

**CALENDAR ITEM
C20**

A 3, 4
S 3, 4

12/06/16
PRC 7602.1
M. Schroeder

REVISION OF RENT

LESSEE:

CPN Pipeline Company

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Sacramento River, near Knights Landing, adjacent to Yolo County Assessor's Parcel Number (APN) 056-230-007 and Sutter County APN 34-220-028.

AUTHORIZED USE:

Use and maintenance of an existing eight-inch-diameter natural gas pipeline.

LEASE TERM:

20 years, beginning January 1, 2012.

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 \$250 per year to \$450 per year, effective January 1, 2017.

OTHER PERTINENT INFORMATION:

1. On March 29, 2012, the Commission authorized a General Lease – Right-of-Way Use to CPN Pipeline Company for a term of 20 years ([Calendar Item C41, March 29, 2012](#)). The lease will expire on December 31, 2031.
2. The lease includes a condition requiring annual inspections. The annual cathodic protection survey was completed in October 2015 and the emergency valves annual inspection was completed in June 2016. The surveys complied with and met all title 49 Code of Federal Regulations part 192 Corrosion Control Requirements pursuant to federal Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA/DOT) regulations.

CALENDAR ITEM NO. **C20** (CONT'D)

3. Effective July 1, 2014, the minimum annual rent for right-of-way use is \$450. (California Code of Regulations, title 2, section 2003, subdivision (b)(3).)
4. 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.
5. 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 and Location Map

RECOMMENDED ACTION:

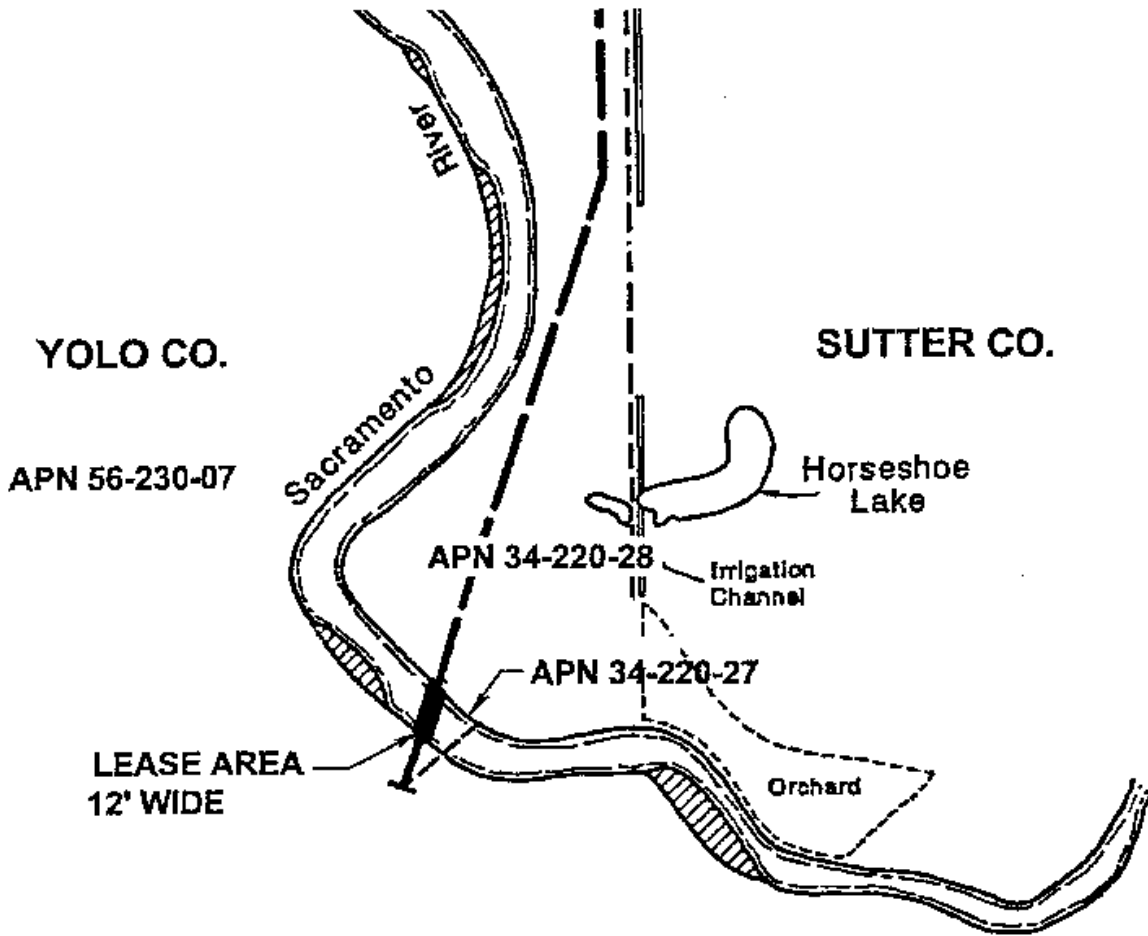
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 7602.1 from \$250 per year to \$450 per year, effective January 1, 2017.

NO SCALE

SITE



SACRAMENTO RIVER, NEAR KNIGHT'S LANDING

NO SCALE

LOCATION



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.

Exhibit A

PRC 7602.1
 CPN PIPELINE COMPANY
 APN 34-220-028 & 056-230-007
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 YOLO & SUTTER COUNTY



DJF 10/13/16