

LEM

Decision No. 14542

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

\* \* \* \* \*

In the Matter of the Application of )  
the Sutter Butte Canal Company, a )  
corporation, to issue \$150,000.00 ) Application No. 10790  
of par value preferred stock. )

Devlin and Brookman, by  
Douglas Brookman, for applicant.

DECOTO, COMMISSIONER:

O P I N I O N

ORIGINAL

Sutter Butte Canal Company asks permission to issue and sell, at not less than \$95.00 per share, 1,500 shares (\$150,000.00 par value) of its 7% cumulative preferred stock and use the proceeds to reimburse its treasury and pay the indebtedness to which reference is hereafter made.

Sutter Butte Canal Company has an authorized stock issue of \$2,250,000. divided into \$1,250,000. of common and \$1,000,000. of 7% cumulative preferred. Of the common stock \$1,219,800. and of the preferred stock \$204,300. was reported as outstanding on December 31st, 1924. The outstanding preferred stock was issued under the authority granted by the Commission in Decision No. 12068 dated May 12th, 1923 in application No. 8893. The Company has regularly paid the dividends on its preferred stock, but has paid no dividend on its common stock.

The funded debt of the Company on December 31st, 1924 amounted to \$850,000. and consisted of 6½% first mortgage bonds dated March 1st, 1923 and due March 1st, 1943. The other debt

of the Company, on December 31st, 1924 was represented by notes payable in amount of \$163,200. and accounts payable amounting to \$68,938.30. It is primarily for the purpose of paying part of these notes and accounts payable that the Company at this time asks permission to issue and sell \$150,000.00 of its preferred stock.

There has been filed in this proceeding, as applicant's Exhibit No. 1, a statement in which applicant reports that since December 31st, 1912 it expended for fixed capital \$779,275.08 which was not obtained through the issue of bonds or stock. It is of record that this money was obtained from the following sources:

|                                   |                  |
|-----------------------------------|------------------|
| Assessment on common stock        | \$366,300.00     |
| Notes payable                     | 163,200.00       |
| Other loans                       | 68,918.00        |
| Reserve for accrued depreciation  | 73,238.00        |
| Reserve for extraordinary repairs | 6,630.00         |
| Unappropriated corporate surplus  | 35,016.00        |
| Miscellaneous                     | <u>65,973.08</u> |
| Total                             | \$779,275.08     |

It will be noted that the notes and other debts which applicant asks permission to pay through the issue of preferred stock are included in the \$779,275.08.

The testimony shows that applicant has made arrangements for the sale of \$120,000. of the stock which it now asks permission to issue.

I herewith submit the following form of order:

O R D E R

Sutter Butte Canal Company having applied to the Railroad Commission for permission to issue \$150,000.00 of stock, a public hearing having been held, and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of such stock is reasonably required by applicant and the expenditures herein authorized are not in whole or in part

reasonably chargeable to operating expenses or income,

IT IS HEREBY ORDERED that the Sutter Butte Canal Company be, and it is, hereby authorized to issue, sell and deliver, on or before November 15th, 1925, at not less than \$95.00 per share net to the Company, 1,500 shares (\$150,000. par value) of its 7% cumulative preferred stock and use the proceeds obtained from the issue and sale of such stock to reimburse its treasury and pay the indebtedness to which reference is made in the foregoing opinion.

The authority herein granted is subject to further conditions as follows:

1. Applicant shall keep such record of the issue, sale and delivery of the stock herein authorized to be issued and of the disposition of the proceeds as will enable it to file, on or before the 25th day of each month, a verified report as required by the Railroad Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

2. The authority herein granted will become effective on the date hereof.

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 9th day of February, 1925.

H. B. ...  
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...  
George D. Squires  
...

Commissioners.