

Decision No. 56355**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DOMINGUEZ WATER)
 CORPORATION for an order granting)
 it authority to charge SHELL OIL)
 COMPANY a special rate for water)
 delivered under special contract)
 hereinbefore authorized.)

Application No. 39513

OPINION AND ORDER

Dominguez Water Corporation,^{1/} a corporation, by application filed October 24, 1957, seeks authority to carry out the terms and conditions of an amendatory contract dated June 1, 1957, which provides for the modification of an existing contract with Shell Oil Company^{2/} for the furnishing of water service at special rates to the latter's Dominguez and Watson Refineries, Los Angeles County. A copy of the amendatory contract is attached to the application as Exhibit A.

Applicant has heretofore furnished water service to Shell in accordance with the terms of a contract authorized by Decision No. 51521, dated May 31, 1955, in Application No. 36928. The latter contract provides for a minimum charge of \$2,400 per month for the first 5,445,000 cubic feet, or less, of water delivered, and a monthly commodity rate of 5.5096 cents per 100 cubic feet for all

1/ Sometimes herein called Applicant.

2/ Sometimes herein called Shell.

usage over the minimum allowance. The existing contract further provides that in the event of any change in the rates of the Metropolitan Water District, the contract may, upon the request of either party, be renegotiated to reflect such change.

Applicant states that it has been notified Metropolitan Water District has increased its rates by \$2.00 per acre foot of water. Applicant, therefore, has renegotiated with Shell and has agreed upon revisions providing for increased charges to Shell. Under the terms of the amendatory contract requested to be authorized herein, the minimum charge is to be increased to \$2,550 per month and the quantity of water allowed for this charge is to be reduced to 4,356,000 cubic feet. All usage over the flat minimum monthly allowance is to be charged at a rate of 5.8540 cents per 100 cubic feet.

It has been estimated that the revised rates will result in an increase of approximately 15% and will produce annual gross revenues from this one customer of approximately \$100,000.

The amendatory contract also includes the provision that it shall, at all times, be subject to change or modification by this Commission in the exercise of its jurisdiction.

The Commission having considered the above-entitled application 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 amendatory contract, included in the application as Exhibit A, are justified and that the presently existing 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 amendatory contract, dated June 1, 1957, with Shell Oil Company and to furnish 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 amendatory 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 amendatory contract within thirty days from and after said date of termination.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 25th day of MARCH, 1958.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners