

This Calendar Item is C11
was discussed at the meeting on 11
at 3 o'clock on 12/20/78
to 0 minutes.
meeting.

CALENDAR ITEM

C11.

12/78
WP 2702
Childress
PRC 2702

REVISION IN LEASE RENTAL
AFTER ROUTINE REVIEW

This is a General Lease - Right-of-Way Use for a term of 49 years from April 13, 1961, as amended January 1, 1974, with an existing annual rent of \$504.56, covering 2 parcels of school land containing 4.14+ acres, located between Barstow and Las Vegas, San Bernardino County; for the maintenance of 2 pipelines for transporting petroleum products.

The lease listed below provides that the State may adjust the annual rental at a different amount for the 5-year term following the fifth anniversary of the lease amendment, effective on such anniversary date.

The Commission's volumetric rental alternative has been considered by staff, and is determined inappropriate due to insufficient volumes of product. Should future volumes increase, and volumetric rental be determined to apply, the necessary adjustment to rental shall be made at the next 5-year rent review.

The value of the land covered by the lease has been considered and it has been determined that the new rental shown below, which is 1-1/2 cents per diameter inch per linear foot is reasonable and proper. The lessee was notified of the rental change within the time constraints set by the lease.

EXHIBITS: A1.-A2. Location Maps.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE ADJUSTING THE NEW ANNUAL RENTAL PER ANNUM INDICATED, FOR THE FOLLOWING LEASE EFFECTIVE ON THE DATE SHOWN:

<u>PRC NO.</u>	<u>LESSEE/ADDRESS</u>	<u>PRIOR RENTAL</u>	<u>AMOUNT OF NEW RENTAL</u>	<u>EFFECTIVE DATE</u>
2702.1	Calnev Pipe Line Company 1901 Slover Ave. Bloomington, CA 92316	\$504.56/ annum	\$756.84/ annum	January 1, 1979

A 34

S 16

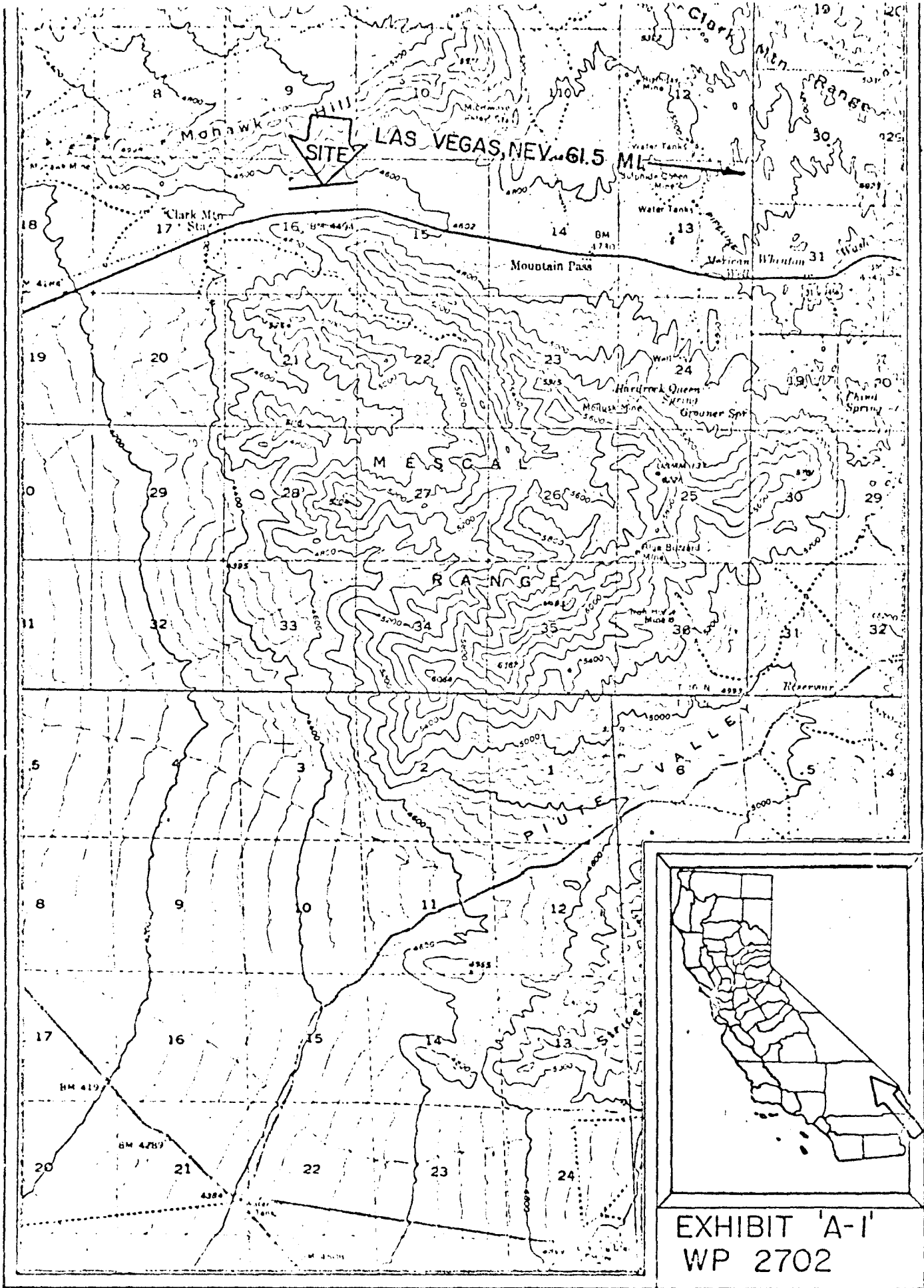


EXHIBIT 'A-1'
 WP 2702

