacent to, on the right bank, Swamp and Overflowed Lands Survey 849 patented August 24, 1894, County of Sacramento, State of California, and lying 15 foot on each side of the following described centerline:

**BEGINNING** at a point at the intersection of an existing 24 inch natural gas pipeline with the right bank of the North Fork of the Mokelumne River which bears South 79°50'09" East 17,600 feet more or less from NGS Monument "GRAN" (PID JS4770); thence continuing along said pipeline South 77°32'32" East 340.00 feet to a point on the left bank of said river and the end of the herein described centerline.

Sidelines of said strip to be lengthened or shortened so as to begin and terminate on the ordinary high water mark of the right and left banks of said river.

The Basis of Bearings is CCS83, Zone 2. All distances are grid and in U.S. survey feet.

**END OF DESCRIPTION**

PREPARED 11/21/14 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT



**EXHIBIT A- 7 (South Fork Mokelumne River)**

**PRC 8207.1**

**LAND DESCRIPTION**

A 30 foot wide strip of tide and submerged land situate in the bed of the South Fork of the Mokelumne River lying adjacent to, on the left bank, Swamp and Overflowed Lands Survey 1283 patented June 29, 1869, County of San Joaquin, State of California, and lying 15 foot on each side of the following described centerline:

**BEGINNING** at a point at the intersection of an existing 24 inch natural gas pipeline with the left bank of the South Fork of the Mokelumne River which bears South 78°23'12" East 27,103 feet more or less from NGS Monument "GRAN" (PID JS4770); thence continuing along said pipeline North 87°55'47" West 390.00 feet to a point on the right bank of said river and the end of the herein described centerline.

Sidelines of said strip to be lengthened or shortened so as to begin and terminate on the ordinary high water mark of the right and left banks of said river.

The Basis of Bearings is CCS83, Zone 2. All distances are grid and in U.S. survey feet.

**END OF DESCRIPTION**

PREPARED 11/21/14 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT



**LAND DESCRIPTION**

A 30 foot wide strip of tide and submerged land situate in the bed of the Mokelumne River lying adjacent to, on the right bank, Swamp and Overflowed Lands Survey 816 patented May 5, 1870, County of San Joaquin, State of California, and lying 15 foot on each side of the following described centerline:

**BEGINNING** at a point at the intersection of an existing 24 inch natural gas pipeline with the right bank of the South Fork of the Mokelumne River which bears North 88°08'25" East 78,818 feet more or less from NGS Monument "GRAN" (PID JS4770); thence continuing along said pipeline North 89°27'10" West 180.00 feet to a point on the left bank of said river and the end of the herein described centerline.

Sidelines of said strip to be lengthened or shortened so as to begin and terminate on the ordinary high water mark of the right and left banks of said river.

The Basis of Bearings is CCS83, Zone 2. All distances are grid and in U.S. survey feet.

**END OF DESCRIPTION**

PREPARED 11/21/14 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT



**LAND DESCRIPTION**

A 30 foot wide strip of tide and submerged land situate in the bed of the Mokelumne River lying adjacent to, on the right bank, Swamp and Overflowed Lands Survey 816 patented May 5, 1870, County of San Joaquin, State of California, and lying 15 foot on each side of the following described centerline:

**BEGINNING** at a point at the intersection of an existing 24 inch natural gas pipeline with the right bank of the South Fork of the Mokelumne River which bears North  $88^{\circ}08'57''$  East 79,326 feet more or less from NGS Monument "GRAN" (PID JS4770); thence continuing along said pipeline North  $89^{\circ}33'35''$  East 350.00 feet to a point on the right bank of said river and the end of the herein described centerline.

Sidelines of said strip to be lengthened or shortened so as to begin and terminate on the ordinary high water mark of the right bank of said river.

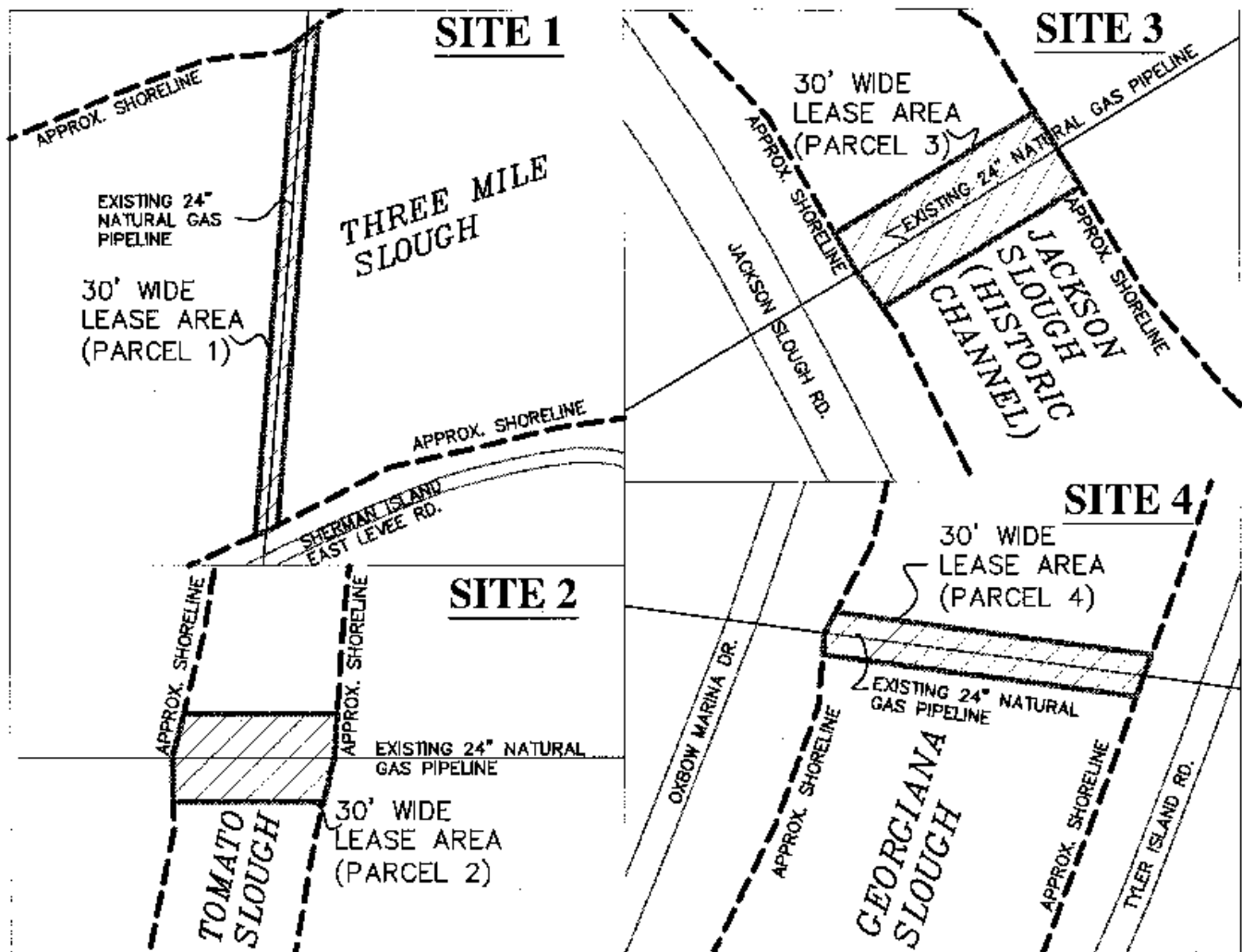
The Basis of Bearings is CCS83, Zone 2. All distances are grid and in U.S. survey feet.

**END OF DESCRIPTION**

PREPARED 11/21/14 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT



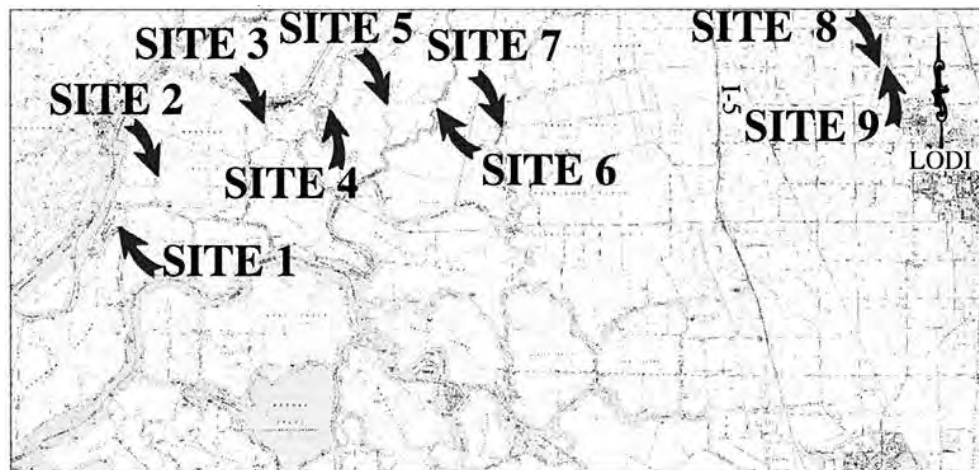
NO SCALE



EXISTING 24" NATURAL GAS PIPELINE - SEE ABOVE LOCATIONS

NO SCALE

### LOCATION



MAP SOURCE: USGS QUAD

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.

### Exhibit B-1

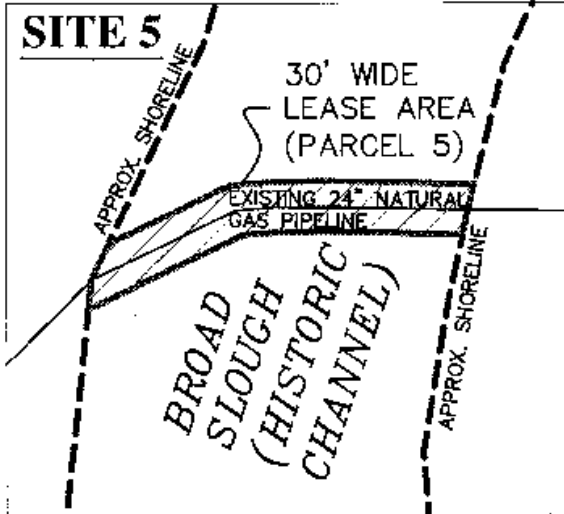
PRC 8207.1  
LODI GAS STORAGE LLC  
GENERAL LEASE -  
RIGHT-OF-WAY USE  
SACRAMENTO &  
SAN JOAQUIN COUNTY



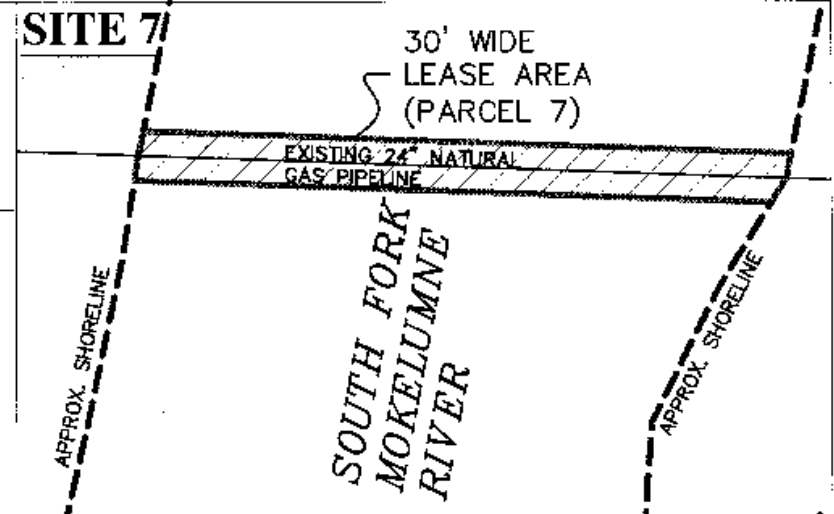
MJF 11/12/14

NO SCALE

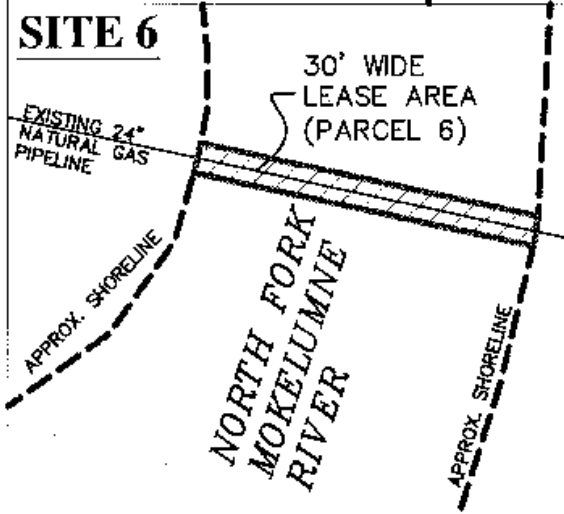
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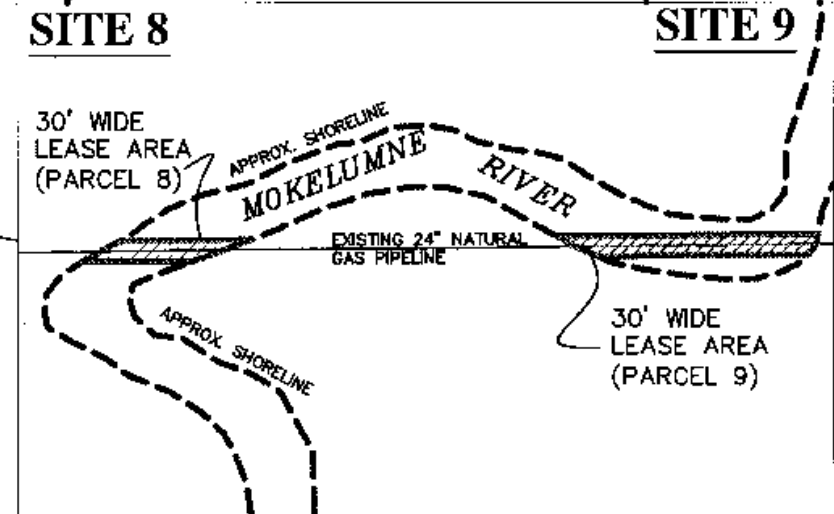
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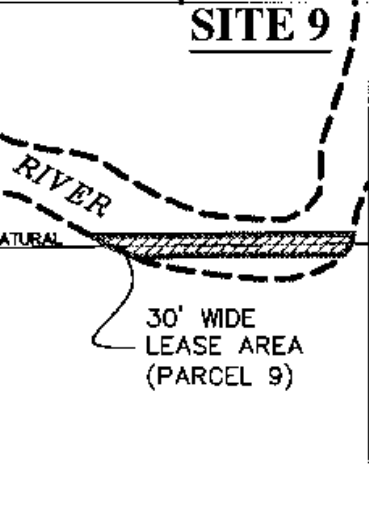
**SITE 6**



**SITE 8**



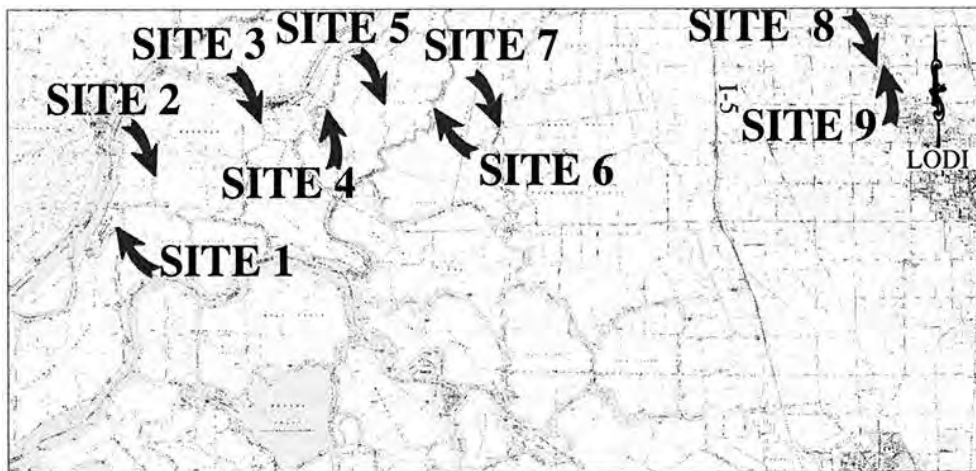
**SITE 9**



EXISTING 24" NATURAL GAS PIPELINE - SEE ABOVE LOCATIONS

NO SCALE

**LOCATION**



MAP SOURCE: USGS QUAD

**Exhibit B-2**

PRC 8207.1  
LODI GAS STORAGE LLC  
GENERAL LEASE -  
RIGHT-OF-WAY USE  
SACRAMENTO &  
SAN JOAQUIN COUNTY



MJF 11/12/14

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