

of \$8,000. In general, this property includes two equipped wells, a well site, two pressure tanks, approximately 12,500 feet of pipe and certain easements and rights of way. Seller's balance sheet dated April 30, 1957, is attached to the application as Exhibit E and shows total utility plant in the amount of \$20,929.19, a reserve for depreciation of \$3,258.35 and net utility plant of \$17,670.84.

The terms of the sale, as outlined in the application, provide for a cash payment of \$1,000 and a note secured by a deed of trust in the amount of \$7,000. The note is to be repaid at the rate of \$102.26 per month including interest at 6 per cent a year.

The application states that LeRoy Cook desires to sell the water system because of failing health. Exhibit G attached to the application is a financial statement of Purchaser and shows a net worth of \$22,271.44 as of December 31, 1956. From an investigation by an engineer of the Commission staff, it has been concluded that Purchaser is capable of acquiring the water system and continuing its operations.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

The Commission having considered the above-entitled application and being of the opinion that the proposed transfer will not be adverse to the public interest, and it being the opinion of the Commission that the money, property or labor to be procured or paid for through the indebtedness herein authorized is reasonably required for the purpose hereinabove set forth and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be granted; therefore,

IT IS HEREBY ORDERED that:

1. LeRoy Cook may, on or after the effective date hereof and on or before March 31, 1958, sell and transfer all of the water utility properties referred to herein, known as Cook's Water System, to Dudley C. Pearson, substantially in accordance with the terms and conditions set forth in the application.

2. Dudley C. Pearson may, after the effective date hereof and on or before March 31, 1958, issue a promissory note in the principal amount of \$7,000 in part payment for the properties herein authorized to be transferred, and may execute a deed of trust as security therefor, and shall, after the effective date hereof and on or before March 31, 1958, file with this Commission one certified copy each of said note and deed of trust, and any other instrument by which the transfer is effected.

3. The authority herein granted to issue a note will become effective when Dudley C. Pearson has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

4. Dudley C. Pearson shall file with this Commission monthly reports as required by General Order No. 24-A which order, in so far as applicable, is made a part of this order.

5. The rates and rules of LeRoy Cook, doing business as Cook's Water System, shall be refiled within thirty days after the date of actual transfer under the name of Dudley C. Pearson, in accordance with the procedure prescribed by General Order No. 96. In lieu of such refiling Dudley C. Pearson may file a notice of adoption of the presently filed rates and rules. No increase in the present rates shall be made unless authorized by the Commission.

6. On or before the date of actual transfer, LeRoy Cook shall refund all customer deposits and all advances for construction

which are subject to refund. Any unrefunded deposits and advances for construction shall be transferred to and become the obligation for refund of Dudley C. Pearson.

7. On or before the date of actual transfer, LeRoy Cook shall transfer and deliver to Dudley C. Pearson, and the latter shall receive and preserve, all records, memoranda and papers pertaining to the construction and operation of the properties hereinabove authorized to be transferred.

8. If the authority herein granted is exercised, LeRoy Cook, within thirty days thereafter, shall notify this Commission in writing of the date of such completion of the property transfer herein authorized.

9. Upon due compliance with all the conditions of this order, LeRoy Cook stands relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system hereinabove authorized to be transferred.

In all respects other than as specifically set forth in paragraph 3, above, the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 1st day of October, 1957.

[Signature]
President
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Commissioners

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