

**CALENDAR ITEM
C06**

A 8, 15
S 5

04/09/09
PRC 8077.1
V. Caldwell

CONTINUATION OF RENT

LESSEE:

Delta Gas Gathering, Inc.
2981 Gold Canal Drive
Rancho Cordova, California 95670

AREA, LAND TYPE, AND LOCATION:

0.52 acres, more or less, of sovereign lands in Steamboat Slough, between Grand Island and Ryer Island, near Walnut Grove, Sacramento and Solano Counties.

AUTHORIZED USE:

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

LEASE TERM:

20 years, beginning June 14, 1999.

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 continued at \$187 per year, effective June 14, 2009.

SPECIFIC LEASE PROVISIONS:

This lease provides that Lessor may increase the amount of liability insurance periodically during the lease term. Pursuant to this provision, staff recommends that the liability insurance be revised from \$500,000 to \$1,000,000, effective June 14, 2009.

OTHER PERTINENT INFORMATION:

On June 14, 1999, the Commission authorized a General Lease – Right-of-Way Use to Delta Gas Gathering, Inc., for a term of 20 years. This lease will expire on June 13, 2019.

CALENDAR ITEM NO. C06 (CONT'D)

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

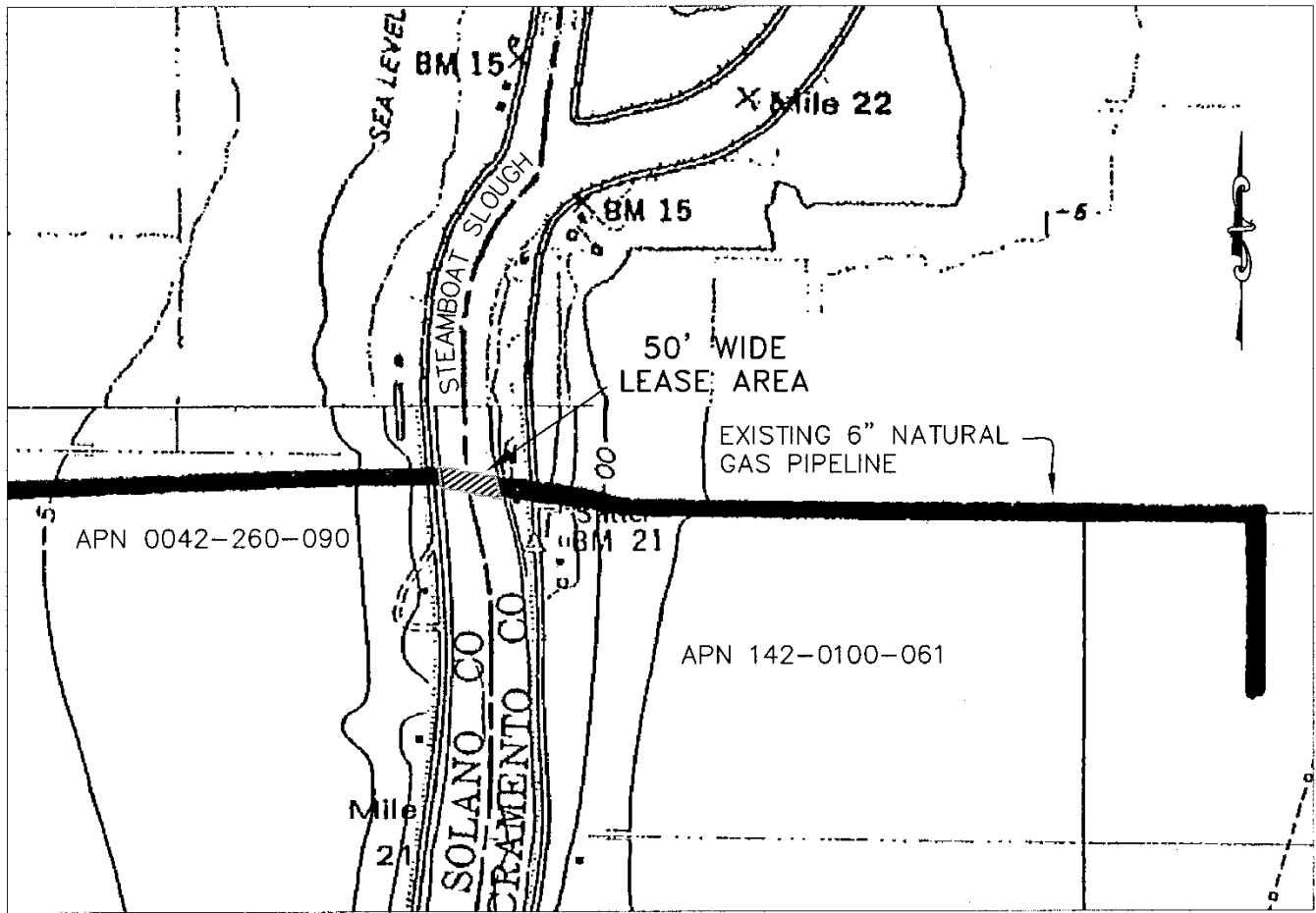
FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

APPROVE THE CONTINUATION OF RENT FOR LEASE NO. PRC 8077.1 AT \$187 PER YEAR AND THE REVISION OF LIABILITY INSURANCE FROM \$500,000 TO \$1,000,000, EFFECTIVE JUNE 14, 2009.

NO SCALE

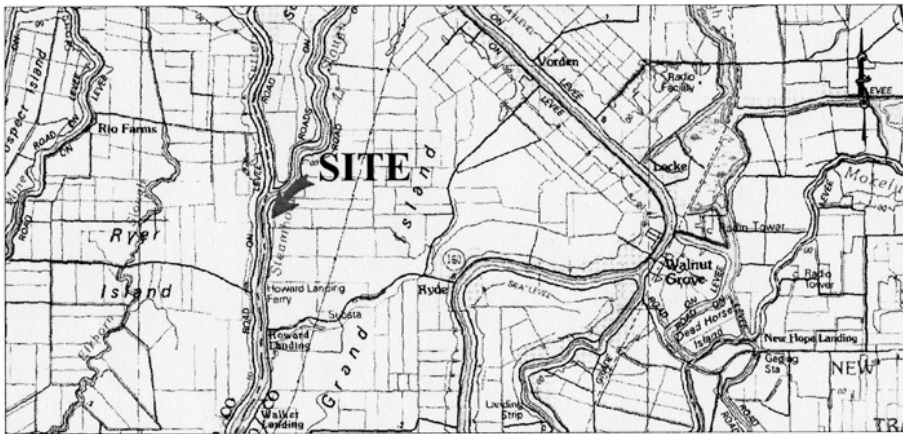
SITE



DELTA GAS GATHERING, INC. - GAS LINE

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 8077

Delta Gas Gathering, Inc.

APN 142-0100-061,

0042-260-090

General Lease

Right of Way Use

Sacramento & Solano County



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.