

Decision No. 60198**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. 42052
)
)

OPINION AND ORDER

Dominguez Water Corporation^{1/}, a corporation, by the above-entitled application, filed March 21, 1960, seeks authorization from this Commission to carry out the terms and conditions of an amendatory agreement dated July 1, 1959 to an earlier agreement between Dominguez and Shell Oil Company^{2/}, a corporation, which relates to the furnishing of water service to Shell's Dominguez and Watson refineries, Los Angeles County.

Dominguez presently furnishes water service to Shell's above-mentioned refineries pursuant to an agreement, dated April 28, 1955, which was authorized by Decision No. 51521, dated May 31, 1955, in Application No. 36928; as amended by agreement dated June 1, 1957, which was authorized by Decision No. 56288, dated March 25, 1958, in Application No. 39513. This presently effective agreement, as amended, is to expire on May 31, 1960. It provides that Shell is to pay a minimum sum of \$2,550 per month for up to and including 4,356,000 cubic feet of water delivered, and 5.854 cents per 100 cubic feet for all additional monthly consumption, but it also provides for renegotiation of rates and charges in the event of any change in the rate for replacement water delivered to Dominguez by Metropolitan Water District.

^{1/} Sometimes herein called "Dominguez".
^{2/} Sometimes herein called "Shell".

The application herein states that Dominguez has been notified of an increase of \$3 per acre-foot in the rates of Metropolitan Water District, and that the parties agree that the schedule of rates contained in the agreement shall be amended to conform to the presently filed tariff rates of Dominguez, as follows:

	<u>Quantity Rates</u>	<u>Per Month</u>
First	600 cu.ft. or less	\$1.75
Next	1,900 cu.ft., per 100 cu.ft.23
Next	17,500 cu.ft., per 100 cu.ft.17
Next	80,000 cu.ft., per 100 cu.ft.12
Next	1,900,000 cu.ft., per 100 cu.ft.08
Over	2,000,000 cu.ft., per 100 cu.ft.06

Under this rate schedule Shell would pay \$3,065.47 for up to and including 4,356,000 cubic feet of water per month, as compared to the present applicable charge of \$2,550.

Two exceptions to Dominguez's filed tariff schedule are provided for under the terms of the amendatory agreement of July 1, 1959. Minimum charges contained in said schedule would now be eliminated, since it is alleged that the quantity of water consistently required by Shell is far in excess of minimum quantities established by the schedule. Additionally, it is planned to continue the present contractual practice of combining all of the several metered quantities of water delivered to Shell in order to determine the total monthly quantity of water to which the rate schedule is to be applied.

The application requests that the subject amendatory agreement be made effective retroactive to July 1, 1959, which is the date upon which it was executed. This amendment contains a provision that it shall, at all times, be subject to such changes or modifications by this Commission as this Commission may direct in the exercise of its jurisdiction.

The Commission having considered the request of Dominguez 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 agreement authorized herein are justified and that the presently effective agreement rates and charges are unjust and unreasonable for the future; therefore,

IT IS HEREBY ORDERED that Dominguez Water Corporation be and it hereby is authorized, retroactively to July 1, 1959, to carry out the terms and conditions of the amendatory agreement dated July 1, 1959 to the agreement 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 Dominguez Water Corporation shall:

1. File with this Commission within thirty days after the effective date of this order, two certified copies of the amendatory agreement dated July 1, 1959 as executed, together with a statement of the date on which said agreement was deemed to have become effective.

2. Notify this Commission of the date of termination of said agreement, as amended herein, 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 31st day of May, 1960.

[Signature]
President

[Signature]

[Signature]

[Signature]

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Commissioners