

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF )  
UNITED WATER DELAWARE INC., CONCERNING )  
THE ESTABLISHMENT OF A DISTRIBUTION ) PSC DOCKET NO. 02-418  
SYSTEM IMPROVEMENT CHARGE UNDER THE )  
PROVISIONS OF 26 DEL. C. § 314 TO BE )  
EFFECTIVE JANUARY 1, 2003 )  
(FILED NOVEMBER 27, 2002) )

IN THE MATTER OF THE APPLICATION OF )  
UNITED WATER DELAWARE INC., FOR APPROVAL )  
TO ESTABLISH A DISTRIBUTION SYSTEM ) PSC DOCKET NO. 03-206  
IMPROVEMENT CHARGE UNDER THE PROVISIONS )  
OF 26 DEL. C. § 314 TO BE EFFECTIVE )  
JULY 1, 2003 (FILED MAY 23, 2003) )

**ORDER NO. 6555**

This 25<sup>TH</sup> day of January, 2005, the Commission determines and Orders the following:

1. In 2003, United Water Delaware Inc. ("United") initiated and then adjusted its Distribution System Improvement Charge ("DSIC") rate. 26 Del. C. § 314 (2004 Supp.). The Commission allowed the initial rate and the later adjustment to go into effect, reserving further scrutiny of the charges until the time of the year-end reconciliation process required by 26 Del. C. § 314(b)(8) (2004 Supp.). See PSC Orders Nos. 6080 (Dec. 17, 2002) and 6184 (June 17, 2003).

2. Staff has now submitted the results of its year-end review, audit, and reconciliation. Staff reports that the improvements underlying the two DSIC charges were indeed "eligible" ones and that the components of the DSIC rate had been appropriately calculated in both instances. Staff also reports that the DSIC revenues received

over the year 2003 did not exceed the overall DSIC costs for that year.

3. Neither United nor the Division of the Public Advocate contest Staff's findings.

4. In light of Staff's report, the Commission now confirms the 2003 DSIC rates charged by United.

Now, therefore, **IT IS ORDERED:**

1. That the Distribution System Improvement Charge rates allowed to go into effect by PSC Orders Nos. 6080 (Dec. 17, 2002) and 6184 (June 17, 2003) are now confirmed as appropriate.

2. That no further adjustment to the Distribution System Improvement Charge rate for United Water Delaware Inc., is called for under the annual reconciliation process (26 Del C. § 314(b)(8)) for Distribution System Improvement Charge revenues received during the year 2003.

3. 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

PSC Dockets Nos. 02-418 & 03-206,  
Order No. 6555 Cont'd.

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Commissioner

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Commissioner

ATTEST:

/s/ Norma J. Sherwood  
Acting Secretary