

**CALENDAR ITEM  
C42**

A	73	10/29/10
S	38	W 26392 J. Smith

**GENERAL LEASE - RIGHT OF WAY USE**

**APPLICANT:**

Southern California Gas Company  
555 W. Fifth Street, GT26C2  
Los Angeles, California 90013

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

Sovereign lands in and adjacent to the San Dieguito River, Del Mar, San Diego County.

**AUTHORIZED USE:**

Retention, use, and maintenance of a 12-inch diameter natural gas pipeline.

**LEASE TERM:**

25 years, beginning October 1, 2010.

**CONSIDERATION:**

\$218 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 with combined single limit coverage of no less than \$2,000,000. Applicant may satisfy all or part of the insurance requirement through maintenance of a staff approved self-insurance program as outlined in the Lease.

Bond:

\$50,000.

**OTHER PERTINENT INFORMATION:**

1. Applicant has a right to use the uplands adjoining the lease premises.
2. Southern California Gas Company (So Cal Gas) submitted an application for two existing natural gas pipelines that are attached and adjacent to the

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Camino Del Mar Bridge (Bridge) in Del Mar, San Diego County. The Bridge, which crosses the San Dieguito River, is owned by the city of Del Mar. The pipelines, with diameters of 4 inches and 12 inches respectively, continue northward within the Camino Del Mar road right-of-way, a portion of which is filled sovereign lands under the Commission's jurisdiction. That portion of the Bridge that crosses the San Dieguito River is subject to a 49-year lease from the Commission.

3. Both of the natural gas pipelines were installed in 1983. In late 2004, So Cal Gas performed routine maintenance activities to replace corroded pipe supports and brackets and repaint the 12-inch gas line. At that time, So Cal Gas was advised by the California Coastal Commission to contact Commission staff for a jurisdictional determination. It was determined that the gas lines were never authorized by the Commission. Commission staff provided So Cal Gas with a letter of non-objection to proceed with the maintenance activities, with the understanding that So Cal Gas would seek the Commission's formal authorization to maintain the gas lines.
4. Subsequent to the submittal of the application, Commission staff was notified that So Cal Gas owns the 12-inch gas line and that San Diego Gas & Electric Company (SDG&E) owns the four-inch gas line. Sempra Energy is the parent company and owns both regulated utilities. A separate lease will be issued to each utility. This calendar item addresses the 12-inch pipeline only. The four-inch gas line owned by SDG&E is the subject of a separate Calendar Item.
5. The pipelines receive gas from other interstate pipelines and supply natural gas to commercial, industrial, and residential customers in southern Orange County and San Diego County.
6. Both of the pipelines were inspected earlier this year and are in compliance with the requirements of the California Public Utilities Commission and the Department of Transportation's Title 49 of the Code of Federal Regulations, Part 192.
7. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), staff has determined this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 3, New Construction of Conversion of Small Structures Title 14 California Code of Regulations, section 15303.

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

8. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon staff's consultation with the persons nominating such lands and through the CEQA review process, it is staff's opinion that the project, as proposed, is consistent with its use classification.

**EXHIBITS:**

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

**RECOMMENDED ACTION:**

IT IS RECOMMENDED THAT THE COMMISSION:

**CEQA FINDING:**

Find that the activity is exempt from the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15061 as a categorically exempt project, Class 3, New Construction or Conversion of Small Structures; Title 14, California Code of Regulations, section 15303.

**SIGNIFICANT LANDS INVENTORY FINDING:**

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code sections 6370, et seq.

**AUTHORIZATION:**

Authorize issuance of a General Lease - Right of Way Use to Southern California Gas Company beginning October 1, 2010, for a term of 25 years, for retention, use, and maintenance of a 12-inch diameter natural gas pipeline, as shown on Exhibit A (for reference purposes only) and as described in Exhibit B attached and by this reference made a part hereof; annual rent in the amount of \$218, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; liability insurance for combined single limit coverage of no less than \$2,000,000, or equivalent staff-approved self-insurance program; and surety bond in the amount of \$50,000.