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Decision No. 7818

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF
THE STATE OF CALIFORNIA

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In the matter of the application of:
PACIFIC GAS AND ELECTRIC COMPANY, a:
corporation, for an order of the :
Railroad Commission of the State of :
California, authorizing applicant : Application No. 5015
to permanently discontinue supply- :
ing water for power purposes to :
mines in Nevada County, State of :
California. :

- Charles P. Cutten, for applicant.
- F. T. Nilon, for City of Nevada.
- Robert M. Searls, for Indian Springs to
Wolf Creek Water Users Association
and Blue Point Mining Company.
- E. H. Armstrong, for City of Grass
Valley and residents of Nevada County.
- McCutchen, Willard, Mannon and Greene,
by Edward J. McCutchen and Lloyd P.
LaRue, for Empire Mines and Invest-
ment Company, and for North Star
Mines Company.
- James F. Sheehan and Charles J. Heg-
gerty, for New Blue Point Mining
Company.

DEVLIN, Commissioner

O P I N I O N

The application in the above entitled proceeding
alleges in effect that applicant and its predecessors in
interest have for many years been furnishing ~~water for~~
power purposes to the North Star Mines Company and Empire
Mines Company, near the City of Grass Valley, Nevada County;

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that the water so furnished is conveyed from Lake Spaulding Reservoir by means of the Drum Canal and the main South Yuba Canal through its Deer Creek Power House and thence through the Cascade Ditch to the mines and to the City of Grass Valley; that the North Star Mines Company uses approximately 270 miners inches and Empire Mines Company approximately 400 miners inches of water for operating water wheels and air compressors and for other purposes; that the mine machinery, now operated by water power, could be successfully and economically operated by electric power, of which there is a sufficient supply at reasonable rates; that the present methods of operation, whereby water is passed through the Deer Creek Power House is wasteful and uneconomical, and by routing the water through the Drum, Halsey and Wise Power Houses there would be developed an increase of electric energy amounting to approximately eight million kilowatt hours per year.

The Commission is asked to permit applicant to permanently discontinue supplying water for power purposes in Nevada County.

Protests against granting the application were filed by the City of Nevada, by the Empire Mines and Investment Company, by the North Star Mines Company and by the Indian Springs to Wolf Creek Water Users Association.

Public hearings were held at which all interested parties were given an opportunity to be present and be heard.

Testimony shows that the water resources in Nevada County, now controlled by Pacific Gas and Electric Company, date back to 1850 when the construction of

ditches was commenced for the purpose of supplying water for gravel mining in the vicinity of Nevada City. Law suits arose between the several companies, consolidation took place and from this consolidation grew the system of canals of the old South Yuba Canal Company. The canals and water rights later passed to the South Yuba Water and Mining Company, thence to South Yuba Water Company and thence to Pacific Gas and Electric Company, the present owner and the applicant herein.

The main object in view, when the ditches were originally constructed was to supply water for mining purposes in Nevada County, and during the first thirty years or more of their existence, the water was used almost exclusively for such purposes, principally for placer mining. About the year 1880 litigation between the valley farmers and the hydraulic miners began, and was carried through a number of years, with the result that the miners were finally enjoined from depositing mining debris in the streams. The result was an almost entire cessation of hydraulic mining.

Upon the practical abandonment of hydraulic mining, and the consequent decrease in the use of water, the owners of quartz mines were induced to discontinue the use of steam for power and to operate by water power which necessitated the expenditure of large sums of money for ~~the necessary~~ machinery. At the same time the sale of water for irrigation purposes was commenced.

Protestants allege that the use of water by quartz mines and farmers enabled applicant's predecessors to retain their water rights and that without such use the rights would have lapsed.

After water has passed through applicant's Deer Creek Power House, under an effective head of 837 feet, it is carried in canals to reservoirs supplying Nevada City and Grass Valley and to the various mines and irrigators.

The Empire Mine purchased an average of 380 miners inches of water in 1919, of which 230 inches were used for power purposes and 150 inches for air compressor jackets, milling, domestic use and minor irrigation. 188 inches of the 230 used for power is under a head of 437 feet, and subsequently at least 100 inches of the 188 is again used for power production by the North Star Mine under a head of 208 feet, and again by the Allison Ranch Mine under a head of 244 feet. Later the entire 188 inches is used by the Norambagua Mine under a head of 38 feet, and subsequently there is an additional use of the water for power purposes by the Blue Point Mining Company. The remaining 42 inches of the 230 is used by the Empire Mine under a head of more than 600 feet, and is subsequently used at the Norambagua Mine under the 38 foot head.

The North Star Mine purchased an average of 308 miners inches in 1919, of which 300 inches was used for power production, under a head of 775 feet and 8 inches for other purposes.

The water used for power production at these mines is later dropped into Wolf Creek, is picked up by the Campbell or Tarr Ditch, by the Lime Kiln Ditch and by the Sleeman Ditch and is used for irrigation and other purposes by farmers.

The engineer for the Empire Mine and Investment Company and the North Star Mines Company testified

that, when the aggregate head under which the Deer Creek Power House and the mines operate was taken into consideration the increase in efficiency which would result from depriving the mines of water and routing it through the Drum, Halsey and Wise power plants, as is proposed in the application, would amount to less than three million kilowatt hours per year instead of the eight million claimed by applicant.

This witness also testified that the cost of the machinery required before electrical operation could commence would be \$26,949 at the Empire Mine and in excess of \$35,680 at the North Star Mine. It was also shown that the expense of operation with electrical equipment would be more costly than operation by water power.

No estimates were presented showing the cost of the machinery necessary for the change in operation from water to electric power at mines other than the Empire and North Star, but it is evident that the cost will be ^avery substantial one.

After a careful consideration of all the evidence presented, I am of the opinion that the deprivation of the water now supplied by applicant to the mines and irrigators in Nevada County would be unwarranted and would result in very substantial and unjust prejudice and damage to those water consumers, and that there would be no sufficient corresponding or compensating benefit to the public in the increased production of electric energy

O R D E R

Pacific Gas and Electric Company, having made application in the above entitled proceeding, a public

hearing having been held thereon and being fully advised in the matter, and it appearing that the interests of the public would be best served by a dismissal of the application,

IT IS HEREBY ORDERED that the application herein be and it is hereby dismissed.

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
30th day of January 1920.

H. L. Ireland
Frank P. Wilson
H. B. Bundege
James Martin
Commissioners.