

**CALENDAR ITEM
C55**

A 8, 15
S 5

06/23/11
PRC 7906.1
N. Lavoie

REVISION OF RENT

LESSEE:

Delta Gas Gathering, Inc.

AREA, LAND TYPE, AND LOCATION:

0.62 acres, more or less, of tide and submerged land in the Sacramento River, near the town of Courtland, Sacramento and Yolo Counties.

AUTHORIZED USE:

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

LEASE TERM:

20 years, beginning August 15, 1996.

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 \$206 per year to \$321 per year, effective August 15, 2011.

OTHER PERTINENT INFORMATION:

1. On August 21, 1996, the Commission authorized a General Lease – Right-of-Way Use to Delta Gas Gathering, Inc. (DGG) for the construction of a six-inch diameter welded steel natural gas pipeline buried beneath the bed of the Sacramento River using horizontal direction drill construction. The lease will expire August 14, 2016
2. This pipeline extended DGG's gas gathering system from Yolo County next to the Hudson #1 well (off South River Road) on Merritt Island to a point on Randall Island in Sacramento County. The pipeline is classified as a rural gathering line. The pipeline was last inspected September 29, 2010, and as a result, no repairs or modifications were made within the lease area.

CALENDAR ITEM NO. **C55** (CONT'D)

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

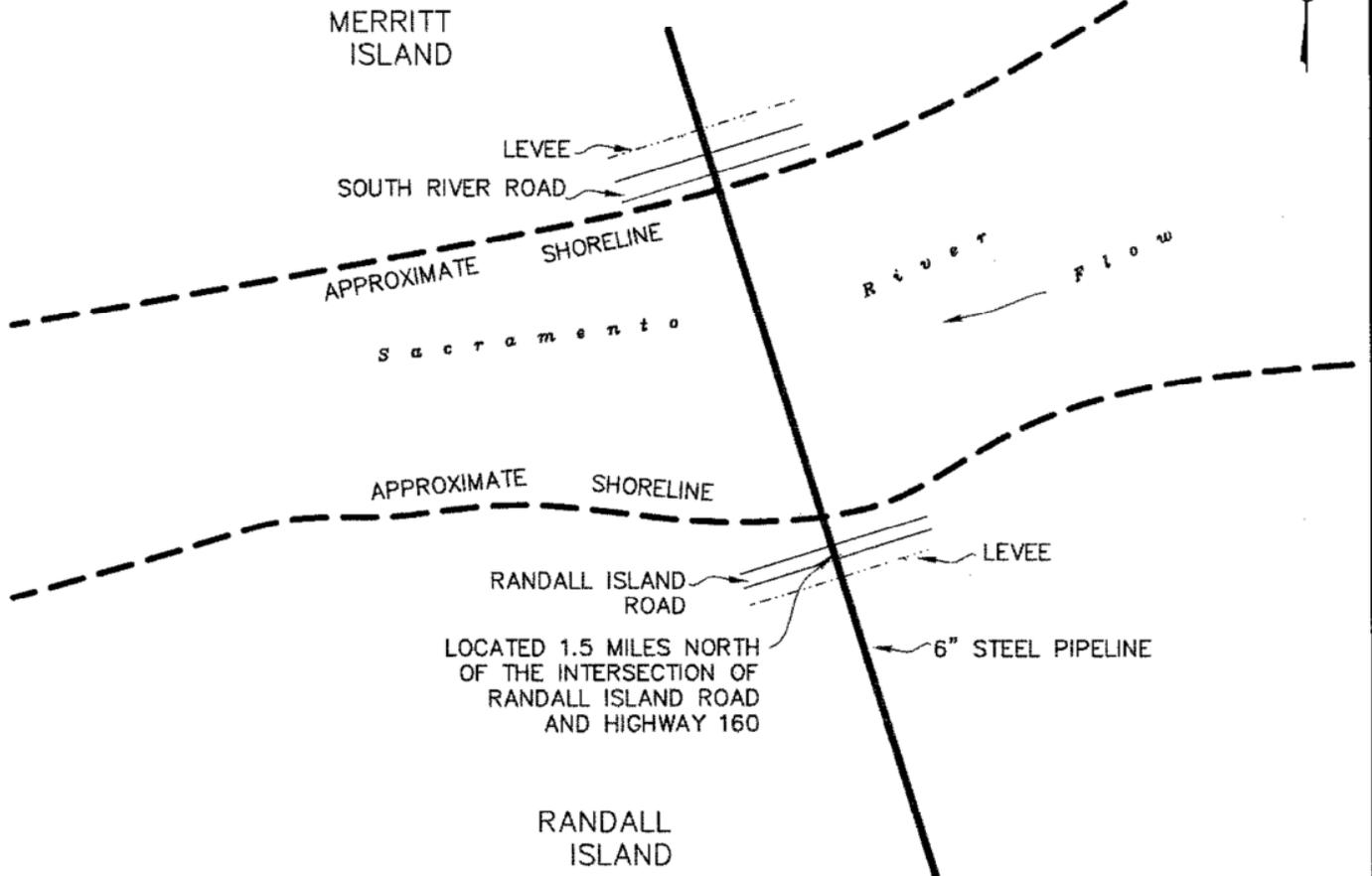
Find that the activity is not subject to the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15060(c)(3) because the activity is not a project as defined by Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 7906.1 from \$206 per year to \$321 per year, effective August 15, 2011.

NO SCALE

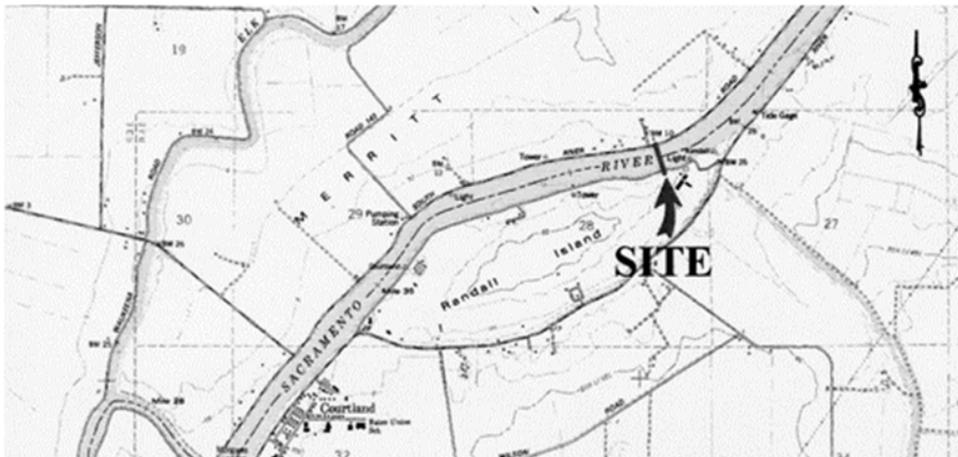
SITE



BETWEEN MERRITT ISLAND AND RANDALL ISLAND

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 7906.1
 DELTA GAS GATHERING, INC.
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 SACRAMENTO & YOLO
 COUNTIES



MJJ 03/11

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.