

ORIGINAL

Decision No. 2652

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

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In the matter of the Application of
GREAT WESTERN POWER COMPANY,
a corporation, for an order preliminary
to the issue of a certificate of
public convenience and necessity for
the exercise of certain rights under
a franchise to be hereafter granted
by the County of Plumas, and for a
certificate of public convenience and
necessity for the construction of a
certain electric power line in said
county of Plumas.

Application No. 1767.

Chaffee Hall, for Great Western Power Company;
Curtiss Hillyer, for Plumas Light and Power Company.

DEVLIN, Commissioner.

O P I N I O N.

This is an application by GREAT WESTERN POWER COMPANY
for an order preliminary to the issue of a certificate of public
convenience and necessity for the exercise of certain rights un-
der a franchise to be hereafter granted by the County of Plumas,
and for a certificate of public convenience and necessity for
the construction of an electric power line in Plumas County.

This is an application in effect for a preliminary
order, authorizing Great Western Power Company to construct a
22,000 volt transmission line from Big Meadows to Engels Copper
Mining Company mine in Plumas County, and for authority to sell
electrical energy to Engels Copper Mining Company, under a fran-
chise to be hereafter granted by Plumas County.

In 1911, applicant constructed a hydro-electric plant

with an installed capacity of 800 horse power at Butt Valley, Plumas County. The capacity of the plant may be increased to 1500 horse power. The plant was constructed to generate electrical energy used in connection with the construction of the dam at Big Meadows. Between the dam and the Butt Valley plant, a distance of six miles, applicant has constructed a three-phase transmission line. Since the completion of the Big Meadows dam, the Butt Valley plant has not been operated, except for the purpose of lighting a few dwellings at the dam. It is now proposed to operate this plant and sell the electrical energy to Engels Copper Mining Company, according to the terms of a contract dated July 1, 1915.

Great Western Power Company has no transmission line between the Big Meadows dam and the mine owned by Engels Copper Mining Company. The distance between the two is approximately thirty miles. The cost of constructing the line is estimated at \$40,000.

Under the terms of the contract dated July 1, 1915, Great Western Power Company has forty days within which to complete the line.

Engels Copper Mining Company has agreed to purchase and pay for a minimum of 450 horse power. The power company has given an option to the mining company to purchase an additional 600 horse power on or before January 1, 1916. Upon giving 90 days notice, the power company agrees to supply the mining company with a maximum of 1500 horse power.

On July 7, 1915, Great Western Power Company applied to the Board of Supervisors of Plumas County for a franchise to construct, operate and maintain electrical transmission and distribution lines along and across the public highways of Plumas County. The franchise applied for is to be sold to the highest bidder on September 8, 1915. It is, of course, apparent that

until applicant has obtained a franchise, no final order can be issued in this proceeding. Moreover, any order which may be issued at this time is only preliminary and conditioned upon the approval of the franchise to be obtained by Great Western Power Company from Plumas County.

The granting of this application is opposed by Plumas Light and Power Company. This company owns a 40-horse power electric plant located at Greenville. It serves the towns of Greenville, Crescent Mills, Taylorsville, the Indian School and some of the intervening territory, all in Plumas County. Its plant is at present operated at its full capacity.

Plumas Light and Power Company proposes to enlarge its plant. In its report, marked Exhibit "A", it reports the cost of installing a 750 horse power plant at \$49,120.17. The cost of installing this plant includes the cost of a 13,200 volt transmission line from the proposed power plant to the mine of Engels Copper Mining Company. Engineer for protestant estimated that it would require three months, after the delivery of the material, to construct the plant. Applicant, on the other hand, reports that it can construct the proposed transmission line within thirty days. A representative of the Engels Copper Mining Company testified that it employed 150 men; that its needs for power were urgent, and that unless it could be secured within a short time, the company would have to enlarge its steam or gas engine plant.

It is important in this proceeding to consider the position of Plumas Light and Power Company. This company and its predecessor, Indian Valley Light and Power Company, has at various times appeared before the Commission for authority to issue stocks and bonds.

On March 3, 1915, this Commission in Decision No. 2192 denied without prejudice the application of Plumas Light and Power

Company for authority to issue \$52,000 face value of bonds. In passing on this application, the Commission said:

"There are two elements in this general situation, which appear to render it unwise to authorize at this time the bond issue as applied for. The first difficulty is the pending litigation over the water rights claimed by Round Valley Water Company. The lease of Plumas Light and Power Company of these properties gives it the option of purchase, but I believe it of doubtful wisdom for this applicant to proceed with the construction of a hydroelectric plant with titles in controversy, as in this instance, and particularly, when we are informed that a decision may soon be expected in this matter. The second element in this situation to which I have referred, relates to the determination of which is the more feasible of two plans for the Plumas Light and Power Company to pursue. It may, as it here proposes, construct its own hydroelectric plant and serve the territory which it has mapped out for itself. It may be possible also for this company to construct a transmission line from Greenville to Big Meadows, as it proposed in Application No. 1136, to connect with the Great Western Power Company. From the evidence at hand, I am not satisfied that the plan herein proposed is the more practical and beneficial from all points of view."

Plumas Light and Power Company reports that the litigation referred to in the former opinion of the Commission had been decided in favor of Mr. Bidwell of Round Valley Water Company, but that a motion for a new trial has been filed. Both plaintiff and defendant have agreed to dismiss the litigation provided this application of Great Western Power Company is denied. The litigation being adjusted, protestant hopes to find a ready market for its bonds if authorized by this Commission. Assuming that such were the case, it would require several weeks before the protestant could begin construction work upon its proposed 750 horse power plant.

According to the contract between Great Western Power Company and Engels Copper Mining Company, the latter has agreed to pay for a minimum of 450 horse power. The power company has obligated itself to furnish a maximum of 1500 horse

power. Assuming that protestant were able to finance the construction of its proposed plant, it is by no means certain that the plant would have a sufficiently large installation to furnish the power required by Engels Copper Mining Company, the towns of Taylorsville, Crescent Mills, Greenville and adjacent territory, including Indian Valley. It is, of course, self evident that a public utility can not expect this Commission to protect it in its territory, unless such public utility can demonstrate that it is or will be able to give adequate and sufficient service at reasonable rates to that territory.

I find no logical reason why Great Western Power Company should not be permitted to construct the proposed transmission line and sell electrical energy to Engels Copper Mining Company. Before supplying any other consumer in Plumas County with electrical energy, Great Western Power Company shall obtain a supplemental order from this Commission.

In this proceeding, Great Western Power Company has asked for authority merely to serve Engels Copper Mining Company. The approval herein given, therefore, has in contemplation a final order which would permit Great Western Power Company to sell electrical energy, under the terms of the proposed Plumas County franchise, to the Engels Copper Mining Company only. If Great Western Power Company should subsequently desire to take on additional consumers in Plumas County, it will be necessary to make a separate application therefor. The effect, therefore, as far as this proceeding is concerned will be a preliminary order contemplating authority to Great Western Power Company to serve Engels Copper Mining Company. This portion of Plumas County is not now served by Plumas Light and Power Company.

I herewith submit the following order.

O R D E R.

GREAT WESTERN POWER COMPANY having applied to this Commission for a preliminary order authorizing it to construct a transmission line from its Big Meadows dam to the mine of Engels Copper Mining Company, both located in Plumas County, and for an order permitting it to sell electrical energy to said Engels Copper Mining Company under the terms of a franchise to be hereafter granted by Plumas County, and a public hearing having been held and it appearing that public convenience and necessity will require the exercise of rights and privileges under a franchise which has been applied for but not yet secured from the Board of Supervisors of Plumas County, a copy of the proposed franchise being attached to the application in this proceeding and marked Exhibit "A", under such conditions as may hereafter be specified,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity will require the exercise by Great Western Power Company of franchise rights for the construction and operation of a power line and the sale of electric light and power to be hereafter granted by the county of Plumas, upon such conditions as may hereafter be specified by this Commission.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity shall be granted to Great Western Power Company for the construction and operation of an electrical power line and the sale of electric light and power in Plumas County under a franchise to be hereafter granted by Plumas County; said certificate of public convenience and necessity to be issued after Great Western Power Company shall have acquired said franchise, as aforesaid, from Plumas County; and said certificate of public convenience and necessity to be issued upon such terms and conditions as this Commission may designate after Great Western Power Company shall have obtained said franchise

from Plumas County.

IT IS FURTHER ORDERED that Great Western Power Company be granted authority, and it is hereby granted authority, to construct the proposed electrical power line from Big Meadows to the mine of the Engels Copper Mining Company, Plumas County, referred to in Exhibit "C", attached to this application, under a franchise to be granted by Plumas County, and on such terms and conditions as may hereafter be specified by this Commission.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 2nd
day of ^{Aug}~~Aug~~, 1915.

Max Thelen

H. J. Loveland

Alex Gordon

Frank R. Perkins