

**CALENDAR ITEM
C84**

A 33
S 18

10/14/14
PRC 7527.2
C. Hudson

REVISION OF RENT

LESSEE:

El Paso Natural Gas Company
Kinder Morgan Land & ROW
1001 Louisiana Street
Houston, TX 77002

AREA, LAND TYPE, AND LOCATION:

7.1 acres, more or less, of State indemnity school land in Sections 26 and 27, Township 9 North, Range 2 East, SBM, southeast of Barstow, San Bernardino County.

AUTHORIZED USE:

Operation, use, and maintenance of an existing 30-inch diameter natural gas pipeline, known as Line No. 1903.

LEASE TERM:

30 years, beginning May 1, 2005.

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 \$3,685 per year to \$9,213 per year, effective May 1, 2015.

BACKGROUND:

School Lands were granted to the State of California by the federal government under the Act of March 3, 1853 (10 Stat. 244), and consisted of the 16th and 36th sections of land in each township (with the exceptions of lands reserved for public use, lands taken by private land claims, and lands known to be mineral in character). In cases of preemption due to the exceptions described above, the State was given the opportunity to select replacement lands from the United States in lieu of a Section 16 or a Section 36. These replacement lands are now known as Indemnity School Lands or Lieu Lands.

CALENDAR ITEM NO. **C84** (CONT'D)

OTHER PERTINENT INFORMATION:

1. On August 8, 2005, the Commission authorized a General Lease – Right-of-Way Use with El Paso Natural Gas Company for the conversion of the existing 30-inch diameter crude oil pipeline to natural gas, known as Line No. 1903. The lease will expire on April 30, 2035.
2. El Paso Natural Gas Company inspects its pipelines annually and is in compliance with the Federal Pipeline Safety laws with respect to its Natural Gas Pipeline System.
3. The staff recommends that the Commission find that the subject revision of rent does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

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

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 7527.2 from \$3,685 per year to \$9,213 per year, effective May 1, 2015.



S1/2 OF S1/2 OF SECTION 26 AND S1/2 OF S1/4 OF SECTION 27, T9N, R2E, SBM
 NEAR BARSTOW, SAN BERNARDINO COUNTY



Exhibit A
 PRC 7527.2
 EL PASO NATURAL GAS
 COMPANY
 APNs 521-042-10 & 521-092-08
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 SAN BERNARDINO COUNTY



MAP SOURCE: USGS QUAD

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.