

**CALENDAR ITEM
C105**

A 33
S 16

12/18/15
PRC 7512.2
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:

6.08 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 16, Township 17 North, Range 14 East, SBM, near Mountain Pass, 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 \$4,292 per year to \$9,531 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

CALENDAR ITEM NO. **C105** (CONT'D)

pipeline in January 2011 and completed it in March 2011. The pipeline was found to be operating correctly.

3. Staff conducted the rent review called for in the lease and recommends that the rent be increased to \$9,531 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:

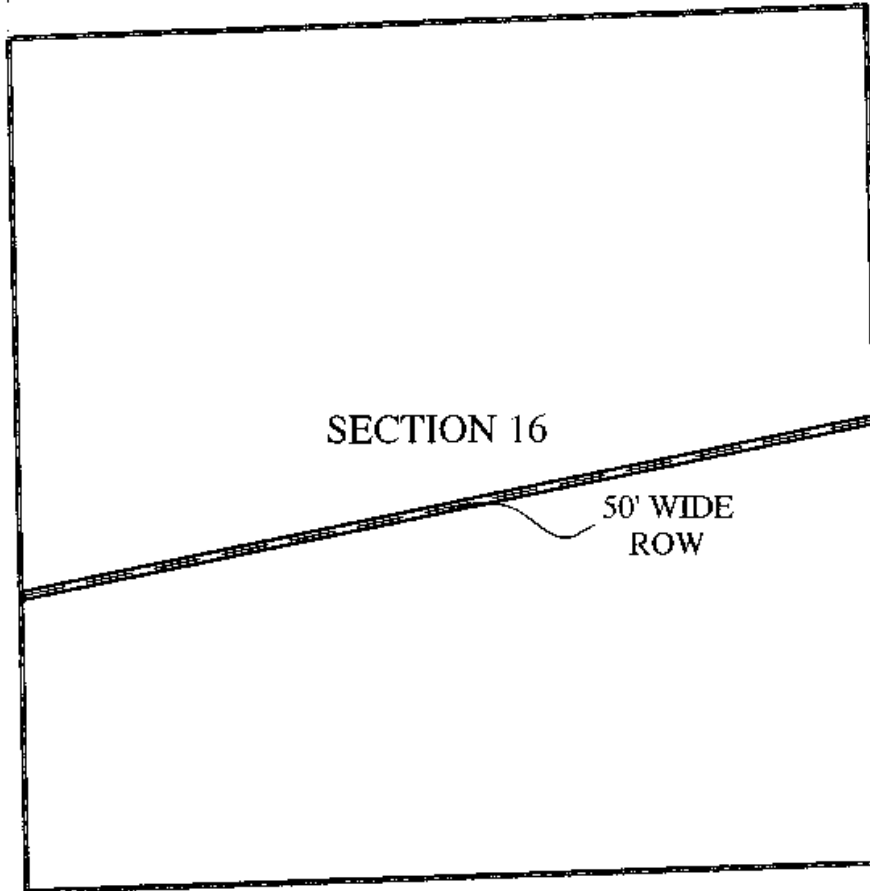
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 7512.2 from \$4,292 per year to \$9,531 per year, effective March 7, 2016.

NO SCALE

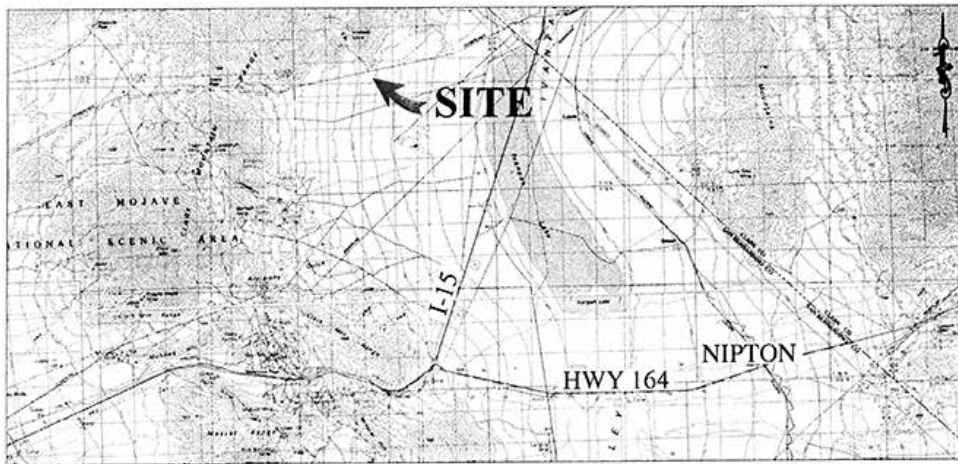
SITE



Sec 16, T17N, R14E, SBM, San Bernardino Co.

NO SCALE

LOCATION



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 A

PRC 7512.2
KERN RIVER GAS
TRANSMISSION CO.
GENERAL LEASE -
RIGHT-OF-WAY USE
SAN BERNARDINO COUNTY



KDF 05/16/15