

**CALENDAR ITEM
C68**

A 34
S 18

09/01/11
PRC 7509.2
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:

4.100 acres, more or less, of State school land in a portion of Section 36,
Township 14 North, Range 6 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 \$2,897 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. C68 (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 7509.2 at \$2,897 per year, effective March 7, 2012.