

**CALENDAR ITEM
C83**

A 33
S 16

06/29/15
PRC 1801.2
C. Hudson

REVISION OF RENT

LESSEE:

Southern California Gas Company
555 W. 5th Street, GT11A1
Los Angeles, CA 90013

AREA, LAND TYPE, AND LOCATION:

57.54 acres, more or less, on eight parcels of State school lands in portions of Section 36, Township 10 North, Range 13 East, SBM; Section 36, Township 10 North, Range 14 East, SBM; Section 16, Township 7 North, Range 1 East, SBM; Section 16, Township 7 North, Range 10 East, SBM; Section 16, Township 7 North, Range 13 East SBM; Section 16, Township 7 North, Range 21 East, SBM; near the city of Twentynine Palms; and Section 16, Township 8 North, Range 20 East; and Tract 41, Township 8 North, Range 20 East, SBM, near the city of Needles, San Bernardino County.

AUTHORIZED USE:

Continued use and maintenance of an existing 30-inch diameter natural gas pipeline (known as Lines 235 and 3000), a 34-inch diameter natural gas pipeline (Line 235), and an unpaved access road, known as the Mojave Heritage Trail.

LEASE TERM:

25 years, beginning October 29, 2010.

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 rent be revised from \$17,741 per year to \$42,968 per year, effective October 29, 2015.

OTHER PERTINENT INFORMATION:

1. On October 29, 2010, the Commission authorized a General Lease – Right-of-Way Use to Southern California Gas Company for an existing 30-inch diameter natural gas pipeline (known as Lines 235 and 3000) and an existing 34-inch diameter natural gas pipeline (known as Line 235). On February 21, 2014, the Commission authorized an amendment of lease to

CALENDAR ITEM NO. **C83** (CONT'D)

include an existing unpaved access road, known as the Mojave Heritage Trail. The lease will expire on October 28, 2035.

2. The Lessee is in compliance with state and federal pipeline safety regulations and is monitored through a comprehensive inspection and enforcement program. The Lessee conducts annual inspections on its pipelines. The 30-inch diameter natural gas pipeline was last inspected on February 26, 2015 and the 34-inch diameter natural gas pipeline was last inspected on May 5, 2015. No violations were reported.
3. Staff conducted the rent review called for in the lease and recommends that the rent be increased to \$42,968 per year, effective October 29, 2015.
4. 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.

EXHIBITS:

A and A-1. 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 the Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 1801.2 from \$17,741 per year to \$42,968 per year, effective October 29, 2015.

NO SCALE

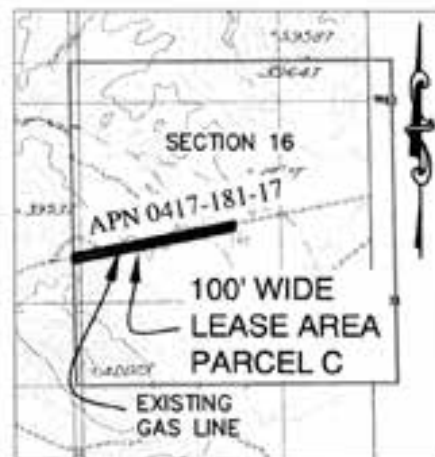


SECTION 36, TOWNSHIP 10 NORTH, RANGE 13 EAST S.B.M.

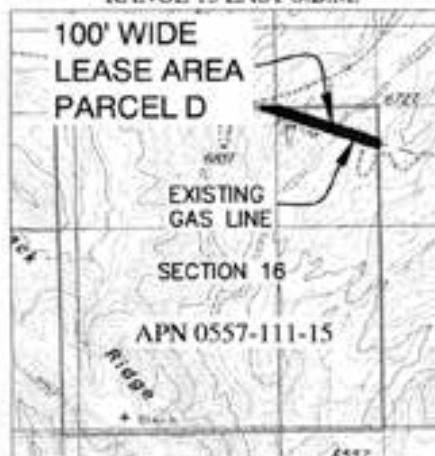
SITE



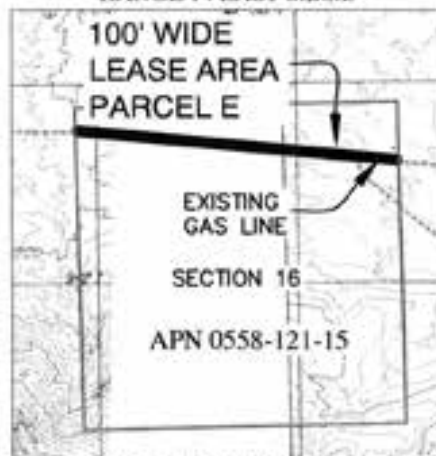
SECTION 36, TOWNSHIP 10 NORTH, RANGE 14 EAST S.B.M.



SECTION 16, TOWNSHIP 7 NORTH, RANGE 1 EAST S.B.M.



SECTION 16, TOWNSHIP 7 NORTH, RANGE 10 EAST S.B.M.



SECTION 16, TOWNSHIP 7 NORTH, RANGE 13 EAST S.B.M.



SECTION 16, TOWNSHIP 7 NORTH, RANGE 21 EAST S.B.M.

SCHOOL LANDS

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 1801.2
 SOUTHERN CALIFORNIA
 GAS COMPANY
 GENERAL LEASE -
 RIGHT - OF - WAY USE
 SAN BERNARDINO COUNTY



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.

NO SCALE

SITE



SECTION 16, TOWNSHIP 8 NORTH,
RANGE 20 EAST S.B.M.

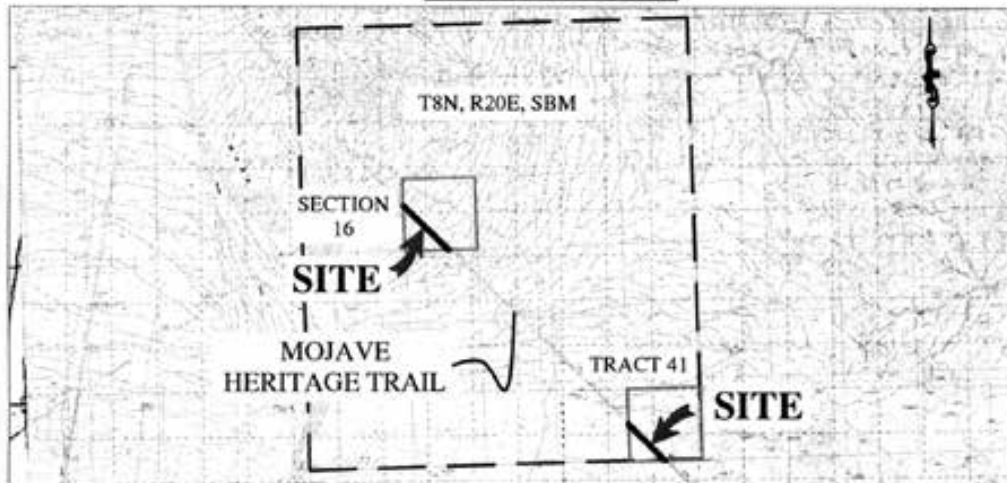


TRACT 41, TOWNSHIP 8 NORTH,
RANGE 20 EAST S.B.M.

MOJAVE HERITAGE TRAIL

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A-1
 PRC 1801.2
 SOUTHERN CALIFORNIA
 GAS COMPANY
 GENERAL LEASE -
 RIGHT - OF - WAY USE
 SAN BERNARDINO COUNTY



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