

**CALENDAR ITEM
C81**

A 33
S 16

06/29/15
PRC 1531.2
C. Hudson

GENERAL LEASE – RIGHT-OF-WAY USE

APPLICANT:

Pacific Gas and Electric Company
245 Market Street, Mail Code N10A
San Francisco, CA 94105

AREA, LAND TYPE, AND LOCATION:

12.67 acres, more or less, of State school land in a portion of Section 16, Township 28 South, Range 41 East, MDM, near the unincorporated community of Searles, San Bernardino County.

AUTHORIZED USE:

Operation, use, and maintenance of one existing 10-inch diameter high pressure gas transmission line, known as L-311 and one 12-inch diameter high pressure gas transmission line, known as L-311-1.

LEASE TERM:

25 years, beginning January 1, 2016.

CONSIDERATION:

\$5,979 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance in an amount no less than \$2,000,000 per occurrence. Applicant may satisfy all or part of the insurance requirements through maintenance of a staff-approved self-insurance program as outlined in the Lease.

Bond: \$50,000

OTHER PERTINENT INFORMATION:

1. On January 21, 1988, the Commission authorized the issuance of Lease No. PRC 1531.2, a General Lease – Right-of-Way Use, to Pacific Gas and

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Electric Company (PG&E) for one existing 10-inch diameter high pressure gas transmission line and one 12-inch diameter high pressure gas transmission line. The lease expired on December 31, 2012. The Applicant is now applying for a new General Lease – Right-of-Way Use.

2. The Applicant has submitted rent payments pursuant to the holdover terms of the expired lease. The Applicant has submitted holdover payments through December 31, 2015. Commission staff recommends the new lease start on January 1, 2016.
3. Since the pipelines were placed into operation, routine inspections and maintenance have been conducted by PG&E's personnel in accordance with 49 Code of Federal Regulations (CFR), along with the pipeline patrols and leak surveys. Leak surveys were completed on both pipelines in May 2014. No leaks were identified. PG&E utilizes an active cathodic protection (CP) system on its pipelines to protect them against corrosion. The pipelines were last inspected in December 2014 and were found to be operating correctly.
4. The staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300 and California Code of Regulations, Title 2, section 2905.

5. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq.; however, the Commission has declared that all lands are "significant" by nature of their public ownership (as opposed to "environmentally significant"). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code section 6370 et seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by California Code of Regulations, Title 2, section 2954 is not applicable.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

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RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

AUTHORIZATION:

1. Authorize issuance of a General Lease – Right-of-Way Use to Pacific Gas and Electric Company beginning January 1, 2016, for a term of 25 years, for the operation, use, and maintenance of one existing 10-inch diameter high pressure gas transmission line and one 12-inch diameter high pressure gas transmission line, for the land as described in Exhibit A and as shown on Exhibit B (for reference purposes only), attached and by this reference made a part hereof; annual rent in the amount of \$5,979, with the State reserving the right to fix a different rent periodically during the lease term as provided in the lease; liability insurance in an amount no less than \$2,000,000 per occurrence or an equivalent staff-approved self-insurance program; and surety bond in the amount of \$50,000.

EXHIBIT A

PRC 1531.2

LAND DESCRIPTION

A strip of land of the uniform width of 100 feet extending from the south boundary line of Section 16, Township 28 South, Range 41 East, MDM, San Bernardino County, California, northeasterly to the north boundary line of said Section 16, and lying 50 feet on each side of the line described as follows:

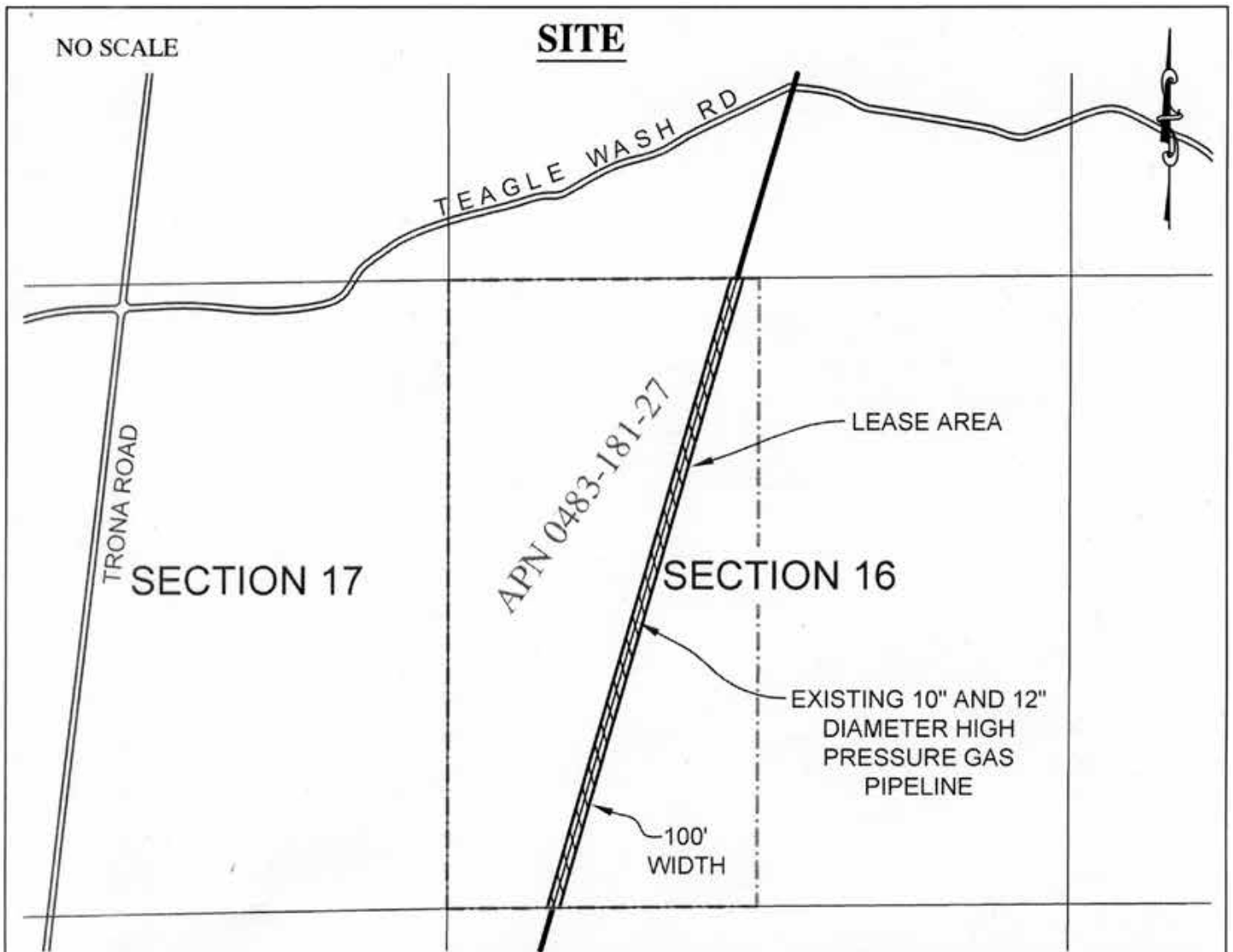
Beginning at a point in the south boundary line of said section 16, said point also being on the centerline of two (2) existing parallel Pacific Gas & Electric Company natural gas pipelines (25' apart) thence; along said centerline north 16°19'38" east, approximately 1,000 feet to a point from which the National Geodetic Survey Control Monument Designation "T29S R41E SECS 4 5 CC" (NGS PID: FT1295) with a CCS83, Zone 5 (Epoch 1991.35), US Survey Foot coordinate of N:2,350,904.21, E:6,682,003.70, bears south 22°10'27" west 18,539.8 feet; thence continuing along said centerline north 16°19'38" east, 4,500 feet more or less to the north boundary line of said section 16.

Containing 12.67 acres more or less

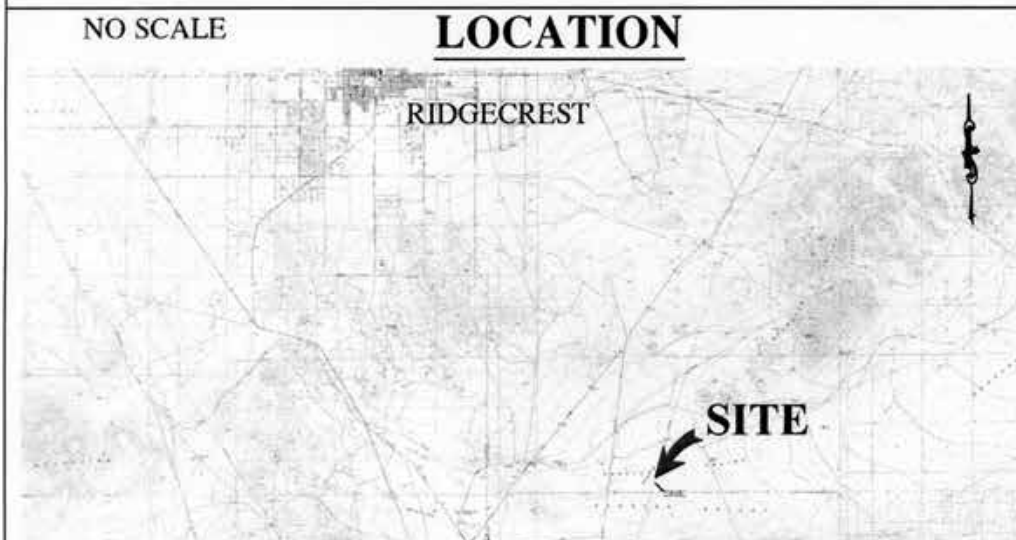
The bearings and distances used in the above description are based on the California Coordinate System of 1983, Zone 5. Distances are U.S. Survey Foot grid distances.



Scot D. Wilson
10-30-14



SEC. 16, T28S, R41E, MDM, NEAR SEARLES, SAN BERNARDINO COUNTY



MAP SOURCE: USGS QUAD

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.

Exhibit B
 PRC 1531.2
 PACIFIC GAS & ELECTRIC
 APN 0483-181-27
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 SAN BERNARDINO COUNTY



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