

Decision No. 51521

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DOMINGUEZ WATER CORPORATION for an order granting it authority to serve water to SHELL OIL COMPANY under special contract and for an order authorizing charging a special rate for such water. )

Application No. 36928

OPINION AND ORDER

Dominguez Water Corporation, a corporation, by the above-entitled application filed on May 2, 1955, seeks authority to carry out the terms and conditions of a special contract, dated April 28, 1955, with Shell Oil Company for the furnishing of water service at special rates to the latter's Dominguez and Watson Refineries, Los Angeles County. A copy of the subject contract is attached to the application as Exhibit A and by reference is made a part hereof.

Applicant alleges that water service has heretofore been rendered to Shell Oil Company at its Dominguez Refinery in accordance with the terms of a special contract authorized by the Commission by its Decision No. 45335, dated February 6, 1951, which contract provides for a minimum charge of \$2,400 per month for the first 6,534,000 cubic feet, or less, of water delivered, and monthly commodity rates of 3.444 cents per 100 cubic feet for all quantities from 6,534,000 to 8,712,000 cubic feet and, for quantities in excess thereof, 3.214 cents per 100 cubic feet. This contract was for a period of five years commencing December 1, 1950, and continuing through November 30, 1955.

Under the terms of the contract requested to be authorized herein, the minimum charge is to remain at \$2,400 per month but the use of water allowed for this charge is to be reduced to 5,445,000

cubic feet with all usage over that quantity to be charged at the rate of 5.5096 cents per 100 cubic feet per month. Such contract minimum charge and rate would result in lower monthly billings for all quantities over 3,246,883 cubic feet than those computed from applicant's filed general metered service rate schedule which would otherwise be applicable. Under such filed schedule the charge for 5,445,000 cubic feet per month would be \$3,718.87, and for additional monthly usage the rate of 6 cents per 100 cubic feet would be applicable.

Applicant now believes it advisable that the parties execute a new agreement for the reason that the major producers of water in the West Coast Basin have entered into an interim agreement under the terms of which their production of water will be reduced on and after June 1, 1955, and, as a result thereof, it will be necessary that additional replacement water be imported at a higher unit cost.

The terms of the proposed contract also provide that it shall be made effective on June 1, 1955, and remain in effect until May 31, 1960. Further, said contract provides that all prior contracts between the parties shall terminate at the time the new agreement herein becomes effective. Included in the proposed contract is the provision that it shall, at all times, be subject to change or modification by this Commission in the exercise of its jurisdiction.

The interim agreement among water producers in the West Coast Basin having been ordered by the Superior Court to become effective on June 1, 1955, and the applicant having requested that the contract herein be authorized to go into effect on the same date, good cause appearing, the order herein will be made effective on the date issued.

The Commission having considered the request of the applicant and being of the opinion that the application should be granted and that a public hearing is not necessary, therefore,

IT IS HEREBY FOUND AS A FACT that the increases in rates and charges set forth in the contract authorized herein are justified and that the present contract rates and charges are unjust and unreasonable for the future, therefore,

IT IS HEREBY ORDERED that applicant is authorized to carry out the terms and conditions of the written contract, dated April 28, 1955, with Shell Oil Company, and to render the service described therein under the terms, charges and conditions stated therein.

IT IS HEREBY FURTHER ORDERED that applicant shall:

1. File with the Commission within thirty days after the effective date of this order two certified copies of the contract as executed, together with a statement of the date on which the contract is deemed to have become effective.
2. Notify this Commission of the date of the termination of said contract within thirty days from and after said date of termination.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 31<sup>st</sup> day of May, 1955.

[Signature]  
President

[Signature]

[Signature]

[Signature]

Commissioners