

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application
of CALIFORNIA-OREGON POWER COM-
PANY for a certificate of public
convenience and necessity.

Application No. 2166

Decision No. 3313

Morrison, Dunne & Brobeck and H. H. Phleger
for applicant.

R. H. Cross and Allan P. Matthew for Trinity
Gold Mining and Reduction Company.

John F. Davis and Edward Whaley for Northern
California Power Company, Consolidated.

E. DeLos Magee for Trinity County Water and
Power Company.

LOVELAND, Commissioner.

O P I N I O N

This is an application by California-Oregon Power Company for a certificate that public convenience and necessity require the exercise by it of the rights and privileges conferred under the terms of a franchise granted by the Board of Supervisors of Trinity County on January 7, 1915, in so far as said franchise provides for the distribution and sale of electric energy in that portion of Trinity County lying north of 40 degrees 50 minutes north latitude.

The applicant proposes particularly to serve the Yukon Gold Company on Coffee Creek about 3 miles north of

Carrville.

To reach the plant of the Yukon Gold Company the applicant states that it would construct a transmission line from Castella, Shasta County, over a route which is variously estimated from 22 to 28 miles in length. The applicant estimates the cost of this line from \$40,000.00 to \$56,000.00.

Under date of February 28, 1916, California-Oregon Power Company entered into a contract with the Yukon Gold Company to furnish it on or before September 1, 1916 with electric energy for the operation of its gold dredger. This contract is, of course, subject to the authority of this Commission.

Under the contract California-Oregon Power Company is to receive $3/4$ of 1 cent per kilowatt hour for its electric energy. Yukon Gold Company agrees to advance \$25,000.00 toward the construction of the transmission line from Castella. It is further provided that the amount thus advanced by the Yukon Gold Company shall be applied upon its power bills at the rate of 25% of each bill until it shall have been reimbursed for the full amount advanced.

In these proceedings the following appeared as intervenors or protestants:-

Trinity Gold Mining and Reduction Company;
Northern California Power Company, Consolidated,
Trinity County Water and Power Company.

Trinity Gold Mining and Reduction Company owns and operates a 320 kilowatt hydro-electric power plant, located near Carrville, Trinity County. This electric plant was built for the purpose of furnishing power to the Headlight Mine, owned by the same interests who own and operate the power plant. The power plant was designed and constructed primarily for the purpose of supplying the needs of the Company in its mining business. The operation of the Headlight Mine was suspended in 1912 and shortly thereafter the Trinity Gold Mining and Reduction Company entered into a contract to supply 250 kilowatts of electric energy to the Alta Bert Dredging Company, operating a gold dredger near Trinity Center. Such electrical

energy as it does not use, the Alta Bert Dredging Company retails to its employes and a few consumers at Trinity Center. Ten or twelve residences are thus furnished with electric energy through the medium of the Alta Bert Dredging Company.

Under its contract with the Alta Bert Dredging Company the Trinity Gold Mining and Reduction Company retains the right, under certain conditions, to discontinue service.

The Trinity Gold Mining and Reduction Company alleges that it is a public utility and that it has adequately met all demands for service within the territory it serves and that it is now prepared to furnish to the Yukon Gold Company such electric energy as it requires at the same rate offered by the California-Oregon Power Company. It further alleges that it has entered into a contract with the Northern California Power Company, Consolidated, under which it can obtain the additional electric power necessary to serve the Yukon Gold Company. It therefore asks this Commission to deny the application of the California-Oregon Power Company for a certificate of public convenience and necessity to serve this territory.

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Northern California Power Company, Consolidated, a protestant herein, alleges that it is now serving the Lappin Mine in Trinity County, located a few miles west of the boundary line between Trinity and Shasta Counties; that it has been and is prepared adequately and at reasonable rates to serve the section of Trinity County which California-Oregon Power Company now proposes to enter; and that it has entered into an agreement to sell to Trinity Gold Mining and Reduction Company a sufficient amount of power to enable the latter to serve adequately the Yukon Gold Company. Northern California Power Company, Consolidated, also asks this Commission to deny the application of California-Oregon Power Company under consideration herein.

In further support of its contention, Northern California Power Company, Consolidated, alleges that the construction proposed

by California-Oregon Power Company is beset with unsurmountable difficulties as the transmission line is projected to cross through the mountains at a maximum elevation of 5,500 feet. It further alleges that the cost of the new line would be in excess of the sum claimed by the California-Oregon Power Company, and that it would be far more economical for the Northern California Power Company, Consolidated, to construct its transmission line to the plant of the Trinity Gold Mining and Reduction Company.

Trinity County Water and Power Company, which intervenes in these proceedings, owns a hydro-electric plant located on the east fork of the Trinity River. This plant was designed and built for the purpose of furnishing electric energy to the Trinity Bonanza King Mining Company, which operates the Bonanza King Mine.

Mr. E. DeLos Magee, receiver of the California Safe Deposit and Trust Company, who by virtue of his position, has control of the Trinity County Water and Power Company, stated that the property of the last named company is under contract of sale and that he appeared in this proceeding simply to show the existence of the hydro-electric plant, that it was in operation and that it was capable of producing a certain amount of power and of furnishing power in the vicinity of Carrville and Trinity Center. The present installation has a capacity of 750 kilowatts. The Bonanza King Mine at the present time uses 200 horsepower. No other consumers are being served by this plant.

California-Oregon Power Company, in reply to the allegations of the intervenor and protestants, states that it offered to purchase the full output of power of the Trinity Gold Mining and Reduction Company at the present basis of sale of such power and to supply its patrons, that it is not its intention, if this application be granted, to deprive Trinity Gold Mining and Reduction Company of the business which it now has, that Trinity Gold Mining and Reduction Company was designed to be and is a mining plant facility

and that it has so shown by selling a portion of its water rights.

California-Oregon Power Company alleges further that it gave public notice of its desire to serve Trinity County when it made application and obtained its franchise in January, 1915; that it secured the contract of sale to the Yukon Gold Company in competition with Northern California Power Company, Consolidated; that the plant of Yukon Gold Company may be reached at least as reasonably and economically over its proposed transmission line as through the medium of the transmission lines which Northern California Power Company, Consolidated, would be compelled to build; and that having discovered the field for the sale of its electric energy and having offered as favorable rates for the business as any other company and being able and willing to give adequate service, it should be entitled to enter therein.

I am impressed with the fact that both Trinity Gold Mining and Reduction Company and Trinity County Water and Power Company have been designed and operated primarily as plant facilities. Although it is clear that the Trinity Gold Mining and Reduction Company is a public utility, it has confined itself to the service of the Alta Bert Dredging Company and this with the reservation permitting it to withdraw such service. I am of the opinion therefore that there is little merit in the protests filed by these two companies. The same may be said of the protest of the Northern California Power Company, Consolidated, in so-far-as it relies, if such it does, upon Trinity Gold Mining and Reduction Company to obtain for it indirectly the business which California-Oregon Power Company now seeks.

It would appear therefore that California-Oregon Power Company and Northern California Power Company, Consolidated would both be under the necessity of constructing transmission lines to obtain the business of the Yukon Gold Company, the former having a length of 22 to 28 miles to construct and the latter 32 to 35 miles. While the exact cost of these lines is in question,

Northern California Power Company, Consolidated, estimates that an expenditure of \$78,600 would be necessary on its part.

California-Oregon Power Company has estimated its required expense at \$40,000, but I believe that the figure would be in excess of that sum but probably not in excess of the cost of Northern California Power Company, Consolidated.

Both companies have established the fact that they have or will shortly have a surplus supply of electric energy and both have offered to take on the new business at 3/4 of 1 cent for a kilowatt hour.

California Oregon Power Company, alone of the parties to this proceeding, has obtained a franchise from Trinity County.

Trinity County is sparsely settled and the field now in controversy may reasonably be construed to be open territory. I am persuaded by all of the circumstances in this case that California-Oregon Power Company should be granted authority to serve this section of Trinity County and accordingly I recommend the following Order:

O R D E R

CALIFORNIA-OREGON POWER COMPANY having applied to this Commission for a certificate that public convenience and necessity require the exercise by it of the rights and privileges conferred under the terms of a franchise granted by the Board of Supervisors of Trinity County on January 7, 1915, in so far as said franchise provides for the distribution and sale of electric energy in that portion of Trinity County lying north of 40 degrees 50 minutes north latitude;

And a hearing having been held;

And this Commission having been advised in the premises;

The Railroad Commission hereby declares that public convenience and necessity require the exercise by California-Oregon Power Company of the rights and privileges conferred by the franchise granted by the County of Trinity on January 7, 1915, in so far as said franchise provides for the distribution and sale of electric energy in that portion of Trinity County lying north of 40° 50' north latitude; provided that California-Oregon Power Company shall first have filed with the Railroad Commission a stipulation duly authorized by its Board of Directors declaring that California-Oregon Power Company, its successors and assigns, will never claim before the Railroad Commission or any court or other public body, a value for said rights and privileges in excess of the actual cost to California-Oregon Power Company of acquiring said rights and privileges, which cost is represented by California-Oregon Power Company to have been \$762.90, and shall have received from the Railroad Commission a supplemental order declaring that such stipulation, in form satisfactory to the Railroad Commission, has been filed herein.

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 8th day of May, 1916.

Max Thelen
H. D. Loveland
John F. Gordon
Edwin O. Edgerton
Frank R. Brown
Commissioners.