

**STAFF REPORT
C60**

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S 6

02/27/18
PRC 8664.1
D. Tutov

REVISION OF RENT

LESSEE:

Pacific Gas and Electric Company

AREA, LAND TYPE, AND LOCATION:

0.54 acres, more or less, of sovereign land in the Sacramento River, in the cities of Sacramento and West Sacramento, Sacramento and Yolo counties.

AUTHORIZED USE:

Continued use and maintenance of a 20-inch-diameter welded steel natural gas pipeline.

LEASE TERM:

20 years, beginning February 9, 2006.

CONSIDERATION:

This lease provides that the Commission may modify the rent periodically during the lease term. Pursuant to this provision, staff conducted a review of the rent under this lease and recommends that rent be revised from \$3,125 per year to \$3,592 per year, effective February 9, 2018.

OTHER PERTINENT INFORMATION:

1. On February 9, 2006, the Commission authorized a General Lease - Right-of-Way Use with Pacific Gas and Electric Company to construct, use, and maintain a natural gas pipeline ([Item C37, February 9, 2006](#)). On February 8, 2011 the Commission authorized a revision of rent from \$2,812 per year to \$3,125 per year, effective February 9, 2011 ([Item C08, February 8, 2011](#)). The lease will expire February 8, 2026.
2. Staff requested updated results of internal inspections or pressure tests made in the directionally drilled crossing section of the pipeline, and periodic inspection results of the cathodic protection system operation. Staff will review the reports upon receipt and based on the results take

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any and all actions necessary to ensure the safety of the pipeline consistent with the Commission's jurisdiction and authority.

3. This action is consistent with Strategy 2.2 of the Commission's Strategic Plan to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.
4. Approving the revision of rent is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

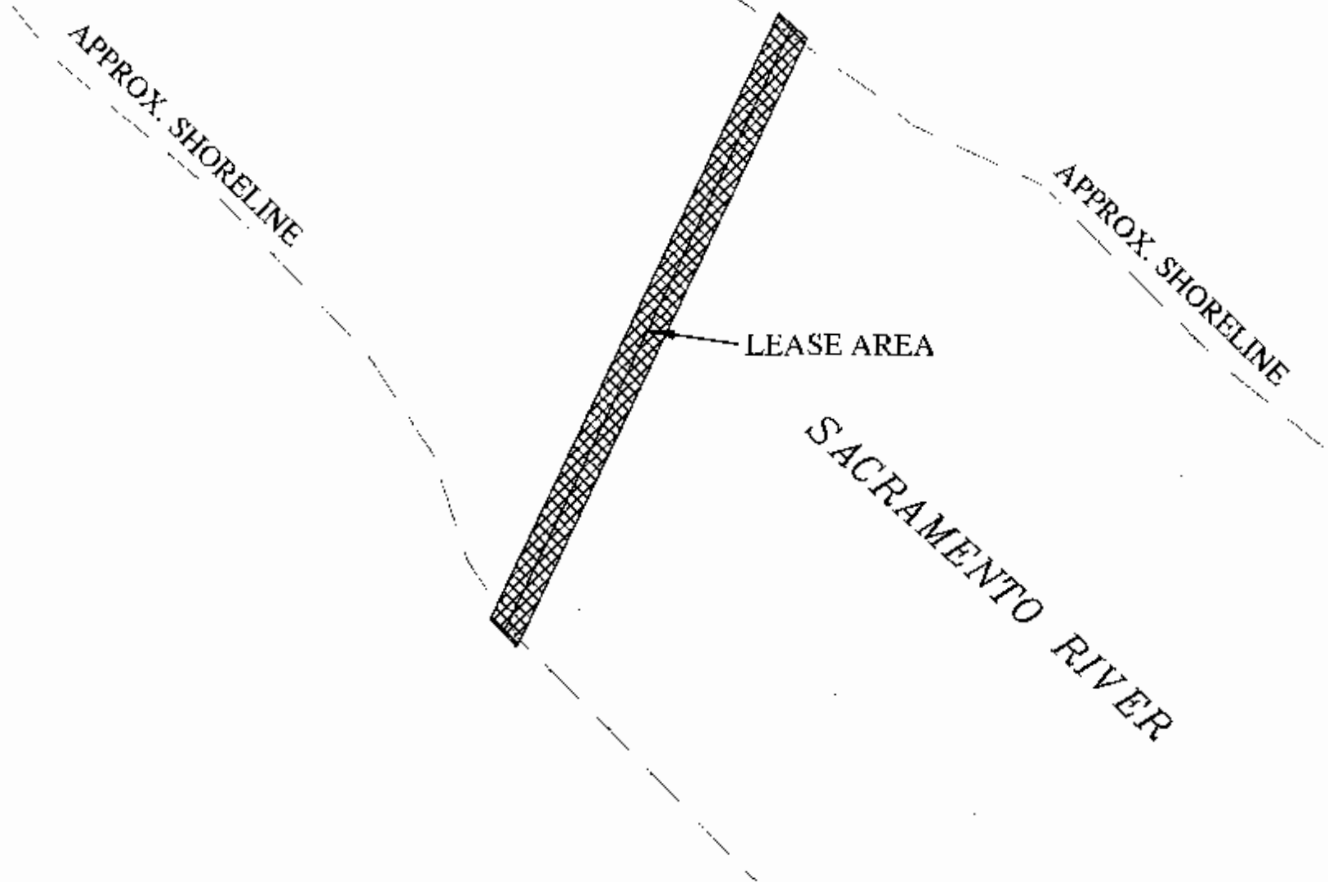
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 8664.1 from \$3,125 per year to \$3,592 per year, effective February 9, 2018.

NO SCALE

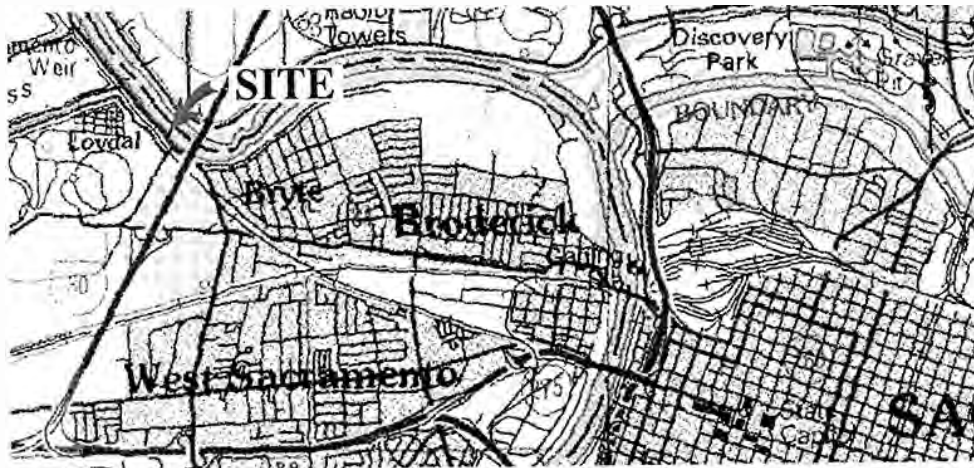
SITE



20" NATURAL GAS PIPELINE, SACRAMENTO RIVER, NEAR RIVER MILE 62.7

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

PRC 8664.1
PACIFIC GAS & ELECTRIC
COMPANY
GENERAL LEASE
RIGHT-OF-WAY USE
SACRAMENTO AND
YOLO COUNTIES



MJE 9/01/16