

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA.

ORIGINAL

Decision No. 4600

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In the Matter of the Application
of SAN JOSE WATER WORKS to buy
and of J. D. FARWELL to sell the
water system of J. D. Farwell; and
of San Jose Water Works for an
order fixing rates to be charged
by it on its new "High Line" to
be built by it, and for rules
and regulations concerning the
same.

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} Application No. 2892.
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S. F. Leif for Applicant.
J. D. Farwell in propria persona.

BY THE COMMISSION:

O P I N I O N.

A public hearing was conducted by Examiner Westover upon above application for leave to sell a small water system in the vicinity of Los Gatos, Santa Clara County, and for an order fixing rates to be charged by San Jose Water Works for water to be served by it through its so-called "High Line" now being installed upon the wooded ridge between Los Gatos and Saratoga, Santa Clara County.

Mr. Farwell's water system was installed about 1909 at a cost of about \$3,500.00 to aid in the development and sale of lands in the vicinity of Los Gatos. The parties have agreed upon a purchase price of \$2,000.00 for the distributing system, Mr. Farwell retaining his pump and motor which originally cost about \$400.00; ~~and that~~ Mr. Farwell is to operate the system at his own expense until

September 1, 1917 and retain all earnings accruing prior to that date, at which time the purchase price is to be paid. The price is based upon estimates of Mr. P. D. Rice, engineer for San Jose Water Works, showing the depreciated cost of the Farwell system, less cost of removing certain portions of it, to be \$1,934.62. The Commission's engineers have made no valuation of the property in question but from their check of Mr. Rice's figures the price of \$2,000.00 appears to be reasonable for the purposes of the present application. The testimony shows that the rates will be reduced and the service improved by the transfer. It is therefore authorized, by the order herein.

A more difficult question is presented by the application for leave to establish special rates, rules and regulations to apply on the so-called "high-line", higher and more burdensome than those in effect on applicant's system in San Jose and Los Gatos or in Saratoga.

The question of rates to be charged to patrons served from the "high-line" will be the subject of a subsequent separate opinion and order.

O R D E R

SAN JOSE WATER WORKS, a corporation and J. D. FARWELL, having applied to the Railroad Commission for authority to transfer the water system hereinafter described, and

A public hearing having been held thereon, and the matter being submitted and ready for decision:

IT IS HEREBY ORDERED that said J. D. Farwell is hereby authorized to convey to said San Jose Water Works that certain water system and water business situated near the town of Los Gatos, Santa Clara County, owned and operated by him together with all contracts, for the purchase or sale of water, all rights of way, pipes, pipelines, meters, tanks, buildings, equipment, tools, implements, and all other property, appliances and appurtenances used in connection therewith, except the five horse-power Westinghouse motor, the Gould Triplex pump, and the shafting, belting, pulleys and other appurtenances of said motor and pump now used by the seller in connection with said motor and pump; also all the right, title and interest in and to the rights of way for pipelines derived in and by the following conveyances to said J. D. Farwell:

(a) Deed from John G. Withey, dated April 13th, 1910, and recorded on the 15th day of April, 1910, in Volume 356 of Deeds, at page 133, Records of Santa Clara County, California.

(b) Deed of M. S. Bowdish, dated April 13th, 1910, and recorded on the 15th day of April 1910, in Volume 356 of Deeds, at page 131, Records of Santa Clara County, California.

(c) Deed of A. E. Fake, dated April 9th, 1910, and recorded on the 15th day of April, 1910, in Volume 356 of Deeds, at page 134, Records of Santa Clara County, California;

And all other rights of way used in or connected with said system.

All of said property is to be conveyed upon receipt of the agreed purchase price of \$2,000.00.

This order is made upon the following conditions:-

1. The price at which said property is being conveyed shall never be urged before the Railroad Commission or other public authority as representing for rate making or any other purpose the fair value of the property.

2. The authority herein contained shall extend only to such conveyances as shall be made within 30 days from date hereof.

3. Within 10 days after conveyance is delivered to it, San Jose Water Works shall report to the Commission in writing the fact and date of conveyance, the amount of the purchase price paid and file with the Commission a copy of all instruments of conveyance executed in connection therewith.

Dated at San Francisco, California, this 30th day of August, 1917.

Miss Helen

Miss Gordon

Francis R. DeLoach
Commissioners.