

**CALENDAR ITEM
C71**

A 78
S 39

06/29/15
PRC 8895.1
C. Hudson

REVISION OF RENT

LESSEE:

San Diego Gas & Electric Company
8335 Century Park Court
San Diego, California 92123-1569

AREA, LAND TYPE, AND LOCATION:

Sovereign land in and adjacent to the San Dieguito River, the city of Del Mar, San Diego County.

AUTHORIZED USE:

Operation, use and maintenance of an existing four-inch diameter natural gas pipeline, attached to the Camino Del Mar Bridge.

LEASE TERM:

25 years, beginning October 1, 2010.

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 rent be revised from \$100 per year to \$450 per year, effective October 1, 2015.

OTHER PERTINENT INFORMATION:

1. The Lessee has a right to use the uplands adjoining the Lease Premises.
2. On October 29, 2010, the Commission authorized a General Lease – Right-of-Way Use to San Diego Gas & Electric Company for a four-inch diameter natural gas pipeline that is attached and adjacent to the Camino Del Mar Bridge. The lease will expire on September 30, 2035.
3. The existing four-inch diameter natural gas pipeline is attached to the Camino Del Mar Bridge. The bridge is owned by the city of Del Mar and is under Lease No. PRC 8181.9. There is an additional 12-inch diameter natural gas pipeline attached to the Camino Del Mar Bridge, which is under Lease No. PRC 8896.1 to Southern California Gas Company.

CALENDAR ITEM NO. **C71** (CONT'D)

4. The Lessee is in compliance with state and federal pipeline safety regulations and is monitored through a comprehensive inspection and enforcement program. The Lessee conducts annual inspections on its pipeline. The last inspection was completed on July 31, 2014. No violations were reported.
5. Staff conducted the rent review called for in the lease and recommends that the rent be increased to \$450 per year, effective October 1, 2015.
6. The staff recommends that the Commission find that the subject revision of rent does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

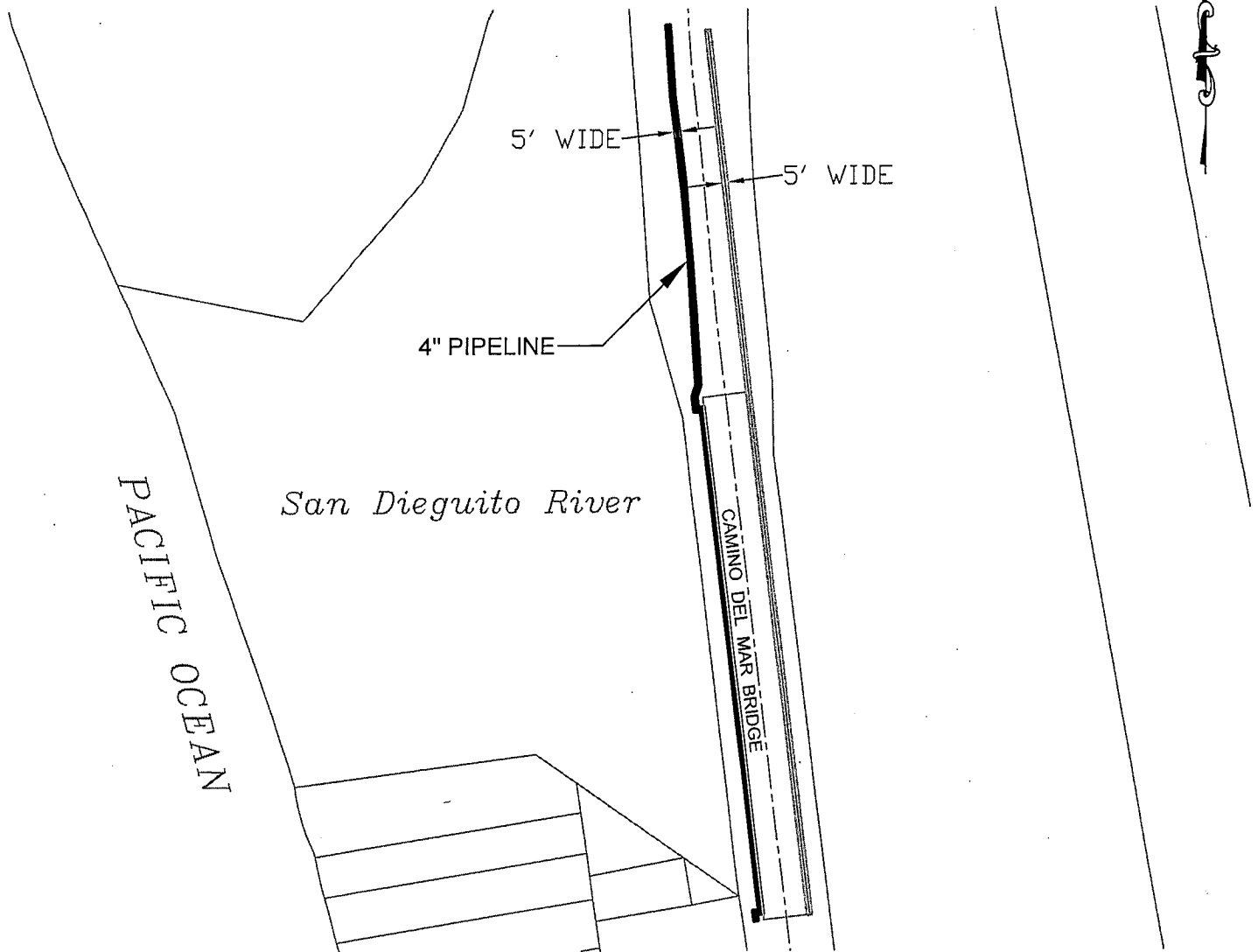
Find that the subject revision of rent is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by the Public Resources Code section 21065 and California Code of Regulations,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

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 8895.1 from \$100 per year to \$450 per year, effective October 1, 2015.

NO SCALE

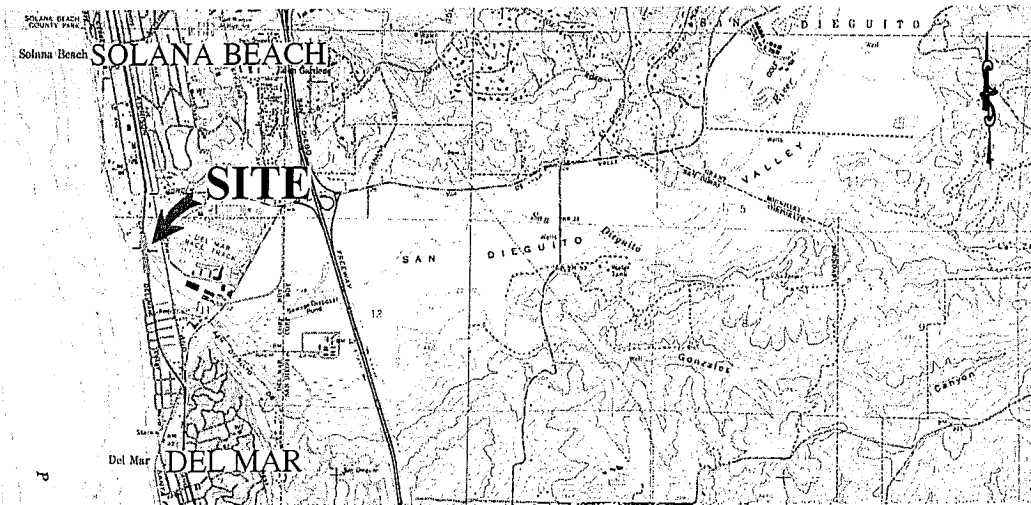
SITE



4" GAS PIPELINE CAMINO DEL MAR BRIDGE SAN DIEGUITO RIVER

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 8895.1
 SAN DIEGO GAS &
 ELECTRIC CO.
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 SAN DIEGO COUNTY



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.