

STAFF REPORT

36

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12/06/19
PRC 7526.2
K. Foster

REVISION OF RENT

LESSEE:

Pacific Gas and Electric Company

AREA, LAND TYPE, AND LOCATION:

8.08 acres, more or less, of State indemnity school land in portions of Section 26 and 27, Township 9 North, Range 2 East, SBM, near Newberry Springs, San Bernardino County.

AUTHORIZED USE:

Operation, use and maintenance for an existing 34-inch-diameter high pressure gas transmission line, known as Line 300A, blow-off line, and communication line.

LEASE TERM:

25 years, beginning January 6, 2015.

CONSIDERATION:

This lease provides that the Commission 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 \$12,189 per year to \$13,644 per year, effective January 6, 2020.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the revision of rent is a discretionary action by the Commission. Each time the Commission approves or rejects a revision of rent, it exercises legislatively delegated authority and responsibility as trustee of the State's school lands as authorized by law. Upon expiration or prior termination of the lease, the lessee has no right to a new lease or to renewal of any previous lease.
2. On August 19, 2015, the Commission authorized a General Lease – Right-of-Way Use to Pacific Gas and Electric Company for the operation, use and maintenance for an existing 34-inch-diameter high pressure gas transmission line, known as Line 300A, blow-off line, and communication line ([Item 65, August 19, 2015](#)). The lease will expire on January 5, 2040.

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3. The lease requires the submittal of several inspections and assessments. Staff has requested updated copies of all required items. At the time of the meeting, staff has not received any documents to review, but will follow up with Pacific Gas and Electric Company to ensure compliance with its lease provisions. The lease also requires liability insurance in an amount of no less than \$2,000,000 per occurrence. The lessee may satisfy all or part of the insurance requirements through maintenance of a staff-approved self-insurance program.
4. 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.
5. 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:

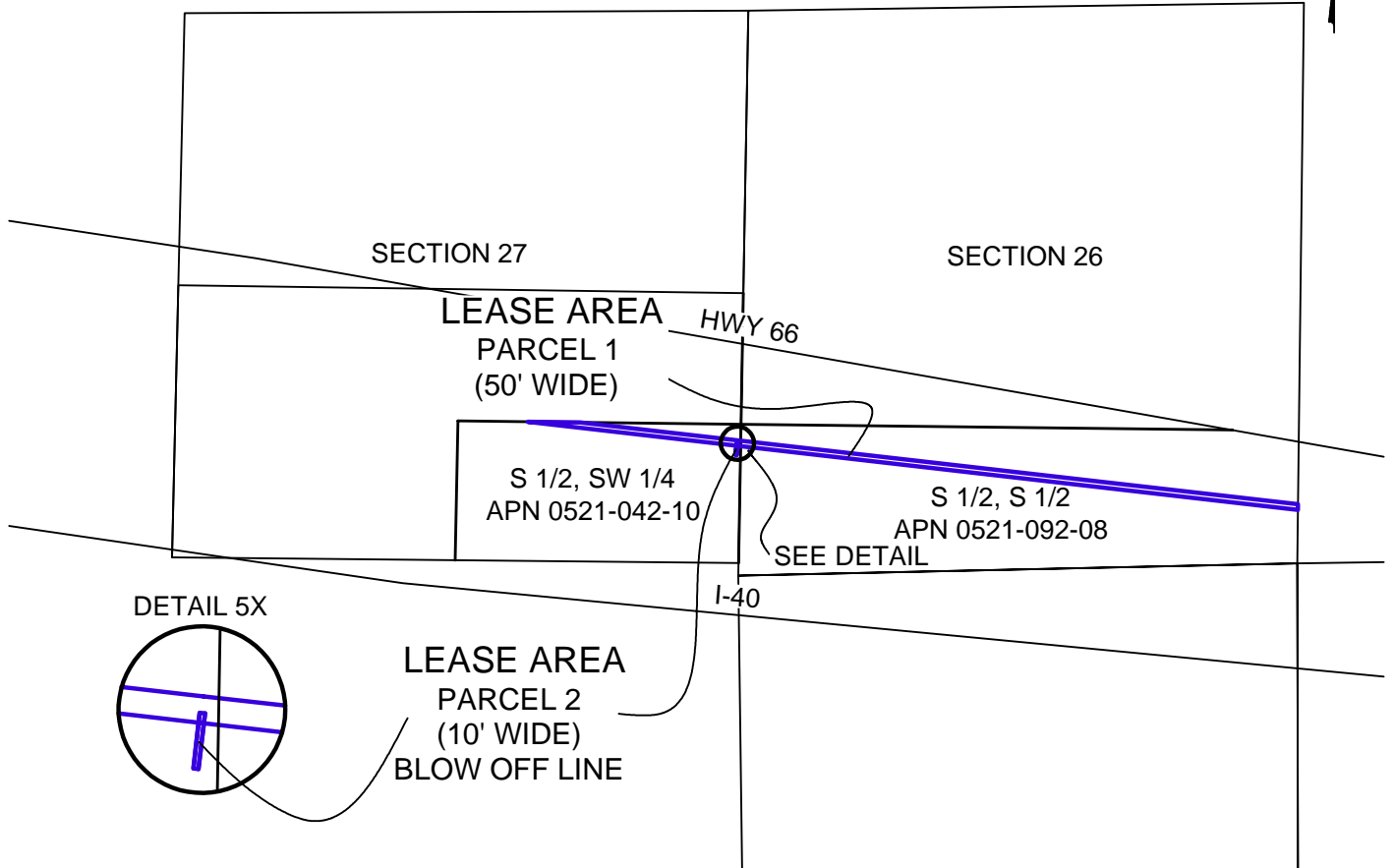
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 7526.2 from \$12,189 per year to \$13,644 per year, effective January 6, 2020.

NO SCALE

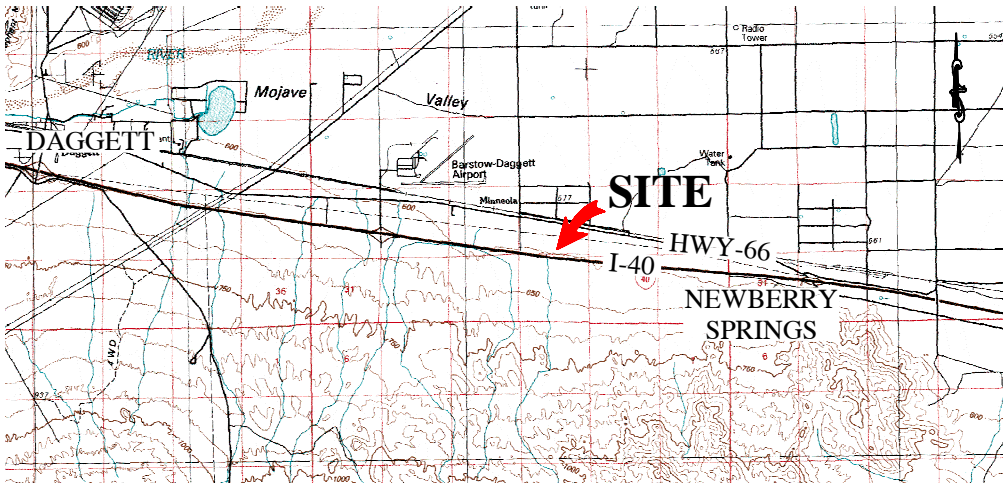
SITE



SECTION 26 & 27, T9N, R2E SBM, NEAR NEWBERRY SPRINGS

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

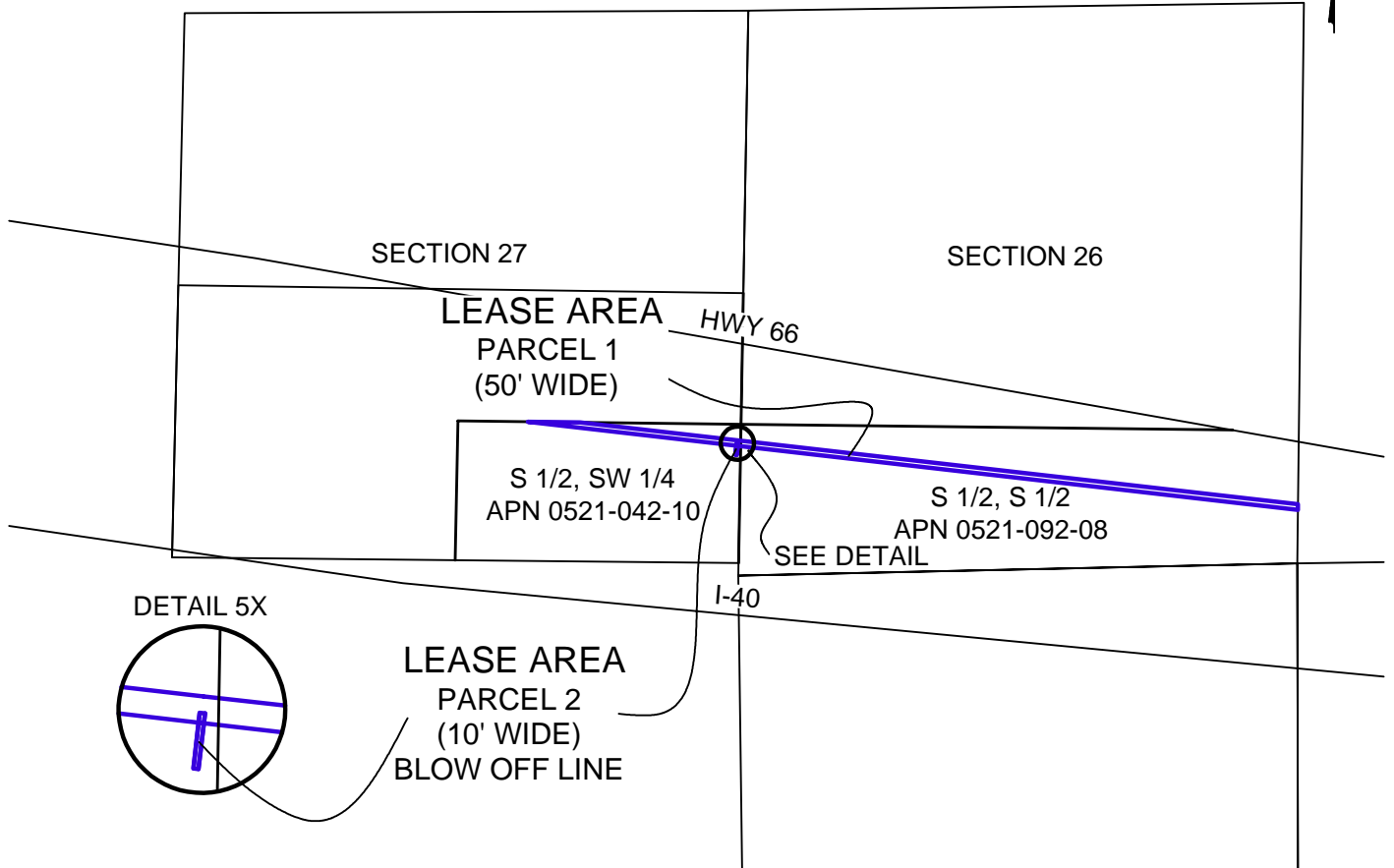
PRC 7526.2
 PACIFIC GAS & ELECTRIC
 APN 0521-042-10 & 0521-092-08
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 SAN BERNARDINO COUNTY



MJF 10/30/19

NO SCALE

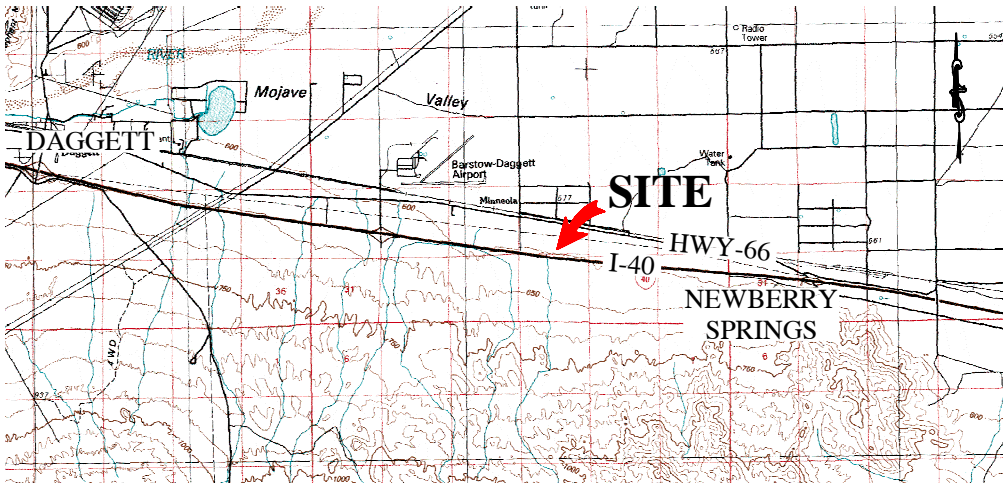
SITE



SECTION 26 & 27, T9N, R2E SBM, NEAR NEWBERRY SPRINGS

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Exhibit A

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 PACIFIC GAS & ELECTRIC
 APN 0521-042-10 & 0521-092-08
 GENERAL LEASE -
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 SAN BERNARDINO COUNTY



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