

BEFORE THE DIVISION OF WATER RIGHTS  
DEPARTMENT OF PUBLIC WORKS  
STATE OF CALIFORNIA

D-700

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IN THE MATTER OF THE REVOCATION OF PERMIT 1983  
HERETOFORE ISSUED UPON APPLICATION 3257 OF  
H. L. SHANNON ALLOWING THE APPROPRIATION OF  
150 CUBIC FEET PER SECOND FROM DEER CREEK  
TRIBUTARY OF THE SACRAMENTO RIVER IN TEHAMA  
COUNTY FOR POWER PURPOSES.

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Decision A 3257 D 153

Decided May 17, 1927

APPEARANCES AT HEARING HELD APRIL 16, 1927

For Permittee

H. L. Shannon

in propria persona

For P. B. Cross, Amicus Curiae

Rudolf Van Norden

Examiner

E. N. Bryan, Deputy Chief for Edward Hyatt, Jr.  
Chief of Division of Water Rights

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O P I N I O N

On January 29, 1925, a permit was issued on Application 3257  
allowing the permittee to appropriate for power purposes, 150 cubic feet  
per second from Deer Creek from January 1st to December 31st of each year.

The applicant proposed the construction of a concrete dam at the proposed point of diversion which was to be 10 feet high, 100 feet long on the top and 75 feet long on the bottom, the installation of a concrete headgate with 2 openings and 10 miles of concrete lined ditch and flumes by means of which the water was to be passed through a power plant located in SW $\frac{1}{4}$  of SE $\frac{1}{4}$  Section 14, T. 25 N., R. 1 W., M.D. B. & M. and used for the generation of 10,227 theoretical horsepower for sale to municipalities, corporations and individuals. The water after passing through the power plant was to be returned to Deer Creek just below the power house. The estimated cost of the project was \$1,000,000.00. By the terms of the permit construction work was to begin on or before May 1, 1925, thereafter to be prosecuted with reasonable diligence and to be completed on or before November 1, 1927 and complete beneficial use of the water was to be made on or before May 1, 1928.

The progress report for the year 1925 filed by the permittee in this office on January 7, 1926, stated that permittee was unable to proceed with the construction work due to the unwillingness of capital to expend further money prior to the conclusion of contract with the Pacific Gas and Electric Company for purchase of power to be generated from the appropriated water, which contract was expected to be concluded by the coming summer, that financing was arranged and that permittee was in a position to proceed with the work upon the signing of the contract. It was stated that \$7,500.00 had been expended for surveying and engineering.

The progress report for the year 1926 filed in this office on January 6, 1927, stated that the dates for completion of construction work

and use of water were uncertain due to the failure of the permittee to obtain a contract with the Pacific Gas and Electric Company.

It therefore appearing to the Division of Water Rights that the permittee had failed to comply with the terms of the permit, in that due diligence had not been exercised a hearing was set upon the permit to be held in Room 707 Forum Building, Sacramento, at 10:30 o'clock A.M. on April 16, 1927. Of this hearing permittee was duly notified. Notices were also sent to Mr. P. B. Cross and Rudolf Van Norden as interested parties. Permittee appeared at the hearing on his own behalf and Mr. Rudolf Van Norden appeared in behalf of Mr. P. B. Cross who has both an approved and a pending application to appropriate from the same source, Mr. Van Norden stating he had hopes that the two parties might eventually combine to their mutual advantage.

From the testimony presented at the hearing it appears that, although the Pacific Gas and Electric Company would be willing to enter into a contract with anybody who would develop the entire supply of Deer Creek, that Company was not ready to do so at the present time and would not be for a year or two and no move has been made by the permittee toward a comprehensive plan for development of the entire stream flow. Neither has permittee made any progress toward a coordinated development with Mr. Cross.

No construction work has been done by the permittee, the expenditures having been made for preliminary engineering studies and surveys, and the options on rights of way which were acquired lapsed about two or three years ago.

This permittee heretofore held a permit under Application 1381 for the development of this same project. The permit was revoked after two extensions of time for beginning construction had been allowed and more than two

years time had elapsed. This permit was issued on November 15, 1920 and permittee now more than six years later has made no substantial progress in the matter.

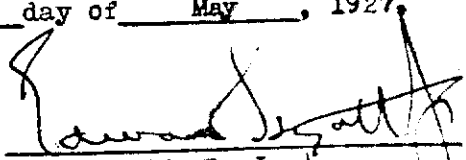
It is the opinion of this office that the permittee has not made progress commensurate with the size of the project and that therefore the permit heretofore issued upon Application 3257 should be revoked.

ORDER

A permit having heretofore been issued in approval of Application 3257 which allowed time within which to commence construction work and to complete the construction work and use therein proposed, it appearing that due diligence was not being exercised by the permittee and that said permittee had failed to comply with the terms and conditions of the permit, a hearing having been held at which permittee was afforded an opportunity to show cause why the permit should not be revoked for failure to comply with the terms and conditions of the permit and the Division of Water Rights now being fully informed in the premises:

IT IS HEREBY ORDERED that said Permit 1938 heretofore issued upon Application 3257 be revoked and cancelled upon the records of the Division of Water Rights.

Dated at Sacramento, this 17th day of May, 1927.

  
(EDWARD HYATT, JR.)  
CHIEF OF DIVISION OF WATER RIGHTS