

Decision No. 27707

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SUTTER-BUTTE CANAL CO.,
to sell to Richvale Irrigation Dis-
trict, and of latter to buy, certain
property of Sutter-Butte Canal Co.

Application No. 16998

ORIGINAL

BY THE COMMISSION:

THIRD SUPPLEMENTAL ORDER

In the third supplemental petition in the above entitled matter of January 17, 1935 the Railroad Commission is asked to make an order approving an agreement dated January 7, 1935, by and between Sutter-Butte Canal Co., a public utility water company, and Richvale Irrigation District, a public corporation, modifying the terms of an Agreement of Option heretofore given on November 3, 1930 by said Sutter-Butte Canal Co. to said Richvale Irrigation District and heretofore approved by the Commission.

By Decision No. 23136, dated December 2, 1930, the Commission authorized Sutter-Butte Canal Co. to sell a portion of its irrigation system to Richvale Irrigation District in accordance with the terms and conditions of the aforesaid Agreement of Option dated November 3, 1930. The agreement thereafter was modified on December 20, 1930 and on January 6, 1931, said modifications being approved by the Commission by Decision No. 23207, dated December 23, 1930 and Decision No. 23342, dated January 27, 1931, respectively, which were designated the first and second supplemental orders in this proceeding.

Under the Agreement of Option, as heretofore modified, the company agreed, among other things, to transfer and convey the properties upon the payment by the district of the sum of \$500,000.;

to remove before November 3, 1935, any liens or encumbrances on said properties; and as security for such agreement to deposit with a trustee either cash to the amount of such liens or encumbrances, or collateral security satisfactory to the district, it being provided that bonds of the district in the amount of \$515,000.00 would be deemed to be acceptable collateral.

In the new agreement of modification of option dated January 7, 1935, it is proposed that the time within which Sutter-Butte Canal Co. may remove any such liens or encumbrances, shall be extended to March 1, 1943 and that the company might deposit as collateral security \$524,000.00 of its first mortgage gold bonds in lieu of the \$515,000.00 of bonds of Richvale Irrigation District. The proposed new agreement is filed as Exhibit A attached to the third supplemental petition.

The Commission is of the opinion that applicant should be permitted to execute the new agreement modifying the Agreement of Option, therefore,

IT IS HEREBY ORDERED that Sutter-Butte Canal Co. be, and it hereby is, authorized to execute and enter into with Richvale Irrigation District an agreement similar in form to that attached as Exhibit A to the third supplemental petition filed in this proceeding on January 17, 1935.

DATED at San Francisco, California, this 28th day of January, 1935.

Leon A. White

M. A. Cunn

M. B. Lavin

Frank R. M. M.

Commissioners.