

# Staff Report 48

**LESSEE:**

Southern California Edison Company

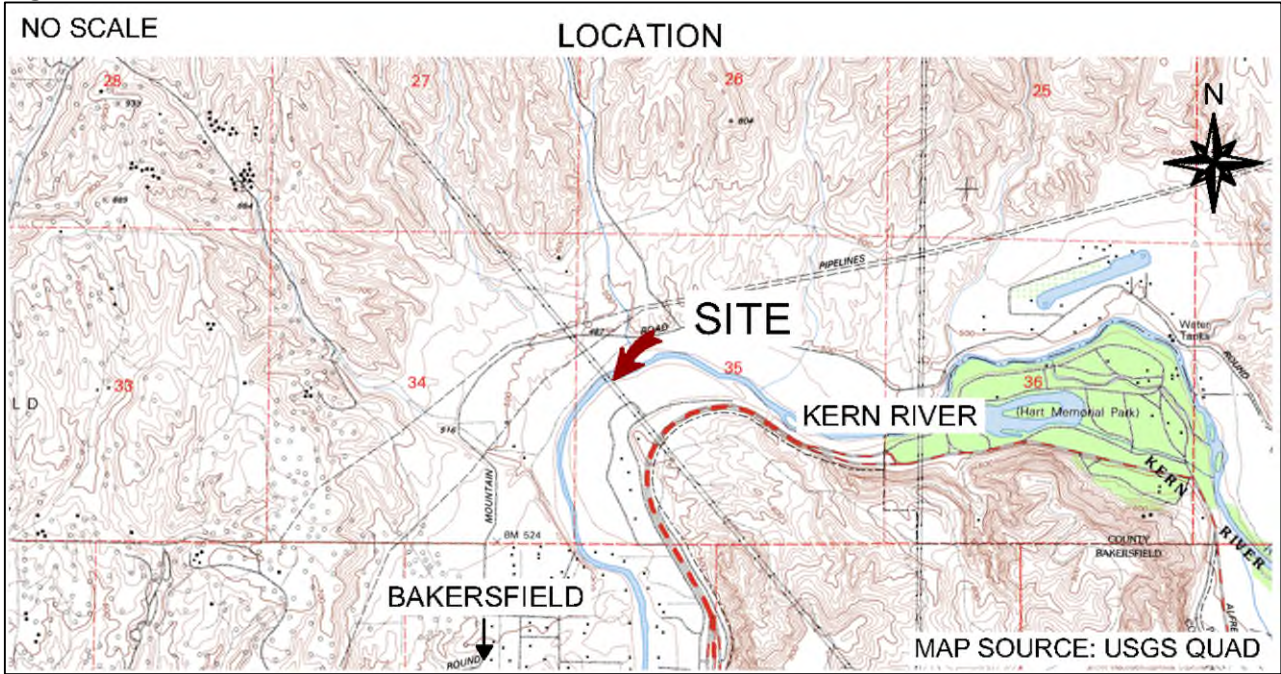
**PROPOSED ACTION:**

Revision of Rent.

**AREA, LAND TYPE, AND LOCATION:**

1.066 acres, more or less, of sovereign land in the Kern River located adjacent to Assessor's Parcel Number 093-190-46, near Bakersfield, Kern County (as shown in Figure 1).

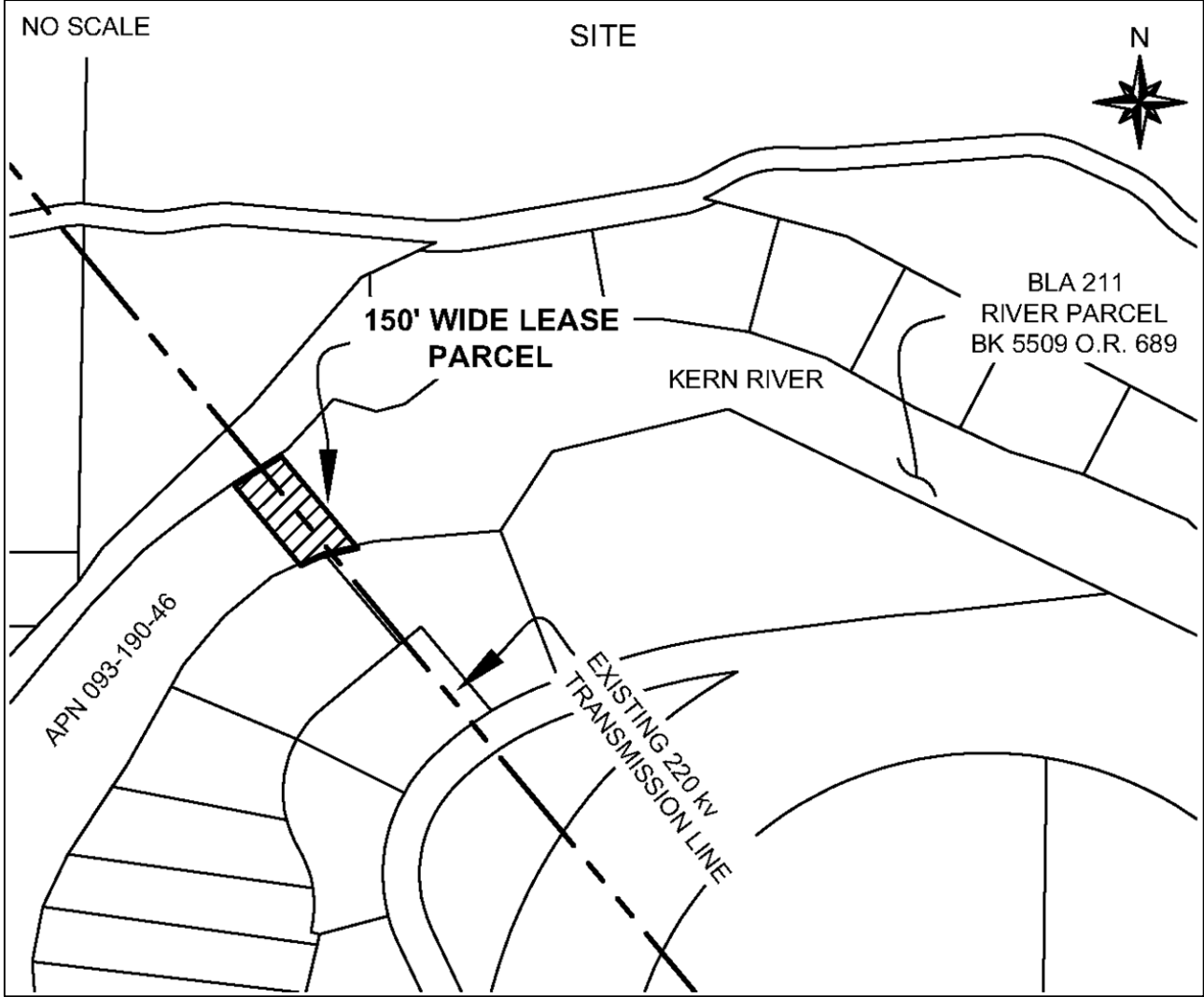
**Figure 1. Location**



**AUTHORIZED USE:**

Continued use and maintenance of an overhead 220-kilovolt (kV) electric transmission line (as shown in Figure 2).

**Figure 2. Site Map**



NOTE: This depiction of the lease premises is based on unverified information provided by the Applicant or other parties and is not a waiver or limitation of any State interest in the subject or any other property.

**TERM:**

25 years, beginning February 15, 2009.

**CONSIDERATION:**

The lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, the staff has conducted a review of the rent under this lease and recommends that the rent be revised from \$3,499 per year to \$2,871 per year, effective February 15, 2025.

**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 Public Lands as authorized by law. The Lessee has no right to a new lease or to renewal of any previous lease.
2. A rent continuation was considered, but the basis for the rent is 15 years old and too old to be representative of the current fair market rental value. The staff recommendation to reduce rent is based on the staff appraisal unit research on rental discounting of overhead transmission lines and is considered the best representation of fair rent for the premises being used by the lessee and currently in the state's best interest.
3. On April 9, 2009, the Commission authorized a General Lease – Right-of-Way Use ([Item 26, April 9, 2009](#)) to Southern California Edison Company for 1.066 acres of sovereign land in the Kern River, near Bakersfield, for an existing overhead transmission line. On April 6, 2010, the Commission authorized an amendment of lease ([Item 37, April 6, 2010](#)) to amend the liability insurance provision to authorize an equivalent self-insurance program. On February 21, 2014, the Commission authorized a revision of rent ([Item 53, February 21, 2014](#)) from \$2,878 per year to \$3,134 per year, effective February 15, 2014. On April 23, 2014, the Commission authorized an amendment of lease ([Item 64, April 23, 2014](#)) to accept a performance guarantee in lieu of a surety bond for all current Southern California Edison Company leases, including PRC 6704. On December 3, 2018, the Commission authorized a revision of rent ([Item 62, December 3, 2018](#)) from \$3,134 per year to \$3,499 per year, effective February 15, 2019. The lease will expire on February 14, 2034.
4. This action is consistent with the "efficient and effective management of the revenue generation portfolio" elements in the "Meeting Evolving Public Trust Needs" Strategic Focus Area of the Commission's 2021-25 Strategic Plan.

5. 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, sections 15060, subdivision (c)(3), and 15378, subdivision (b)(5).

## **RECOMMENDED ACTION:**

---

It is recommended that the Commission:

### **AUTHORIZATION:**

Approve the revision of rent for Lease PRC 6704 from \$3,499 per year to \$2,871 per year, effective February 15, 2025.