

**CALENDAR ITEM  
C104**

A 33  
S 16

12/18/15  
PRC 7509.2  
C. Hudson

**REVISION OF RENT**

**LESSEE:**

Kern River Gas Transmission Company  
2755 E. Cottonwood Parkway, Suite 300  
Salt Lake City, UT 84121

**AREA, LAND TYPE, AND LOCATION:**

4.10 acres, more or less, of State school land, administered by the Commission as Trustee of the School Land Bank Fund, located in a portion of Section 36, Township 14 North, Range 6 East, SBM, near Baker, San Bernardino County.

**AUTHORIZED USE:**

Operation, use, and maintenance of an existing 36-inch diameter underground natural gas pipeline.

**LEASE TERM:**

30 years, beginning March 7, 1991.

**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 \$2,897 per year to \$6,433 per year, effective March 7, 2016.

**OTHER PERTINENT INFORMATION:**

1. On March 6, 1991, the Commission authorized a 30-year General Lease – Right-of-Way Use to Kern River Gas Transmission Company. The lease will expire on March 6, 2021.
  
2. The Lessee is in compliance with state and federal pipeline safety regulations and is monitored through a comprehensive inspection and enforcement program. The Lessee performed an internal inspection on its pipeline in January 2011 which was completed in March 2011. The pipeline was found to be operating correctly.

CALENDAR ITEM NO. **C104** (CONT'D)

3. Staff conducted the rent review called for in the lease and recommends that the rent be increased to \$6,433 per year, effective March 7, 2016
4. Approving the revision of rent is not a project as defined by the California Environmental Quality Act (CEQA) 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:**

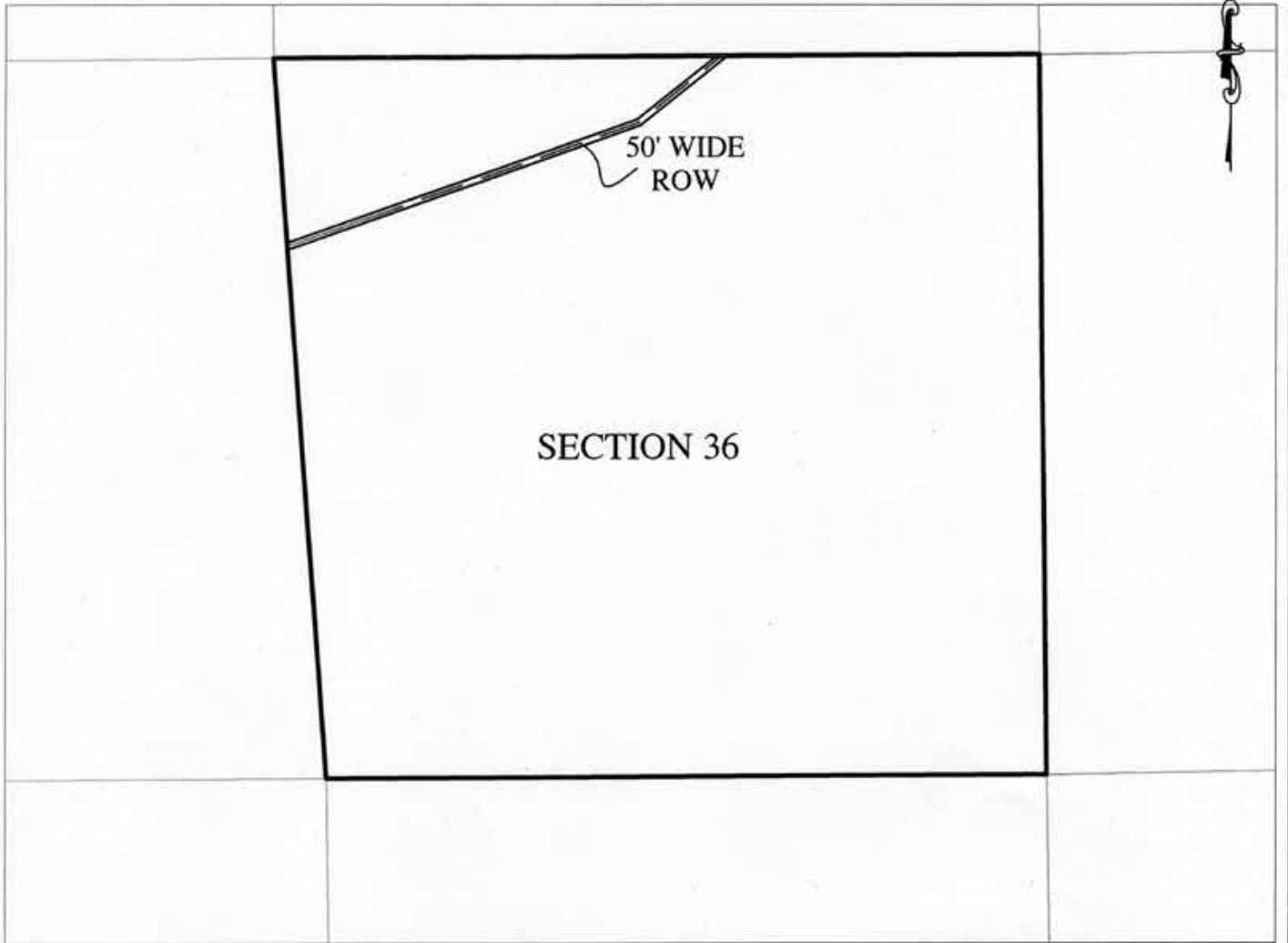
It is recommended that the Commission:

**AUTHORIZATION:**

Approve the revision of rent for Lease No. PRC 7509.2 from \$2,897 per year to \$6,433 per year, effective March 7, 2016.

NO SCALE

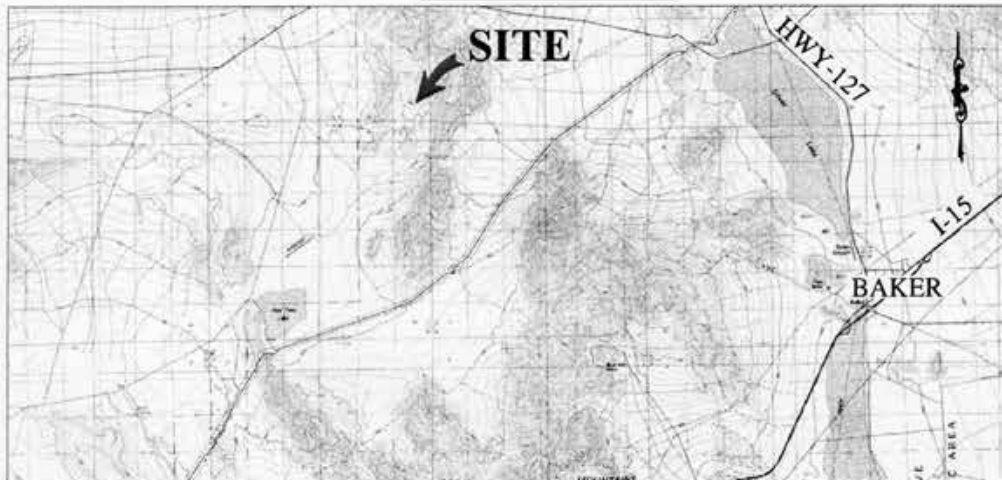
# SITE



Sec 36, T14N, R6E, SBM, San Bernardino Co

NO SCALE

# LOCATION



MAP SOURCE: USGS QUAD

**Exhibit A**  
 PRC 7509.2  
 KERN RIVER GAS  
 TRANSMISSION CO.  
 GENERAL LEASE -  
 RIGHT-OF-WAY USE  
 SAN BERNARDINO 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.