

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)
OF LONG NECK WATER COMPANY FOR AN) PSC DOCKET NO. 04-31
INCREASE IN WATER RATES)
(FILED JANUARY 30, 2004))

ORDER NO. 6367

AND NOW, this 24th day of February, 2004, Long Neck Water Company ("Long Neck" or the "Company") having, on January 30, 2004, filed with the Public Service Commission ("the Commission") revised tariffs designed to provide an annual revenue increase of 42% in an approximate amount of \$429,001;

AND, the Commission having reviewed the application for increased rates and revised tariffs and having determined that such filing should, pursuant to the authority granted to the Commission by 26 Del. C. § 306(a)(1), be suspended pending full and complete evidentiary hearings into the justness and reasonableness of the proposed new rates and tariffs;

AND, the Commission having determined, pursuant to 26 Del. C. § 102A, that the appropriate initial public notice of this requested increase should be provided by publication in the Sussex Post and the Delaware State News, newspapers of general circulation serving Long Neck's service territory; now, therefore,

IT IS ORDERED:

1. That the rates and tariffs filed by Long Neck Water Company with the Delaware Public Service Commission on January 30, 2004, are hereby suspended pursuant to 26 Del. C. § 306(a)(1) and shall not be

placed into force or effect except pursuant to further Order of the Commission, and only then to the extent such further Commission Order or Orders may permit or allow.

2. That, pursuant to the requirements of 26 Del. C. §§ 102A and 304, Long Neck Water Company shall give public notice of its application for increased rates by causing the publication of the notice attached hereto as Exhibit "A" in the Sussex Post on March 4, 2004, and the Delaware State News on March 1, 2004. Long Neck Water Company shall cause proof of such publication to be filed with the Commission as soon thereafter as is reasonably practicable, but prior to the date set for any evidentiary hearing in this docket.

3. That William F. O'Brien is designated as Hearing Examiner for this matter pursuant to the terms of 26 Del. C. § 502 and 29 Del. C. ch. 101 to schedule and conduct evening public comment sessions and evidentiary hearings as may be necessary to have a full and complete evidentiary record concerning the justness and reasonableness of the proposed increased rates, and to submit proposed findings and a recommended decision. Dates and times for serving and responding to discovery shall be included in the procedural schedule. Hearing Examiner O'Brien is specifically authorized to grant or deny petitions to intervene. In addition, Hearing Examiner O'Brien is specifically delegated the authority to determine, under 26 Del. C. § 102A, the appropriate form and manner of public notice to be given for any further public evidentiary hearings or public comment sessions. Francis J. Murphy, Jr., Esquire, is designated Rate Counsel for this matter. Long Neck Water Company is hereby placed on notice that the cost of the proceeding will be charged to it under the provisions of 26 Del. C. § 114.

4. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joshua M. Twilley
Vice Chair

/s/ Joann T. Conaway
Commissioner

/s/ Donald J. Puqlisi
Commissioner

/s/ Jaymes B. Lester
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary

E X H I B I T "A"

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P U B L I C N O T I C E

**TO: ALL CUSTOMERS OF LONG NECK WATER COMPANY
AND OTHER INTERESTED PERSONS**

On January 30, 2004, Long Neck Water Company ("Long Neck" or the "Company") filed with the Delaware Public Service Commission ("the Commission") an application for an increase in water service rates. The new rates are designed to produce additional annual revenue of approximately \$429,001. This is a proposed increase in annual revenue of approximately 42%.

The following is a comparison of the Company's present and proposed rates:

**LONG NECK WATER COMPANY
COMPARISON OF PRESENT AND PROPOSED RATES
PSC DOCKET NO. 04-31**

PRESENT RATES

<u>Size of Meter</u>	<u>Per Month</u>	<u>Per Quarter</u>
5/8"	\$ 11.75	\$ 35.25
3/4"	17.63	52.89
1"	29.38	88.14
1-1/2"	58.75	176.25
2"	94.00	282.00
3"	176.25	528.75
4"	293.75	881.25
6"	587.50	1,762.50
8"	940.00	2,820.00

WATER CHARGE

In addition to the Fixed Service Charge set forth above, a charge will be made for all water used as registered by the meter.

<u>Gallons Per Month</u>	<u>Gallons Per Quarter</u>	<u>Rate Per 1,000 Gallons</u>
All	All	\$ 2.10

PROPOSED RATES

<u>Size of Meter</u>	<u>Per Month</u>	<u>Per Quarter</u>
5/8"	\$ 14.52	\$ 43.56
3/4"	21.78	65.34
1"	36.30	108.90
1-1/2"	72.60	217.80
2"	116.16	348.48
3"	217.80	653.40
4"	363.00	1,089.00
6"	726.00	2,178.00
8"	1,161.60	3,484.80

WATER CHARGE

In addition to the Facility Charge set forth above, a charge will be made for all water used as registered by the meter.

<u>Gallons Per Month</u>	<u>Gallons Per Quarter</u>	<u>Rate Per 1,000 Gallons</u>
All	All	\$ 3.86

The Commission has suspended the effectiveness of the proposed new rates pending further investigation and public evidentiary hearings, which will be scheduled later, after further public notice.

The Commission will make its decision on this matter on the basis of the evidence of record taken at public evidentiary hearings and public comment sessions, which will be scheduled later and conducted upon due public notice. The Commission may approve or reject, in whole or in part, the proposed increase and may investigate a different method for allocating any increase should one be found to be appropriate.

Any person wishing to participate as a party in this docket should file an intervention petition with the Commission in accordance with Rule 11 of the Commission's Rules of Practice. Such petitions must be filed with the Commission at the address below on or before March 24, 2004. Petitions filed thereafter will not be considered except for good cause shown.

Interested customers and other persons are urged and invited to review the application and supporting materials to see how their individual interest may be affected. Copies of the application are available for public inspection during normal business hours in the Commission offices at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904. Persons may also inspect the application and

supporting materials by contacting the Division of the Public Advocate, Fourth Floor, Carvel State Office Building, 820 North French Street, Wilmington, Delaware 19901. (Tele.: (302) 577-3087.)

Any individual with disabilities who wishes to participate in, or to review these proceedings, should contact the Commission to discuss any auxiliary aids or services needed to facilitate such review or participation. Such contact may be in person, by writing, telephonically, or otherwise. The Commission's toll-free telephone number is 1-800-282-8574. Persons with questions concerning this application may contact the Commission's Secretary, Karen J. Nickerson, by either Text Telephone or regular telephone at (302) 739-4333, or by e-mail at karen.nickerson@state.de.us.