

Decision No. 6847

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

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In the Matter of the Application of)
SESPE LIGHT AND POWER COMPANY for) Application
certificate of public convenience) No. 5043
and necessity.)

Frank Buren for Applicant.

LOVELAND, Commissioner:

O P I N I O N

This is an application by Sespe Light and Power Company for a certificate of public convenience and necessity for the construction by it of electric power plants and irrigation systems on the Sespe and Pira Rivers in Ventura County.

The projects proposed by applicant, will, when completed, develop approximately 35,000 horsepower of electric energy and store about 100,000 acre feet of water per annum for irrigation purposes. Applicant states that there is urgent need for additional energy for power purposes in the southern part of the state, and

that there is approximately 100,000 acres of agricultural land immediately adjacent to this project, situate in the Santa Clara, Simi, Little Simi, Epworth, Los Posas, Conejo and Russell Valleys, to the irrigation of which the developed water can be advantageously applied, after passing through the proposed power plants.

Applicant alleges that it has already made considerable expenditures for the preliminary work of these developments. Its project contemplates two units, the first of which, known as the lower development, comprises two dams and reservoirs on the Sespe River creating a storage of approximately 50,000 acre feet, a power conduit slightly over 8 miles in length, 3,000 feet of pressure pipe, and a 10,000 kilowatt power plant utilizing a drop of 1000 feet. When the second unit of the project is completed, this power plant would be increased to 18,000 kilowatts capacity.

The second unit of the project, or the upper development, contemplates the construction of reservoirs on the Piru watershed totalling approximately 100,000 acre feet, conduits, pressure pipe lines, an 8,000 kilowatt power plant located above the first unit, from which the water of the Piru River will be discharged into the Sespe River to be used again at the lower power plant.

Applicant has duly filed with the Water Commission of the State of California the necessary request for water rights and has received a final power permit and extensions thereon from the United States Department of Agriculture, Forest Service, covering the first unit of this project, this project being located within the Santa Bar-

bara National Forest Reserve. To keep the permit alive during war period, extensions were granted from time to time by the United States Forest Service, and the last extension requires that actual construction work be commenced on the project by December 1st, 1919.

Sespe Light and Power Company has made preliminary investigations and plans for its projects but up to the present, has not fully arranged for financing any portion of its developments. Applicant proposes to begin construction of its first unit of reservoirs and a plant on the Sespe river immediately and pursue same to completion, but submits no plan for financing even this early stage of its project.

The evidence presented, although incomplete in many respects, tends to show that a combined development of both power and irrigation is necessary if the project is to be at all profitable. Applicant does not plan to construct a distribution system for the disposition of its power, but expects to enter into an arrangement with Southern California Edison Company for wholesale delivery of its power to that utility. Negotiations to this end have been under way but no final contract has been entered into. It does not ask at this time for authority to issue any securities.

Under the circumstances, applicant's request for a certificate by this Commission must be limited to a recognition of its plans to proceed with a project of a public utility character, and to such action upon the matter as will enable applicant to comply with the customary legal requirements precedent to actual construction.

It appears that the project is feasible, if economically constructed as a combined development for irrigation and power, and, under these circumstances, I recommend that Sespe Light and Power Company be granted a certificate, to the extent set forth in the following Order:

O R D E R

Sespe Light and Power Company having applied to the Railroad Commission for a certificate of public convenience and necessity to construct power and irrigation projects on the Sespe and Piru Rivers in Ventura County, a hearing having been held and the matter being submitted and now ready for decision,

The Railroad Commission of the State of California hereby declares that public convenience and necessity require and will require the construction and operation of certain hydro-electric plants and irrigation developments on the Sespe and Piru Rivers, Ventura County, by Sespe Light and Power Company.

The certificate herein granted is limited to the proposed construction of hydro-electric and irrigation developments on the Sespe and Piru Rivers, and does not grant rights to exercise any franchises or permits that may hereafter be obtained for the transmission or distribution of electricity or water within the County of Ventura. A certificate for the other and further rights to be exercised in this connection, will be considered at such time as Sespe Light and Power Company shall hereafter apply for same;

Provided, that within ninety days from date of this Order applicant shall present satisfactory evidence of compliance with all state and federal laws establishing the right of applicant to the use of water sufficient to the successful establishment of this enterprise;

Also within said time applicant shall present to the Commission a satisfactory plan for financing this project, together with sufficient data to enable the Commission to determine the feasibility of the project.

If compliance with these conditions is not made by applicant within said ninety days this certificate and order shall be null and void unless otherwise ordered by the Commission.

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same.~~

OK H.G.M.

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
26th day of November, 1919.

Edwin J. Edgerton
A. B. Wiland
Francis K. Stulien
H. B. Bounding
Irvine Martin
Commissioners.