

**CALENDAR ITEM  
C23**

A	34, 65	10/29/10
		WP 1801.2
S	18	WP 1813.2
		WP 1826.2
		WP 1827.2
		WP 2530.2
		WP 2531.2
		C. Hudson

**GENERAL LEASE – RIGHT OF WAY USE**

**APPLICANT:**

Southern California Gas Company  
Land and Right of Way  
555 W. 5th Street, M.L. GT26C2  
Los Angeles, CA 90013

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

48.04 acres, more or less, on six parcels of State school land in portions of Section 36, Township 10 North, Range 13 East, SBM; Section 36, Township 10 North, Range 14 East, SBM; Section 16, Township 7 North, Range 1 East, SBM; Section 16, Township 7 North, Range 10 East, SBM; Section 16, Township 7 North, Range 13 East SBM; and Section 16, Township 7 North, Range 21 East, SBM; near Twenty Nine Palms, San Bernardino County

**AUTHORIZED USE:**

Operation, use, and maintenance of an existing 30-inch diameter natural gas pipeline (known as Lines 235 and 3000) and a 34-inch diameter natural gas pipeline (Line 235), as shown on the attached Exhibit A.

**LEASE TERM:**

25 years, beginning October 29, 2010.

**CONSIDERATION:**

\$16,794 per year, with the State reserving the right to fix a different rent periodically during the lease term as provided in the lease.

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**SPECIFIC LEASE PROVISIONS:**

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

**OTHER PERTINENT INFORMATION:**

1. Between October and November 1956, the Commission authorized four Right of Way Easements for the construction, maintenance, and use of a 30-inch diameter natural gas pipeline, now known as Lines 235 and 3000, to Southern California Gas Company and Southern Counties Gas Company of California. The two entities merged in 1970 to form Southern California Gas Company, the current lessee. The leases are Lease Nos. PRC 1801.2, 1813.2, 1826.2, and 1827.2. Each of the leases had 49-year terms, which expired between October and November 2005.
2. Between March and August 1960, the Commission authorized two Right of Way Easements for the construction, maintenance, and use of a 34-inch diameter natural gas pipeline, known as Line 235, to Pacific Gas Lighting Supply Company. In 1970, Pacific Gas Lighting Supply Company was merged into Southern California Gas Company, the current lessee. These leases are Lease Nos. PRC 2530.2 and 2531.2, and both had 49-year terms that expired in 2009.
3. Lines 235 and 3000 run roughly parallel to each other in an east to west direction and are located in the same general area near the Twenty Nine Palms Marine Corps Base in San Bernardino County. Because of their common use and proximity, it has long been the desire of both Commission staff and the Applicant to merge the six leases involving Lines 235 and 3000 into one lease. The Applicant is now applying for a new General Lease – Right of Way Use, which would be referenced as Lease No. PRC 1801.2.
4. Southern California Gas Company's Gas Control Department monitors gas flow rates and pressures in all lines and operates a 24-hour emergency shutdown system. Automatic line break controls exist on all main gas line valves located along the pipeline. The controls isolate a pipeline section in the event the pipeline loses pressure integrity. In addition, the gas line is protected by an impressed electrical current and is monitored according to 49 CFR 192 Subpart M.

Lines 235 and 3000 were pressure tested just prior to being placed in service. However, since the gas lines were placed into operation, routine inspections and maintenance have been conducted by the company's

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personnel in accordance with 49 CFR 192 Subpart M, along with the pipeline patrols and leak surveys that are completed annually. Southern California Gas Company also provides a pipeline aerial patrol over the pipeline rights of way once every two weeks. The aerial surveillance operation is performed in addition to pipeline ground patrols.

In July 2005, Line 235 was internally inspected between Newberry Compressor Station and Main Line Valve 17. The inspection was performed using an in-line inspection device (smart pig). The remaining sections of Line 235 and Line 3000 in its entirety have not been internally inspected with a smart pig, but are scheduled for in-line inspections in late 2010.

5. 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 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

6. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. However, the Commission has declared that all tide and submerged lands are "significant" by nature of their public ownership (as opposed to "environmentally significant"). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code sections 6370, et seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by Title 2, California Code of Regulations, section 2954 is not applicable.

**EXHIBITS:**

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

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**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 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

**AUTHORIZATION:**

Authorize issuance of a General Lease – Right of Way Use to Southern California Gas Company beginning October 29, 2010, for a term of 25 years, for operation, use, and maintenance of an existing 30-inch diameter natural gas pipeline (Line 235) and a 34-inch diameter natural gas pipeline (Line 3000) as shown on Exhibit A (for reference purposes only) and as described on Exhibit B attached and by this reference made a part hereof; annual rent in the amount of \$16,794 with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; and General Liability insurance with coverage of no less than \$2,000,000; Applicant may satisfy all or part of the insurance requirements through maintenance of a self-insurance program as outlined in the lease.