

CALENDAR ITEM

C39

A 30, 31

04/06/10

S 16

PRC 7410.1

D. Simpkin

CONTINUATION OF RENT

LESSEE:

California Gas Gathering, Inc.
2981 Gold Canal Drive
Rancho Cordova, CA 95670

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the bed of the San Joaquin River, near the town of Mendota, Fresno and Madera Counties.

AUTHORIZED USE:

The operation and maintenance of an existing six-inch diameter natural gas pipeline.

LEASE TERM:

30 years, beginning July 1, 1990.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the rent be continued at \$100 per year, effective July 1, 2011.

OTHER PERTINENT INFORMATION:

1. On June 11, 1990, the Commission authorized a General Lease – Right of Way Use to California Gas Gathering, Inc., for a term of 30 years. The lease will expire on June 30, 2020.
2. The pipeline is inspected annually. A leak survey was conducted on November 12, 2010. No leaks were detected.

EXHIBIT:

- A. Site and Location Map

CALENDAR ITEM NO. **C39** (CONT'D)

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is not subject to the requirements of 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.

AUTHORIZATION:

Approve the continuation of rent for Lease no. PRC 7410.1 at \$100 per year, effective July 1, 2011.

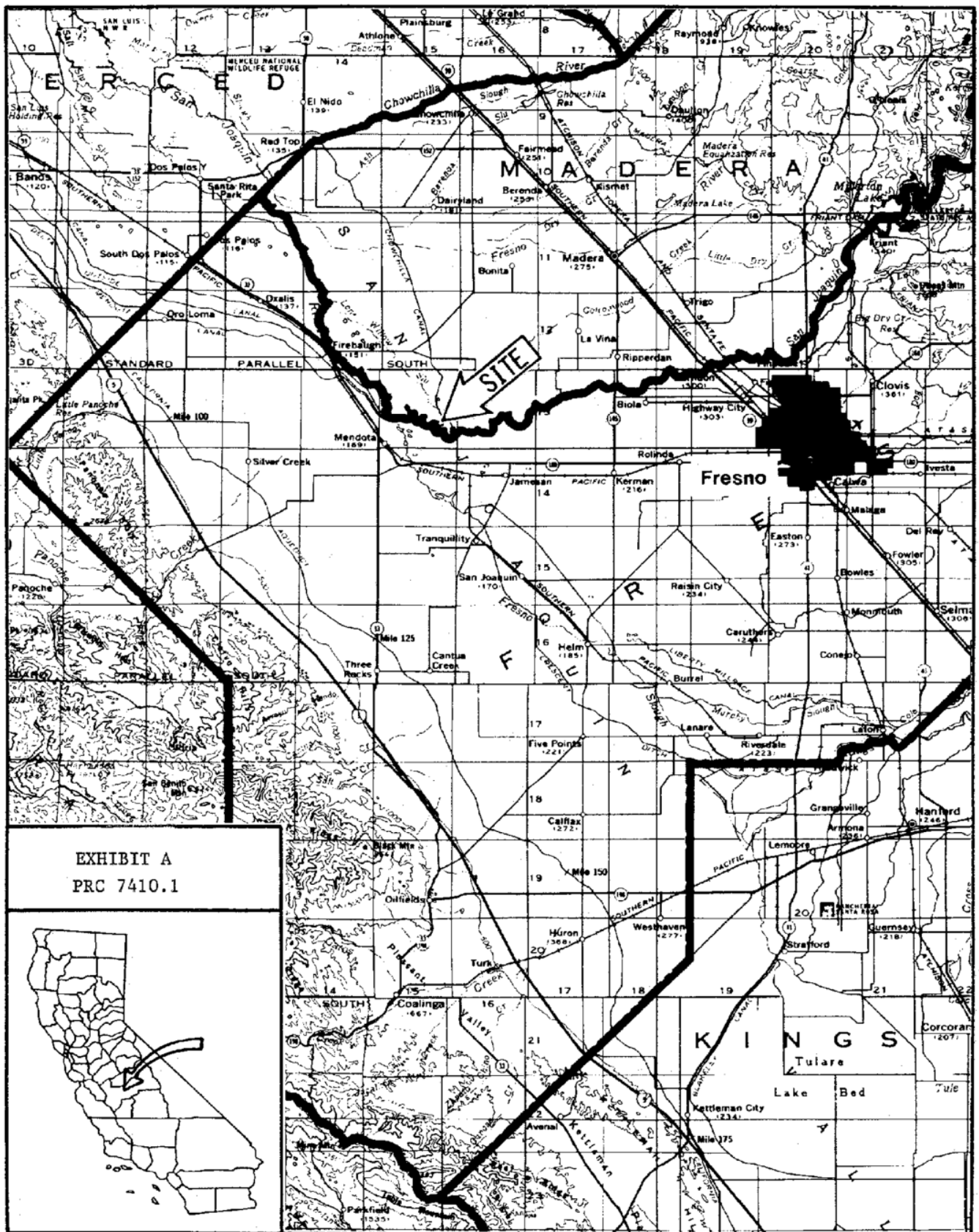


EXHIBIT A
 PRC 7410.1

