

CALENDAR ITEM

C89

A 33

10/14/14

S 18

PRC 8255.2

C. Hudson

REVISION OF RENT

LESSEE:

Questar Southern Trails Pipeline
P.O. Box 45360
Salt Lake City, UT 84145-0433

AREA, LAND TYPE, AND LOCATION:

22.12 acres, more or less, of State school land on four parcels located in portions of Section 16, Township 9 North, Range 21 East; Section 36, Township 9 North, Range 20 East; Section 16, Township 8 North, Range 20 East; and Section 16, Township 7 North, Range 18 East, SBM, near Twentynine Palms, San Bernardino County.

AUTHORIZED USE:

Operation, use, and maintenance of an existing 16-inch diameter underground natural gas pipeline and one cathodic protection unit.

LEASE TERM:

20 years, beginning December 1, 2000.

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 revised from \$5,195 per year to \$12,987 per year, effective December 1, 2014.

OTHER PERTINENT INFORMATION:

1. On November 27, 2000, the Commission authorized acceptance of quitclaim deeds to seven leases, the termination of those seven leases, and issuance of a General Lease – Right-of-Way Use to Questar Southern Trails Pipeline (Questar) consolidating the prior leases into one lease. The lease will expire on November 30, 2020.

CALENDAR ITEM NO. **C89** (CONT'D)

2. On October 16, 2008, the Commission authorized an amendment of lease to construct one cathodic protection deep well anode bed, which is used on steel pipelines to protect the pipeline from corrosion. At its August 11, 2009 meeting, the Commission accepted a partial quitclaim deed and authorized an amendment of lease to delete two of the six parcels and delete one cathodic protection unit.

3. Questar routinely patrols its pipeline routes to inspect and identify potential problems and perform regular inspections and maintenance of the facilities, including leak surveys and safety checks on valves and compressor stations. Questar monitors its high-pressure systems using computers and remote telemetry equipment that detect changes in pressure or flow that might indicate problems and allow operators to activate emergency shutdown. Questar periodically performs internal inspections on its high-pressure pipelines using smart pigs, mechanical devices that travel inside the pipeline. The lease is in compliance with State and federal pipeline regulations.

3. The staff recommends that the Commission find that the subject revision of rent 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.

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the subject revision of rent 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:

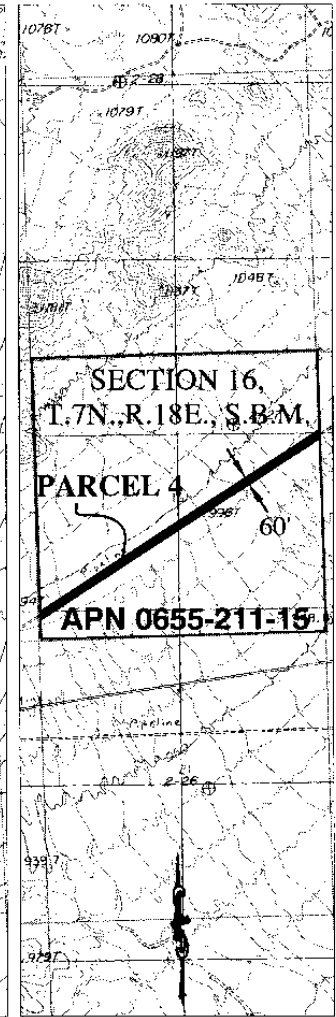
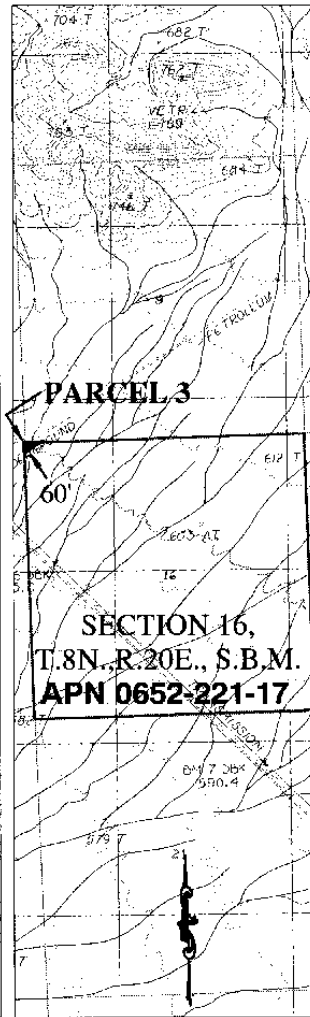
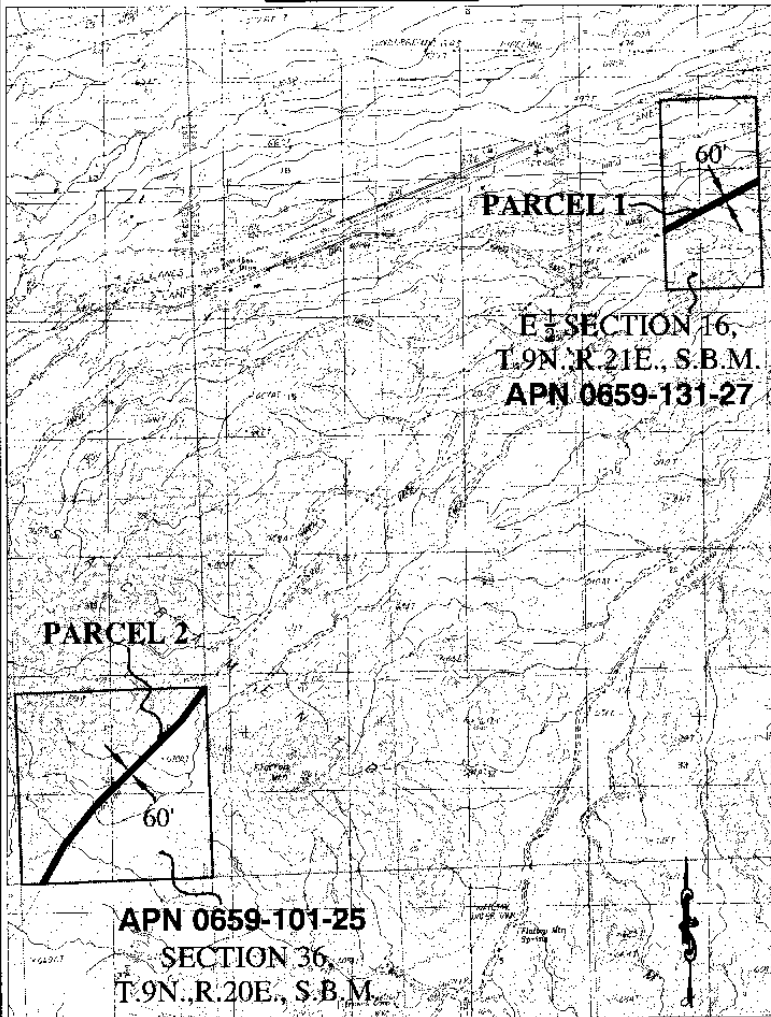
Approve the revision of rent for Lease No. PRC 8255.2 from \$5,195 per year to \$12,987 per year, effective December 1, 2014.

NO SCALE

SITES 1&2

SITE 3

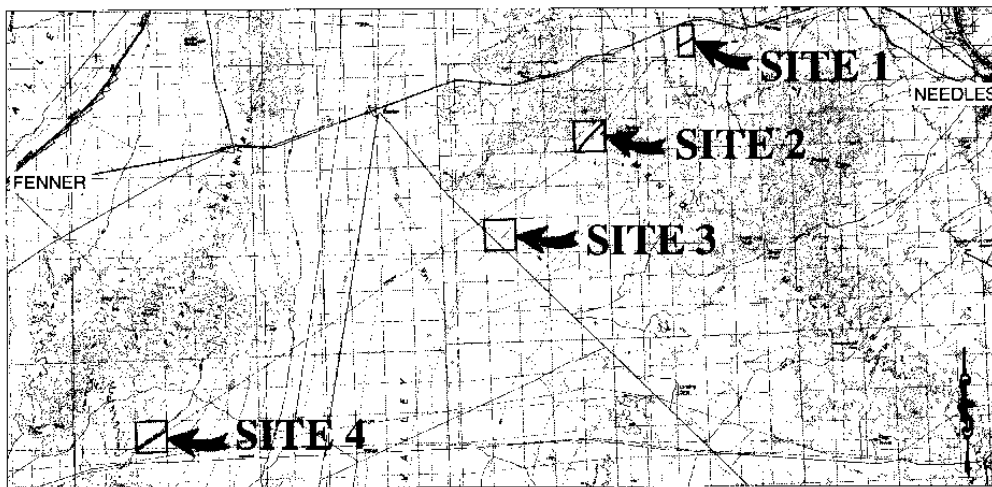
SITE 4



STATE SCHOOL LANDS
 PORTIONS OF SECTION 16, T.9N., R.21E., SECTION 36, T.9N., R.20E., SECTION 16, T.8N.,
 R.20E., AND SECTION 16, T.7N., R.18E., SAN BERNARDINO MERIDIAN

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 8255.2

QUESTAR SOUTHERN TRAILS
PIPELINE

APNs 0659-131-27, 0659-101-25,
0652-221-17, 0655-211-15

GENERAL LEASE-
RIGHT-OF-WAY USE
SAN BERNARDINO COUNTY



TS 07/02/14

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.