

ORIGINALDecision No. 60567

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE CALIFORNIA OREGON POWER COMPANY
for a certificate of public conven-
ience and necessity authorizing the
construction in one stage of the
Iron Gate Development.

Application No. 42042

OPINION AND ORDER

The California Oregon Power Company filed this application on March 11, 1960, asking the Commission to modify the certificate of public convenience and necessity issued pursuant to Decision No. 59301, dated November 24, 1959, in Application No. 41419, so as (1) to authorize applicant to construct an earth-fill dam instead of the concrete arch dam now authorized and (2) to authorize applicant to construct, maintain and operate concurrently both the reregulating and power stages of the proposed Iron Gate Development.

By Decision No. 59301, supra, the Commission granted applicant a certificate of public convenience and necessity to construct, maintain and operate a 65-foot high reinforced concrete arch dam, with valve controlled discharge, across Klamath River approximately seven miles downstream from its hydroelectric plant, Copco No. 2, and eight miles east of Hornbrook. This dam and related facilities were to be used for reregulating purposes to reduce the fluctuations in stream flow which now occur below applicant's Klamath River hydroelectric plants as a result of their operation. Construction of this reregulating dam was to be the first stage of applicant's projected Iron Gate Development. The second stage, to have been constructed at a later date, would have

provided for the installation and operation of a 25,000 kilowatt power generating project which would have utilized water impounded by the reregulating dam.

Further study made by applicant, following discussions with the Division of Dams, Department of Water Resources, regarding plans and specifications for the dam indicated that, because of soil conditions prevailing at the dam site, the proposed concrete arch dam would require special foundations not originally considered to be necessary. Applicant states that the added cost of such special foundations makes one-stage construction of an earth-fill dam together with power generating facilities of 18,000 kilowatt capacity more economical than the two-stage construction originally planned. Applicant further states that under operation of the structure proposed herein stream flow will be completely reregulated, rather than partially as contemplated with the concrete arch dam. Under complete reregulation, using the entire head available, the Iron Gate Development will have a dependable capacity of 18,000 kilowatts, instead of the 25,000 kilowatts which would have been available with only partial reregulation of stream flow. Average annual energy output under applicant's revised proposal is estimated to be 150,000,000 kilowatt hours.

Applicant estimates that the total cost of construction under its revised proposal will be \$6,585,330. The cost of constructing the original project in two stages, allowing for suitable foundations for the arch dam, is estimated by applicant to be \$8,149,710. On the basis of these estimates, the construction of the Iron Gate Development in a single stage as proposed herein would result in a saving of \$1,564,380.

Verified exhibits to the application, received by the Commission on June 28, 1960, indicate that applicant will require the additional power resources of the Iron Gate Development in order to satisfy its future retail system demand, and that the power generating stage of the project proposed herein is more economical than alternative means of obtaining the same amount of additional capacity.

No protests regarding this matter have been received by the Commission.

The certificate granted hereinafter shall be subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate, or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

The authorization herein granted shall not be construed to mean that the amounts referred to are indicative of amounts to be included in a future rate base.

The Commission has given consideration to this matter and is of the opinion that a public hearing is not necessary. The Commission finds that the public convenience and necessity require applicant to construct an earth-fill dam instead of the concrete arch dam now authorized and to construct, maintain and operate concurrently both the reregulating and power generating stages of the Iron Gate Development; therefore,

IT IS ORDERED that the certificate of public convenience and necessity granted to The California Oregon Power Company, by

Decision No. 59301, dated November 24, 1959, in Application No. 41419, be and it is modified to authorize applicant to construct a 173-foot high earth-fill dam instead of the 65-foot high concrete arch dam originally authorized and further modified to authorize applicant to construct, maintain and operate concurrently both the reregulating and power generating stages of the Iron Gate Development as proposed in the application.

IT IS FURTHER ORDERED as follows:


1. Applicant shall not commence construction of the Iron Gate Development until any required approval thereof has been received from the Federal Power Commission and the California Department of Water Resources.

2. Applicant shall file with this Commission a detailed statement of capital costs of the project within twelve months following date of completion.

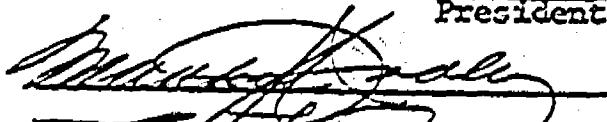
3. The authorization herein granted will expire if not exercised by December 31, 1962.


The effective date of this order shall be twenty days after the date hereof.

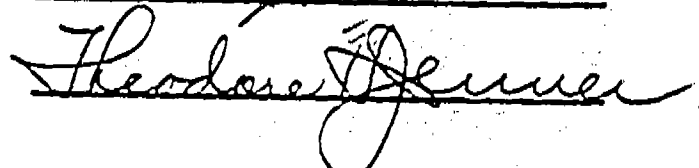
Dated at San Francisco, California, this 16th day of August, 1960.



President







Commissioners