

**CALENDAR ITEM
C20**

A 34
S 18

08/20/10
WP 2532.2
C. Hudson

GENERAL LEASE – RIGHT OF WAY USE

APPLICANT:

Southern California Gas Company
Land and Right of Way
555 W. 5th Street, M.L. GT26C2
Los Angeles, CA 90013

AREA, LAND TYPE, AND LOCATION:

A 0.531 acre parcel, more or less, of State school land in a portion of Section 36, Township 10 North, Range 15 East, SBM, near Needles, San Bernardino County.

AUTHORIZED USE:

Operation, use, and maintenance of an existing 34-inch diameter natural gas pipeline as shown on the attached Exhibit A.

LEASE TERM:

25 years, beginning March 3, 2009.

CONSIDERATION:

\$6,050 full term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance: Liability insurance with coverage of no less than \$2,000,000. Applicant may satisfy all or part of the insurance requirements through maintenance of a staff approved self-insurance program as outlined in the Lease.

OTHER PERTINENT INFORMATION:

1. On February 2, 1960, the Commission authorized a General Lease - Right of Way Use with Pacific Lighting Gas Supply Company. In 1985, the Lessee's corporate name was changed to Southern California Gas Company. The lease expired on March 2, 2009 and the Applicant is now applying for a new General Lease – Right of Way Use.

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2. Southern California Gas Company's Gas Control Department monitors gas flow rates and pressures in all lines and operates a 24-hour emergency shutdown system. The automatic line break controls exist on all main gas line valves located along the pipeline. The controls isolate a pipeline section in the event the pipeline loses pressure integrity. In addition, the gas line is protected by an impressed electrical current and is monitored according to 49 CFR 192 Subpart M.

The gas line was pressure tested just prior to being placed in service in 1957. However, since the gas line was placed into operation, routine inspections and maintenance have been conducted by the company's personnel in accordance with 49 CFR 192 Subpart M, along with the pipeline patrols and leak surveys that are completed annually. Southern California Gas Company also provides a pipeline aerial patrol over the pipeline rights of way once every two weeks. The aerial surveillance operation is performed in addition to pipeline ground patrols.

In July 2005, the pipeline was internally inspected between Newberry Compressor Station and Main Line Valve 17. The inspection was performed using an in-line inspection device (smart pig). The next internally inspection is scheduled for late 2010.

3. The lease area is part of a School Land parcel that is included in the proposed exchange with the United States General Services Administration and the Bureau of Land Management. The property, including this lease hold, will be transferred to the United States of American pursuant to Section 707 of the California Desert Protection Act.
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 CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

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

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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.

EXHIBITS:

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

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

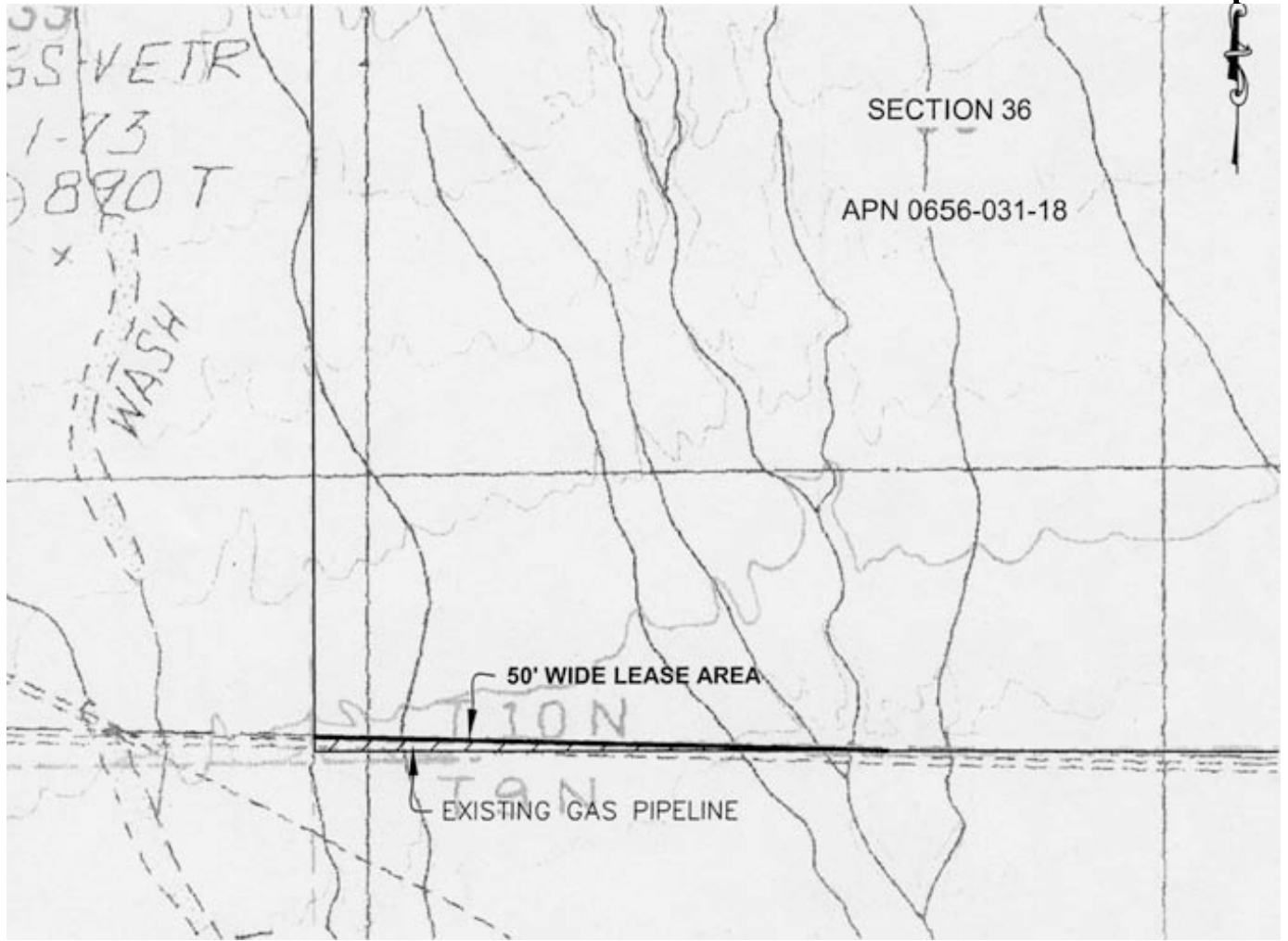
Find that the activity is exempt from the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15061 as a categorically exempt project, Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

AUTHORIZATION:

Authorize Issuance of a General Lease – Right of Way Use to Southern California Gas Company beginning March 3, 2009, for a term of 25 years, for operation, use, and maintenance of an existing 34-inch diameter natural gas pipeline as shown on Exhibit A (for reference purposes only) and as described on Exhibit B attached and by this reference made a part hereof; annual rent in the amount of \$6,050 full term as provided in the lease; and General Liability insurance with coverage of no less than \$2,000,000; Applicant may satisfy all or part of the insurance requirements through maintenance of a self-insurance program as outlined in the lease.

NO SCALE

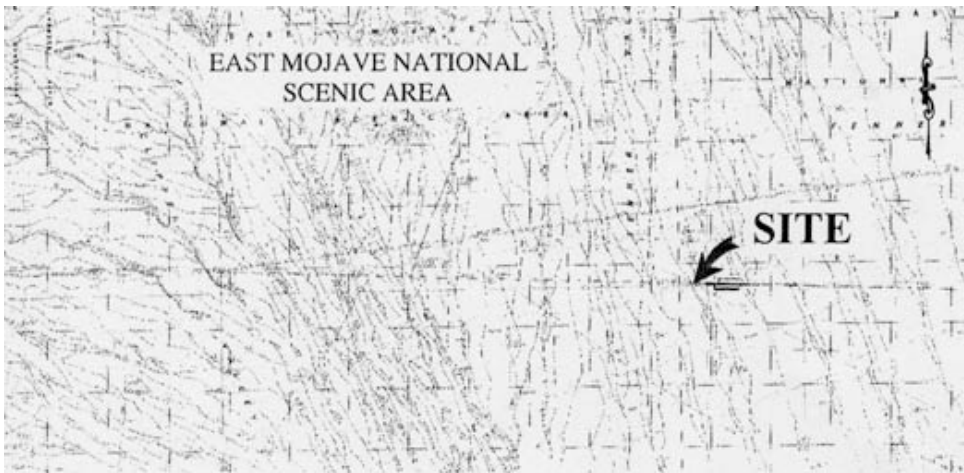
SITE



SCHOOL LANDS
SECTION 36, TOWNSHIP 10N, RANGE 15 EAST, S.B.M.

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 A

WP 2532.2
SOUTHERN CALIFORNIA GAS
COMPANY
APN 0656-031-18
GENERAL LEASE -
RIGHT OF WAY USE
SAN BERNARDINO COUNTY



EXHIBIT B

WP 2532.2

LAND DESCRIPTION

A strip of land 50 feet in width, being a portion of Section 36, T. 10 N., R. 15 E., S.B.B. & M., the center line of which is described as follows:

Beginning at a point on west line of Section 36, T. 10 N., R. 15 E., S.B.M., 8.75 feet northerly from the southwest corner of said section; thence S. 88° 37' 10" E., 355.71 feet to a point in the south line of said section, containing 0.531 acre, more or less.

The basis of bearings of the hereinabove described land is the Lambert Coordinate System of the State of California, Zone 5.

END OF DESCRIPTION

The above description is based on that original description as found in PRC file 2532.2 under the signed lease document Rev. 2/58.