

**CALENDAR ITEM
C08**

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02/08/11
PRC 8664.1
M. Clark

REVISION OF RENT

LESSEE:

Pacific Gas and Electric Company
2730 Gateway Oaks Drive
Sacramento, California 95833

AREA, LAND TYPE, AND LOCATION:

0.54 acre, more or less, of sovereign land in the Sacramento River, in the cities of Sacramento and West Sacramento, Sacramento and Yolo Counties.

AUTHORIZED USE:

Continued use and maintenance of an existing 20-inch diameter welded steel natural gas pipeline.

LEASE TERM:

20 years, beginning February 9, 2006.

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 the rent be revised from \$2,812 per year to \$3,125 per year, effective February 9, 2011.

The recommended rent is based on adjustment of the prior rent by application of the Consumer Price Index (CPI). The adjustment does not obligate the Commission to use the CPI to adjust future rents.

OTHER PERTINENT INFORMATION:

1. The Lessee has the right to use the uplands adjoining the lease premises.
2. On February 9, 2006, the Commission authorized a General Lease - Right of Way Use to the Pacific Gas and Electric Company for the construction of a 20-inch diameter welded steel natural gas pipeline buried beneath the bed of the Sacramento River using horizontal direction drill construction.

CALENDAR ITEM NO. **C08** (CONT'D)

That lease will expire February 8, 2026. The pipeline was constructed to help support the increasing demand for natural gas in the Northern Sacramento area and ties into an existing pipeline known as Line 119 A, which is covered under the PG&E Mater Lease PRC 5438.1.

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

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

AUTHORIZATION:

Approve the Revision of Rent for Lease No. PRC 8664.1 from \$2,812 per year to \$3,125 per year, effective February 9, 2011.