

**STAFF REPORT
C74**

A 5, 31
S 12

04/19/18
PRC 7681.1
L. Pino

REVISION OF RENT

LESSEE:

California Gas Gathering, Inc.

AREA, LAND TYPE, AND LOCATION:

3,321.02 square feet, more or less, of sovereign land in the San Joaquin River, near Dos Palos, Fresno and Madera Counties.

AUTHORIZED USE:

Operation and maintenance of an existing 8-inch-diameter natural gas pipeline.

LEASE TERM:

20 years, beginning May 3, 2013.

CONSIDERATION:

This lease provides that the Commission may modify the rent periodically during the lease term. Pursuant to this provision, staff conducted a review of the rent under this lease and recommends that rent be revised from \$140 per year to \$450 per year, effective May 3, 2018.

OTHER PERTINENT INFORMATION:

1. On April 28, 1993, the Commission authorized a 20-year General Lease – Right-of-Way Use, to Shell Oil Company of California for the construction, operation, and maintenance of an 8-inch-diameter natural gas pipeline ([Item 09, April 28, 1993](#)), beginning May 3, 1993, and ending May 2, 2013.
2. On May 9, 1996, the Commission authorized the assignment of the lease to Torch Operating Company ([Item 24, May 9, 1996](#)), effective June 1, 1996.
3. On February 8, 2000, the Commission authorized the assignment of the lease to California Gas Gathering, Inc., and amended the lease to address operation and inspection of the pipeline ([Item 33, February 8, 2000](#)), effective March 22, 1999. That lease expired on May 2, 2013.

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4. On December 2, 2013, the Commission authorized a 20-year General Lease – Right-of-Way Use, to California Gas Gathering, Inc, for the continued Use and Maintenance of an existing 8-inch-diameter natural gas pipeline ([Item 68, December 2, 2013](#)), beginning May 3, 2013.
5. The pipeline has not undergone any modification, repair, replacement, or experienced any incidents. Based on the most recent inspection report the pipeline is in good condition.
6. This action is consistent with Strategy 2.2 of the Commission's Strategic Plan to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.
7. Approving the revision of rent is not a project as defined by the California Environmental Quality Act 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 Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 7681.1 from \$140 per year to \$450 per year, effective May 3, 2018.

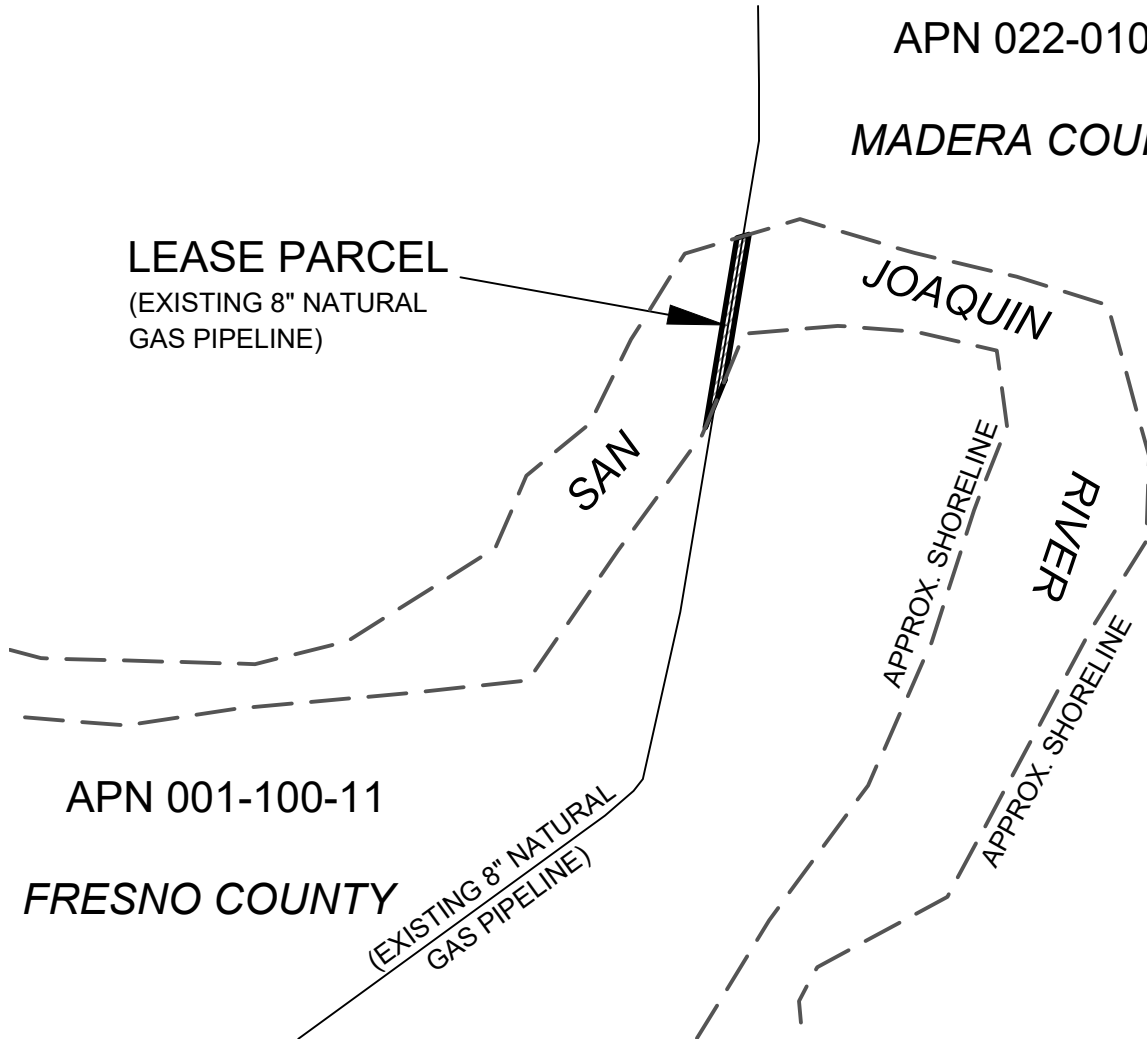
NO SCALE

SITE

APN 022-010-02

MADERA COUNTY

LEASE PARCEL
(EXISTING 8" NATURAL
GAS PIPELINE)



APN 001-100-11

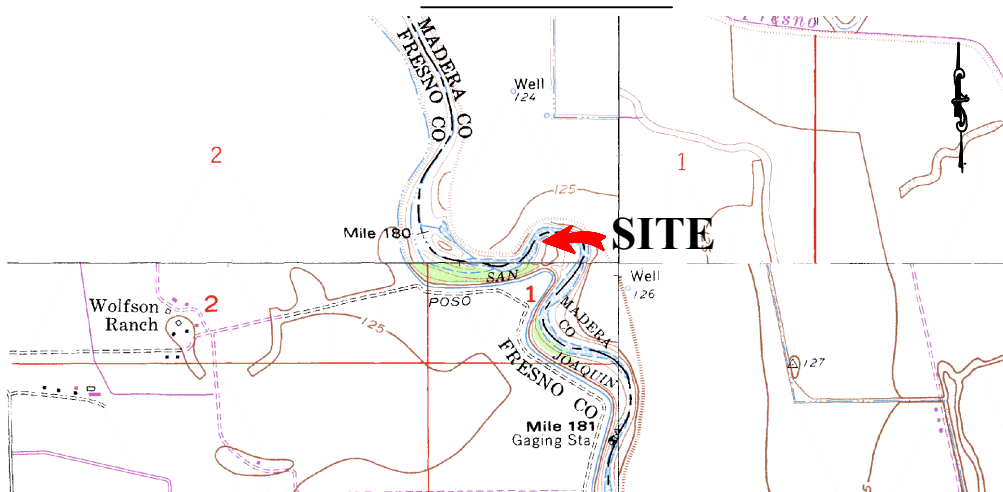
FRESNO COUNTY

EXISTING 8" NATURAL
GAS PIPELINE

CROSSING SAN JOAQUIN RIVER

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 7681.1
CALIFORNIA GAS
GATHERING, INC.
GENERAL LEASE-
RIGHT-OF-WAY USE
FRESNO & MADERA
COUNTIES



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.