

**CALENDAR ITEM  
C67**

A 34  
S 18

09/01/11  
PRC 7512.2  
C. Hudson

**CONTINUATION OF RENT**

**LESSEE:**

Kern River Gas Transmission Company  
2755 E. Cottonwood Parkway, Suite 300  
Salt Lake City, UT 84121

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

6.080 acres, more or less, of State school land in a portion of Section 16,  
Township 17 North, Range 14 East, SBM, near Daggett, San Bernardino County.

**AUTHORIZED USE:**

Operation, use, and maintenance of an existing 36-inch diameter natural gas  
pipeline as shown on the attached Exhibit A.

**LEASE TERM:**

30 years, beginning March 7, 1991.

**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 rent be continued at \$4,292 per year, effective  
March 7, 2012.

**OTHER PERTINENT INFORMATION:**

On March 6, 1991, the Commission authorized a 30-year General Lease - Right-  
of-Way Use with Kern River Gas Transmission Company. That lease will expire  
on March 6, 2021. The Kern River Gas Transmission Company completed their  
inspection of the natural gas pipeline in March 2011. The inspection was  
performed using an in-line inspection device (smart pig). No violations were  
reported.

**EXHIBIT:**

A. Site and Location Map

CALENDAR ITEM NO. C67 (CONT'D)

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the activity is not subject to the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15060(c)(3) because the activity is not a project as defined by Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

**AUTHORIZATION:**

Approve the continuation of rent for Lease No. PRC 7512.2 at \$4,292 per year, effective March 7, 2012.