STAFF REPORT **79**

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06/28/19 PRC 6703.2 J. Porter

REVISION OF RENT

LESSEE:

Pacific Gas and Electric Company

AREA, LAND TYPE, AND LOCATION:

0.355 acre, more or less, of State-owned indemnity school land in Section 28, Township 4 South, Range 18 East, MDM, south of Sherlock Road, Mariposa County.

AUTHORIZED USE:

Continued use and maintenance of 70-kV overhead transmission lines, one wood pole, and an unpaved access road.

LEASE TERM:

25 years, beginning July 1, 2009.

CONSIDERATION:

This lease provides that the Commission may modify the rent periodically during the lease term. Pursuant to this provision, staff reviewed the rent under this lease and recommends that rent be revised from \$100 per year to \$450 per year, effective July 1, 2019.

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.
- On February 1, 2010, the Commission authorized a General Lease Right-of-Way Use to Pacific Gas and Electric Company for a term of 25 years beginning July 1, 2009 (<u>Item C14, February 1, 2010</u>). The lease will expire on June 30, 2034.

STAFF REPORT NO. 79 (CONT'D)

- 3. 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.
- 4. 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 6703.2 from \$100 per year to \$450 per year, effective July 1, 2019.

