

# Staff Report 32

## **LESSEE:**

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CPN Pipeline Company

## **PROPOSED ACTION:**

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Revision of Rent

### **AREA, LAND TYPE, AND LOCATION**

0.165 acre of state sovereign land in the Sacramento River, adjacent to Assessor's Parcel Numbers 056-230-011 and 34-220-027 near Knights Landing, Yolo and Sutter Counties.

### **AUTHORIZED USE:**

Continued use and maintenance of an 8-inch diameter horizontal directionally drilled natural gas pipeline.

### **TERM:**

20 years, beginning January 1, 2012.

### **CONSIDERATION:**

This lease provides that Lessor 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 \$450 per year to \$503 per year, effective January 1, 2022.

## **OTHER PERTINENT INFORMATION:**

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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 Public 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 March 29, 2012, the Commission authorized a General Lease – Right-of-Way Use to CPN Pipeline Company, for an existing 8-inch diameter natural gas pipeline ([Item 41, March 29, 2012](#)). On December 6, 2016, the Commission approved an increase in the annual rent from \$250 to \$450, effective January 1, 2016 ([Item 20, December 6, 2016](#)). The lease will expire on December 31, 2031. The prior staff report incorrectly identified the lease parcel in Yolo County as Assessor's Parcel Number 056-230-007. The correct Assessor's Parcel Number is 056-230-011.
3. The lease includes a condition requiring annual inspections. The annual cathodic protection survey was completed in October 2020 and the emergency valves annual inspection was completed in June 2020. The surveys complied with and met all title 49 Code of Federal Regulations part 192 Corrosion Control Requirements pursuant to federal Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA/DOT) regulations.
4. This action is consistent with the "Meeting Evolving Public Trust Needs" Strategic Focus Area of the Commission's 2021-2025 Strategic Plan.
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:**

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A. Site and Location Map

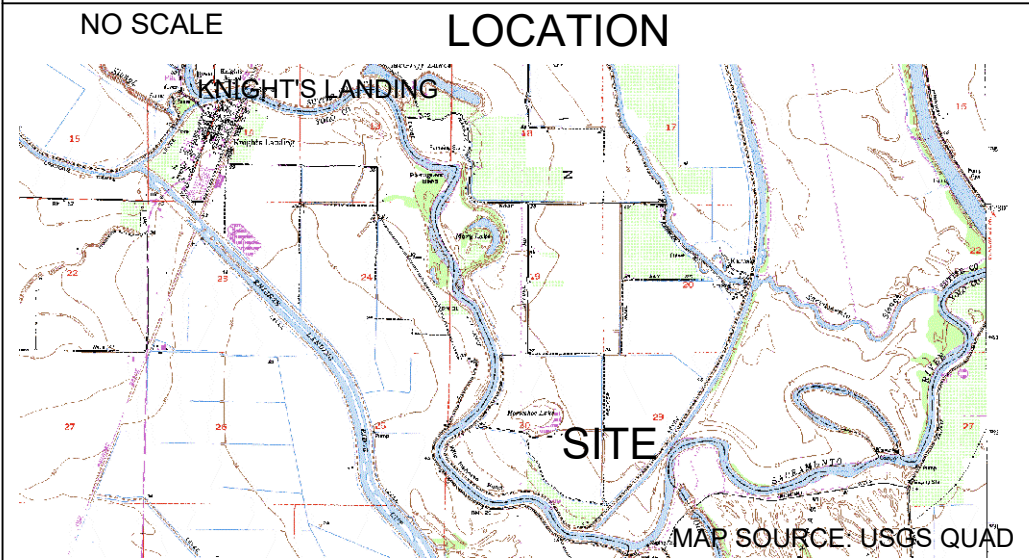
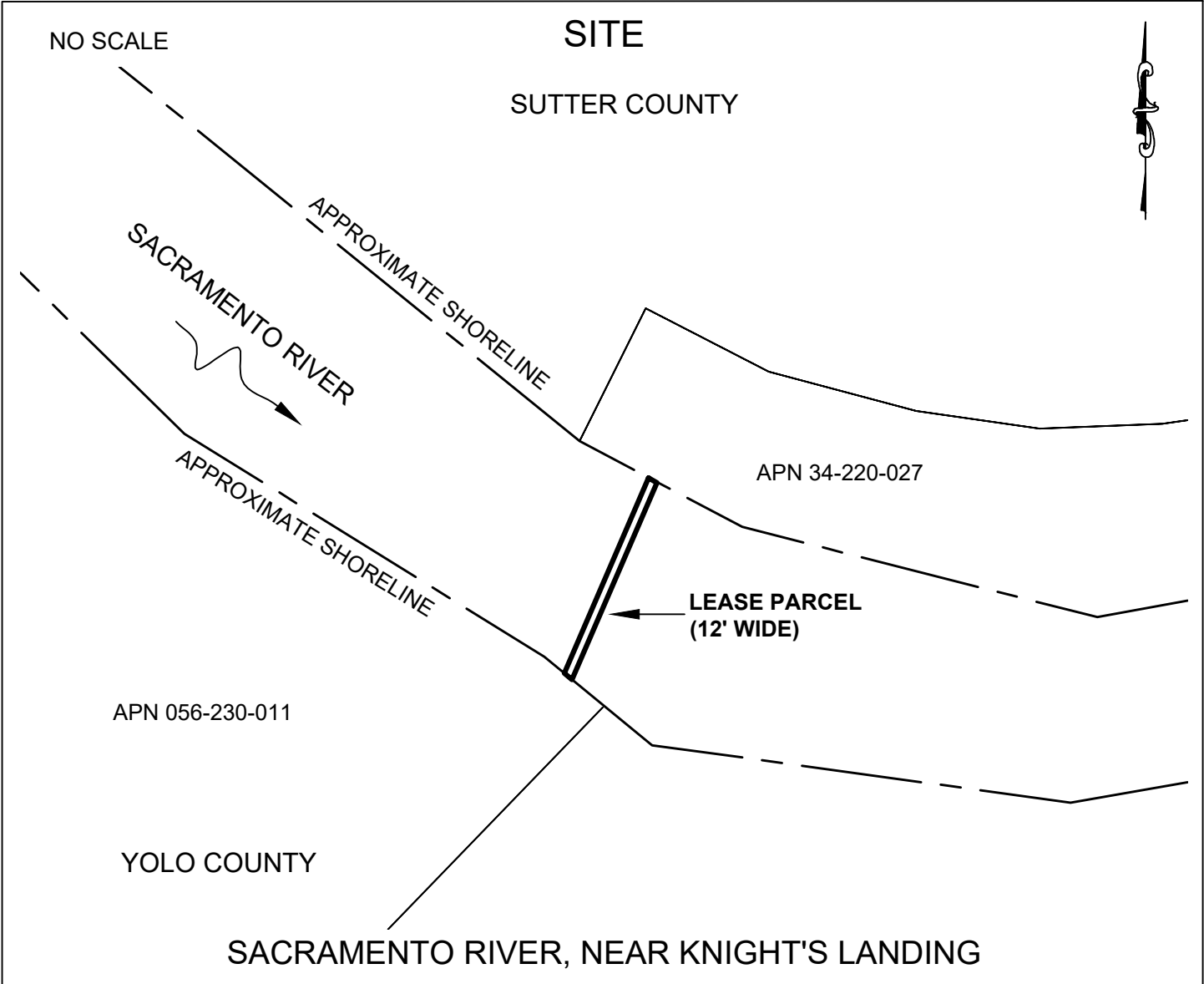
## **RECOMMENDED ACTION:**

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It is recommended that the Commission:

### **AUTHORIZATION:**

Approve the revision of rent for Lease Number PRC 7602 from \$450 per year to \$503 per year, effective January 1, 2022.



**EXHIBIT A**

LEASE 7602  
 CPN PIPELINE COMPANY  
 APN 34-220-027 & 056-230-011  
 GENERAL LEASE -  
 RIGHT - OF - WAY USE  
 YOLO & SUTTER COUNTY



DJF 11/1/2021

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.