

Decision No. 35017

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application :
of SUTTER BUTTE CANAL CO. for an :
Order authorizing the Issuance of :
Unsecured Promissory Notes. :

Application No. 24032

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

Sutter Butte Canal Co., a corporation engaged in the business of selling and distributing water for irrigation and other uses in Sutter and Butte Counties, has applied to the Railroad Commission for permission to issue an unsecured promissory note in the principal amount of \$203,000, bearing interest at the rate of 4 per cent per annum and maturing on September 3, 1941, for the purpose of refunding an outstanding note of like amount.

It appears that on September 1, 1939 applicant called for payment and retired all of its then outstanding bonds, consisting of an issue of first mortgage 6-1/2% bonds, due March 1, 1943, in the original amount of \$945,000, and that it financed the cost of doing so, generally, with moneys obtained through the sale of a portion of its properties to Richvale Irrigation District and through the issue of a 4 per cent unsecured promissory note to Crocker First National Bank of San Francisco, in the principal amount of \$210,000, dated August 31, 1939, and maturing on March 1, 1940.

Thereafter, from time to time, the company made payments on the principal amount and issued short term renewal notes for the reduced balances, the latest renewal note having been issued on September 25, 1940, in the amount of \$206,000, bearing interest at the rate of 4 per cent per annum and maturing on March 3, 1941. The issue of this note was authorized by the Commission by Decision No. 33497, dated September 17, 1940.

The company now reports that it has paid \$3,000 on the principal of the \$206,000 note and that it now desires to issue a new note, as applied for herein, to refund the unpaid balance of \$203,000, now past due. The proposed new note will be issued to Crocker First National Bank of San Francisco, will bear interest at the rate of 4 per cent per annum and will mature on September 3, 1941.

The Commission has considered applicant's request and is of the opinion that it is not a matter on which a public hearing is necessary, that the money, property or labor to be procured or paid for through the issue of the proposed note is reasonably required for the purpose specified herein, and that the expenditure for such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that Sutter Butte Canal Co. be, and it hereby is, authorized to issue an unsecured promissory note in the principal amount of \$203,000, bearing interest at the rate of 4 per cent per annum, and maturing on September 3, 1941, for the purpose of refunding the unpaid balance of the note issued under the authority granted by Decision No. 33497, dated September 17, 1940.

IT IS HEREBY FURTHER ORDERED that within thirty days after the issue of the note herein authorized Sutter Butte Canal Co. shall file with the Commission a copy of said note and a statement showing for what purpose it expended the proceeds of said note.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof.

Dated at San Francisco, California, this 19th day of March, 1941.

W. J. Baker
Ray L. Rice

Justin J. Coenen
Francis R. Havens
Commissioners