

**CALENDAR ITEM  
C62**

A 34  
S 18

08/14/12  
PRC 1802.1  
PRC 2533.1  
C. Hudson

**GENERAL LEASE – RIGHT OF WAY USE**

**APPLICANT:**

Southern California Gas Company  
Land and Right of Way  
555 West Fifth Street, GT26C2  
Los Angeles, CA 90013

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

Sovereign land in the Colorado River, near Needles, San Bernardino County

**AUTHORIZED USE:**

Operation, use, and maintenance of two submerged 24-inch diameter natural gas pipelines, and a 34-inch diameter natural gas pipeline merged into a 30-inch diameter natural gas pipeline supported by a suspension bridge.

**LEASE TERM:**

25 years, beginning August 14, 2012.

**CONSIDERATION:**

\$894 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:**

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.

Surety:

Surety bond or other security in the amount of \$50,000

CALENDAR ITEM NO. **C62** (CONT'D)

**OTHER PERTINENT INFORMATION:**

1. On October 15, 1956, the Commission authorized a Right-of-Way Easement to Southern California Gas Company and Southern Counties Gas Company of California for the construction, maintenance, and use of a 34-inch diameter natural gas pipeline that merges into a 30-inch diameter natural gas pipeline, known as Line 235, which is then supported by a suspension bridge, as it crosses the Colorado River. The two entities merged in 1970 to form Southern California Gas Company, the current lessee. The lease is Lease No. PRC 1802.1, and had a 49-year term, which expired on October 14, 2005.
2. On April 28, 1960, the Commission authorized a Right-of-Way Easement for the construction, maintenance, and use of two submerged 24-inch diameter natural gas pipelines, also known as Line 235, to Pacific Gas Lighting Supply Company. In 1970, Pacific Gas Lighting Supply Company was merged into Southern California Gas Company, the current lessee. This lease is Lease No. PRC 2533.1, with a 49-year term and expired on April 27, 2009.
3. The two sections of Line 235 cross the Colorado River in two separate locations, but are situated in the same general area near the city of Needles in San Bernardino County. Because of their common use and proximity, it is the desire of both Commission staff and the Applicant to merge the two leases involving Line 235 into one lease. The Applicant is now applying for a new General Lease – Right-of-Way Use, which would be referenced as Lease No. PRC 1802.1.
4. 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. 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.

Line 235 was pressure tested just prior to being placed in service. However, since the gas lines were 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.

CALENDAR ITEM NO. C62 (CONT'D)

In July 2005, Line 235 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 remaining sections of Line 235 have not been internally inspected with a smart pig, but scheduled for in-line inspections in late 2013.

5. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 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; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

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

6. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating 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.

**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 California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

**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 section 6370 et seq.

CALENDAR ITEM NO. **C62** (CONT'D)

**AUTHORIZATION:**

Authorize issuance of a General Lease – Right of Way Use to Southern California Gas Company beginning August 14, 2012, for a term of 25 years, for operation, use, and maintenance of two submerged 24-inch diameter natural gas pipelines, a 34-inch diameter natural gas pipeline merged into a 30-inch diameter natural gas pipeline supported by a suspension bridge as shown on as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; annual rent in the amount of \$894 with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; 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; and surety in the amount of \$50,000.

**EXHIBIT A**

**PRC 1802.1**

**LAND DESCRIPTION**

Four Parcels of State owned submerged lands lying in the bed of the Colorado River, County of San Bernardino, State of California, more particularly described as follows:

**PARCEL 1**

A 50 foot wide strip of land, the centerline of which **BEGINS** at a point on the Mean Low Water Mark of the right bank of the Colorado River that bears N 2°03'42" W 644.75 feet and N 81°50'22" E 1338 feet from the South ¼ Corner of Section 36, Township 10 North, Range 22 East, S.B.B. & M.; thence N 81°50'22" E 219 feet to the centerline of the Colorado River and the **TERMINUS** of said strip.

The Basis of Bearings of the herein above described strip is the Lambert Coordinate System of the State of California, Zone 5.

The sidelines of said strip shall be prolonged or shortened so as to commence at the Mean Low Water Mark of the Colorado River, and terminate at the centerline of said river.

**PARCEL 2**

A 50 foot wide strip of land, the centerline of which **BEGINS** at a point on the Mean Low Water Mark of the right bank of the Colorado River that bears N 2°03'42" W 644.75 feet; thence N 81°50'22" E 590.95 feet; thence N 8°09'38" W 500.00 feet; thence N 81°50'22" E 767 feet from the South ¼ Corner of Section 36, Township 10 North, Range 22 East, S.B.B. & M.; thence N 81°50'22" E 219 feet to the centerline of the Colorado River and the **TERMINUS** of said strip.

The Basis of Bearings of the herein above described strip is the Lambert Coordinate System of the State of California, Zone 5.

The sidelines of said strip shall be prolonged or shortened so as to commence at the Mean Low Water Mark of the Colorado River, and terminate at the centerline of said river.

**PARCEL 3**

A strip of land 250 feet wide, being 125 feet on each side of the following described centerline; **BEGINNING** at the North ¼ Corner of Section 8, Township 7 North, Range 24 East, S.B.B. & M., the North South Centerline of said Section 8

having a bearing of North; thence S 58°11'26" E 4334.74 feet to a point hereinafter referred to as Point "A"; thence N 12°35'21" E to the TRUE POINT OF BEGINNING of right of way, which is a point in the boundary of the State of California; thence S 12°35'21" W to a point in the southerly meander line of the Colorado River, which is the southerly TERMINUS of this right of way.

The sidelines of said strip shall be prolonged or shortened so as to commence at the centerline of the Colorado River, and terminate at the Mean Low Water Mark of said River.

#### PARCEL 4

A strip of land 100 feet wide, being 50 feet on each side of the following described centerline; BEGINNING at the hereinabove mentioned Point "A" which is the TRUE POINT OF BEGINNING of this right of way; thence N 77°24'39" W 92 feet; thence S 89°27'14" W 91.15 feet; thence S 47°38'36" W 265.89 feet; thence S 73°58'21" W 14 feet to a point in the southerly meander line of the Colorado River, which is the southwesterly TERMINUS of this right of way.

The sidelines of said strip shall be prolonged or shortened so as to commence at the centerline of the hereinabove described Parcel 3, and terminate at the Mean Low Water Mark of said River.

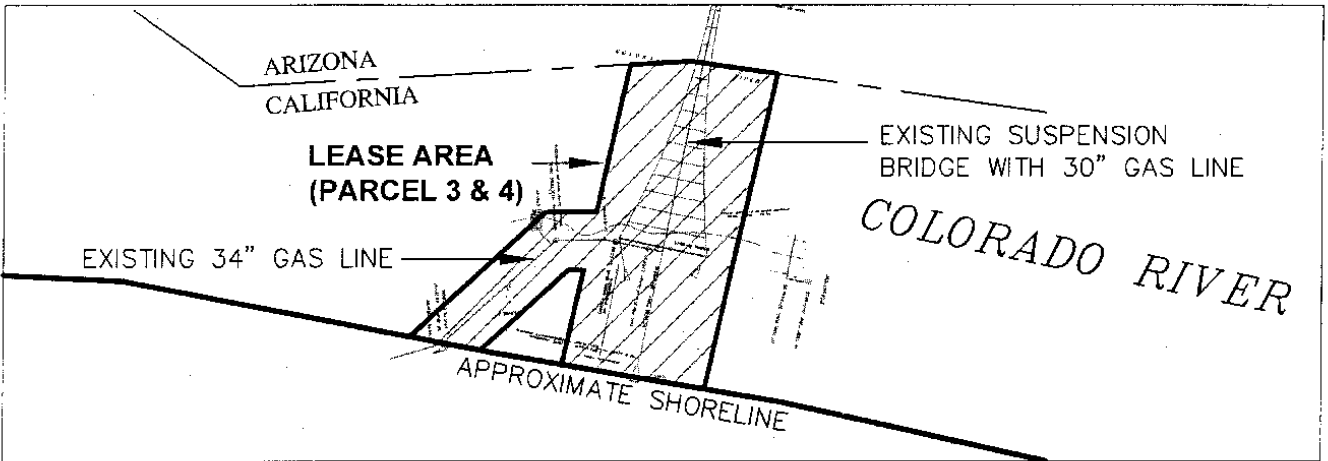
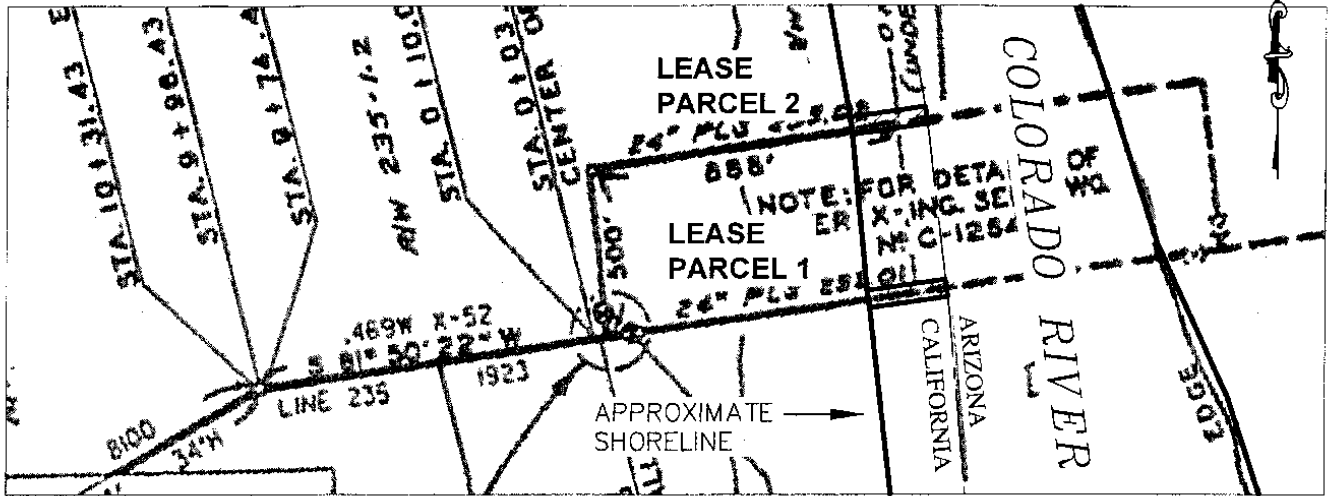
#### END OF DESCRIPTION

The above described Parcels have been revised by the California State Lands Commission Boundary Unit on 3/21/2011. The original description for Parcels 1 and 2 was prepared April 28, 1960 as found in Minute Item 18 of PRC 2533.1 file. The original description for parcels 3 and 4 was prepared on April 24, 1957 as found in PRC 1802.1 Amendment in PRC 1802.1 file.



NO SCALE

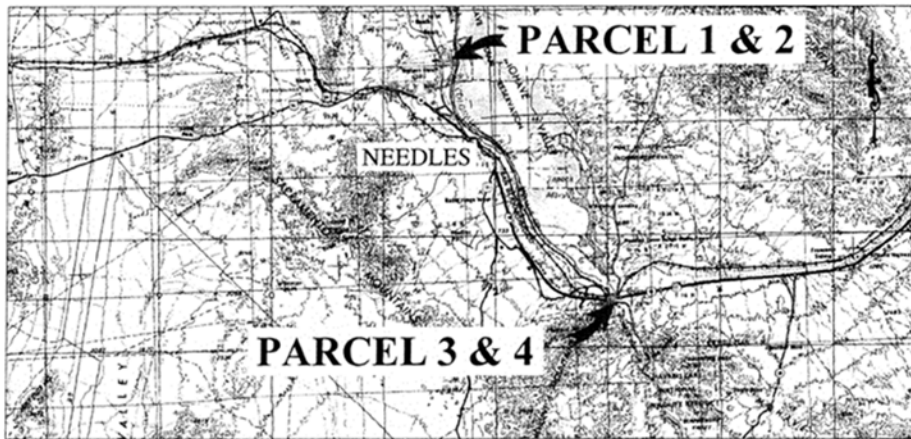
### SITE



COLORADO RIVER, NEAR NEEDLES

NO SCALE

### LOCATION



MAP SOURCE: USGS QUAD

### Exhibit B

PRC 1802.1  
 SOUTHERN CALIFORNIA  
 GAS COMPANY  
 GENERAL LEASE –  
 RIGHT-OF-WAY USE  
 SAN BERNARDINO COUNTY



DJF 03/17/2011

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.