

**CALENDAR ITEM
C35**

A 8
S 15

03/25/08
PRC 3768.1
M. Clark

CONTINUATION OF RENT

LESSEE:

CPN Pipeline Company
50 West San Fernando Street
San Jose, CA 95113

AREA, LAND TYPE, AND LOCATION:

4.38 acres, more or less, of sovereign lands in the San Joaquin River, near the city of Antioch, Sacramento and Contra Costa counties.

AUTHORIZED USE:

Continued use and maintenance of an existing eight-inch diameter natural gas pipeline as shown on Exhibit A.

LEASE TERM:

30 years, beginning May 25, 1982.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the rent be continued at \$336 per year, effective May 25, 2008.

OTHER PERTINENT INFORMATION:

1. Lessee has the right to use the uplands adjoining the lease premises.
2. On June 29, 1982, the Commission authorized a 30-year General Lease – Right of Way Use to the Dow Chemical Company. On December 16, 1998, the lease was assigned to Calpine Pittsburg, Inc., Calpine Pittsburg, Inc., subsequently changed it's name to CPN Pipeline Company.

CALENDAR ITEM NO. **C35** (CONT'D)

3. The eight-inch natural gas pipeline is currently idle and no violations have been reported. State Lands Commission engineering staff has reviewed the most recent inspection reports and determined the pipeline to be in good condition.

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

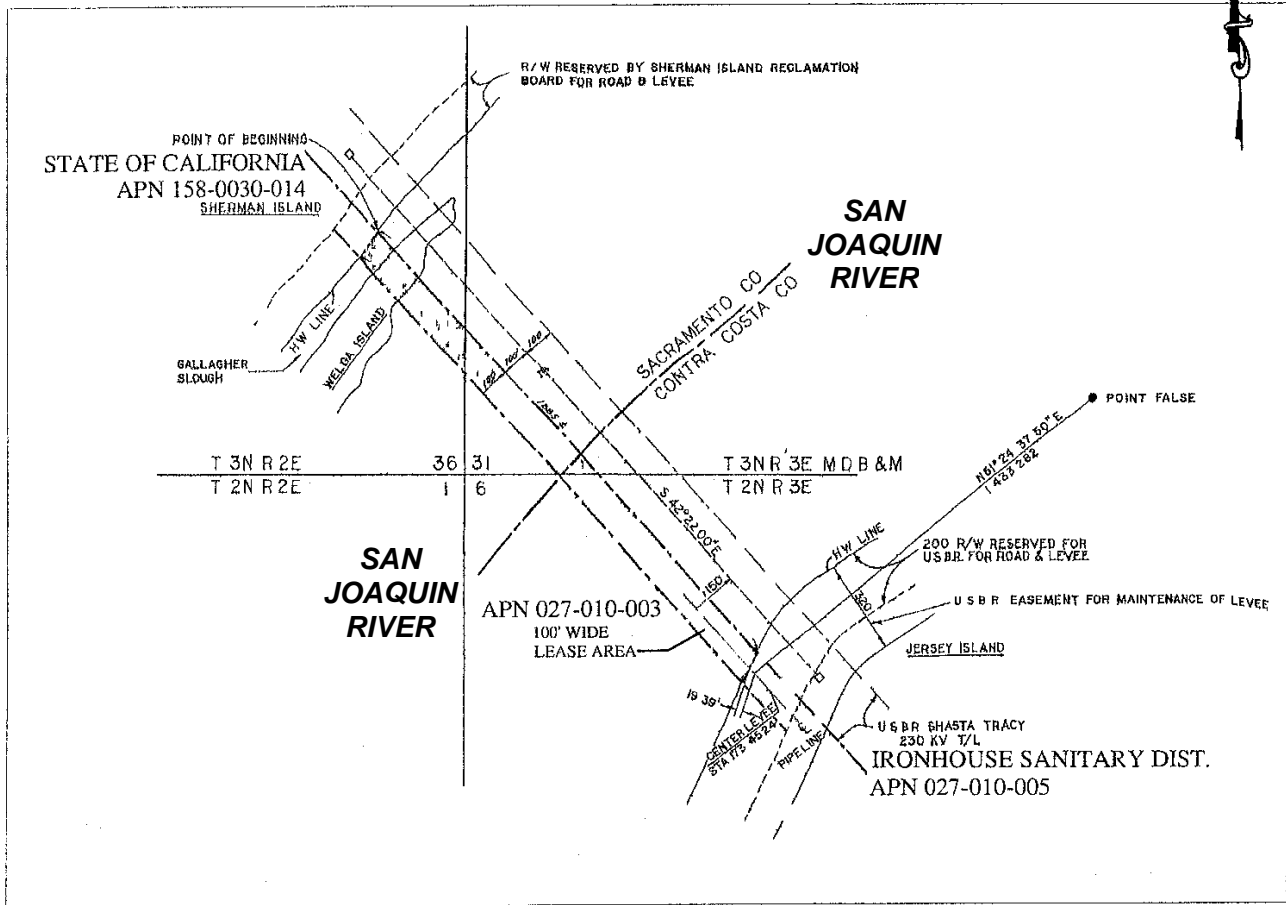
FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

APPROVE THE CONTINUATION OF RENT FOR LEASE NO. PRC 3768.1 AT \$336 PER YEAR, EFFECTIVE MAY 25, 2008.

NO SCALE

SITE



NATURAL GAS PIPELINE ACROSS THE SAN JOAQUIN RIVER, SACRAMENTO & CONTRA COSTA COUNTIES

NO SCALE

LOCATION

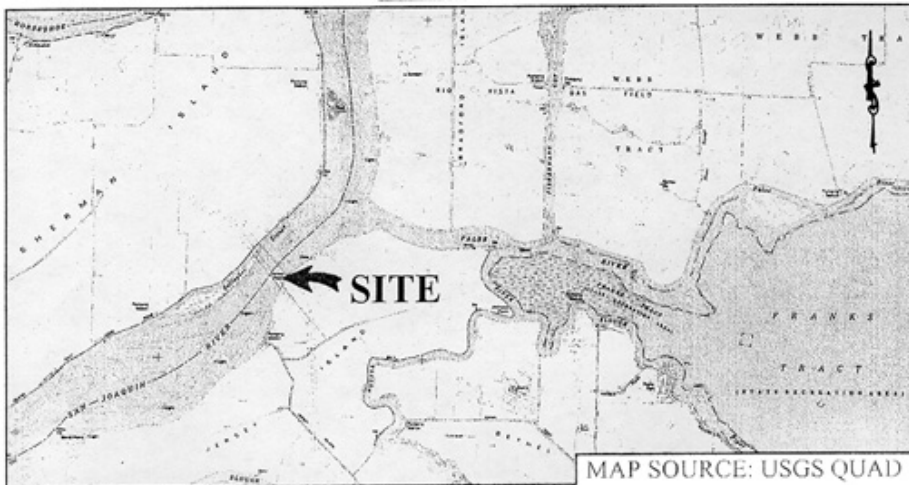


Exhibit A

PRC 3768.1
 CPN PIPELINE COMPANY
 GENERAL LEASE
 RIGHT-OF-WAY USE



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.