

ORIGINAL

Decision No. 68014

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION OF DOMINGUEZ WATER CORPORATION FOR AUTHORITY TO AMEND ITS SPECIAL CONTRACT WITH RICHFIELD OIL CORPORATION, JOHNS-MANVILLE PRODUCTS CORPORATION, AND STAUFFER CHEMICAL COMPANY, SUCCESSOR TO HANCOCK CHEMICAL COMPANY, AND INCREASE ITS RATES FOR WATER SERVICE TO OFFSET APPLICANT'S INCREASED DIRECT COSTS FOR WATER.

Application No. 46693
 (Filed June 3, 1964)

OPINION AND ORDER

By Decision No. 66640, dated January 21, 1964, in Application No. 45938, Dominguez Water Corporation (Dominguez) was authorized to change the terms and conditions of a joint agreement with Richfield Oil Corporation (Richfield), Johns-Manville Products Corporation (Johns-Manville) and Hancock Chemical Company, predecessor of Stauffer Chemical Company (Stauffer), which agreement commenced August 1, 1960, and ends July 31, 1965.

By said Decision No. 66640, Dominguez was authorized to increase the special contract rate for water delivered in excess of two million cubic feet per month from 7.56 cents per 100 cubic feet to 8.09 cents per 100 cubic feet, commencing January 1, 1963, and also to charge Richfield \$15.73 per acre-foot for the right to pump 125 acre-feet per month from the West Coast Basin for 26 months commencing April 1, 1963, and collect from Richfield

assessments levied by the Central and West Basin Replenishment District on the amount of water pumped by Richfield.

By the application herein, Dominguez seeks authority to increase said contract rate by 0.23 cents per 100 cubic feet for each \$1.00 of increase in cost per acre-foot of water purchased by Dominguez from the West Basin Municipal Water District and delivered to the said customers per month.

The staff objected to the escalation provision and requested a firm figure. It suggested the rates authorized by the order herein. Dominguez, by letter dated August 27, 1964, agreed to the staff's suggested rates as set forth herein and stated that Richfield, Johns-Manville, and Stauffer, the successor of Hancock, have no objection to the rates proposed by the staff.

Applicant's figure of 0.23 cents per 100 cubic feet of water appears to allow for the increase in direct cost of purchased water. The proposed escalation clause provides only for an increase in purchased water cost, not a decrease.

The staff report (filed herein as Item A) states that the charge for purchased water increased from \$29.50 to \$32.50 per acre-foot effective January 1, 1964. This increase of \$3.00 per acre-foot would result in approximately \$1,250 per month additional purchased water costs to applicant based on the 1963 water sales to the three customers. On July 1, 1964, the charge for purchased water increased to \$34.50 per acre-foot. This additional \$2.00 per acre-foot would result in an additional cost of \$820 per month. On July 1, 1965, the charge for purchased

water will increase to \$37.50 per acre-foot. This additional \$3.00 per acre-foot would result in an additional cost of \$1,250 for the one remaining month of the present contract.

The increase in revenues resulting from the herein authorized rates would offset the increased direct cost for purchased water during the remainder of the present contract, except for the last month, July, 1965.

The Commission has considered the proposed rate increase for water furnished to Richfield Oil Corporation, Johns-Manville Products Corporation, and Stauffer Chemical Company and finds that the increases in rates and charges authorized herein are justified. We conclude the application should be granted. A public hearing is not necessary.

IT IS ORDERED that:

1. Dominguez Water Corporation is hereby authorized to amend its contract with Richfield Oil Corporation, Johns-Manville Products Corporation, and Stauffer Chemical Company, successor to Hancock Chemical Company, dated August 1, 1960, by increasing the rates for water delivered during the stated periods as follows:

		<u>January 1 thru</u> <u>June 30, 1964</u>	<u>On and After</u> <u>July 1, 1964</u>
First	600 c.f., or less	\$1.80	\$1.80
Next	1,900 c.f., per 100 c.f. ..	.24	.24
Next	17,500 c.f., per 100 c.f. ..	.18	.18
Next	80,000 c.f., per 100 c.f. ..	.13	.13
Over	100,000 c.f., per 100 c.f. ..	.0877	.0924

The rates commencing on July 1, 1964, shall continue during the period of said contract or until further order of the Commission.

2. Dominguez Water Corporation shall file with the Commission, within thirty days after the effective date of this order, two certified copies of the amended agreement as executed.

3. Except as amended herein, the agreement referred to herein shall remain in the form presently authorized.

4. Dominguez Water Corporation shall notify the Commission of the date of termination of said agreement, as amended herein, within thirty days after such termination.

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

Dated at San Francisco, California, this 13th
OCTOBER day of _____, 1964.

Frederick B. Hallock
President
George G. Grover
William W. ...

William W. ...
Commissioner George G. Grover, being necessarily absent, did not participate in the disposition of this proceeding.
Commissioners