

Decision No. 61159**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 a special contract and for an order authorizing a special monthly minimum charge under said special contract.

Application No. 42637

OPINION AND ORDER

Dominguez Water Corporation,<sup>1/</sup> a California corporation, by application filed September 2, 1960, seeks authorization to carry out the terms and conditions of an agreement, dated June 1, 1960, with Shell Oil Company,<sup>2/</sup> a corporation, which pertains to the furnishing of water service to Shell's Dominguez and Wilmington (Watson) Refineries, Los Angeles County, at rates and under conditions differing from those contained in Utility's filed tariff schedules.

The application states that the above-mentioned refineries of Shell are located within Utility's service area. Utility has furnished water service to these refineries pursuant to a series of agreements, the most recent of which, an amendatory agreement dated July 1, 1959, was authorized by Decision No. 60198, dated May 31, 1960, in Application No. 42052. Under the terms and conditions of this latter agreement, which expired on May 31, 1960, water service was furnished to Shell at the rates set forth in Utility's filed tariff schedules.

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<sup>1/</sup> Sometimes herein called Utility.

<sup>2/</sup> Sometimes herein called Shell.

Utility alleges that Shell is one of a unique class of customers because its water requirements generally exceed 2,000,000 cubic feet per month. During the term of the most recent agreement, average monthly consumption is stated to have exceeded 13,000,000 cubic feet. The agreement contains a statement that Shell requires quantities of water to an extent not contemplated under Utility's filed tariff schedules.

The agreement provides that Shell is to pay a minimum sum of \$2,166 per month for up to and including 2,000,000 cubic feet of water delivered, and 8 cents per 100 cubic feet for all additional monthly consumption. Under the schedule of rates contained in Utility's filed tariffs, Shell would pay \$1,651.87 per month for 2,000,000 cubic feet of water delivered, and 6 cents per 100 cubic feet of additional consumption. Thus, the charges proposed under this agreement would be higher than those that would be obtained from application of Utility's filed tariff schedules. The application states, however, that Utility believes the proposed charges are fair and equitable to Shell, to Utility, and to Utility's other customers, that no preferential treatment has been extended to Shell, and that Utility believes water service under the proposed terms and conditions would be compensatory to Utility and of benefit to Utility's other customers.

According to the application, Utility has sought authority for a general rate increase by Application No. 42262, filed May 12, 1960 and now pending. Utility states that the rates sought in Application No. 42262 would be higher than those contained in the agreement.

An additional exception to Utility's filed tariff schedule is provided for in the agreement in that the several metered

quantities of water delivered to Shell will be combined in order to determine the total monthly quantity of water to which the schedule of charges is to be applied.

The agreement is to be effective for a period of five years, commencing June 1, 1960, and terminating May 31, 1965. The application requests that the agreement be made effective retro-active to June 1, 1960, the date upon which it was executed.

The quality of the water to be supplied under the agreement is to be equal to or better than that delivered to Utility by the West Basin Municipal Water District. The agreement is subject to Commission authorization and it contains a provision that it shall, at all times, be subject to such change or modification by the Commission as the Commission may direct in the exercise of its jurisdiction.

The Commission has considered the request of applicant and is of the opinion, and so finds, that the increases in rates and charges authorized herein are justified, that the application should be granted, and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that Dominguez Water Corporation, a corporation, be and it hereby is authorized to carry out the terms and conditions of the written agreement dated June 1, 1960, with Shell Oil Company, a corporation, a copy of which instrument is attached to the application as Exhibit "A", 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 agreement

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 the agreement 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 13<sup>th</sup> day of DECEMBER, 1960.

Cecil B. [Signature]  
President

[Signature]

[Signature]

[Signature]

Theodore [Signature]  
Commissioners