

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

IN THE MATTER OF THE APPLICATION OF THE)
WOODLANDS OF MILLSBORO HOMEOWNERS')
ASSOCIATION FOR A TEMPORARY OPERATING)
CERTIFICATE TO PROVIDE WASTEWATER SERVICES) PSC DOCKET NO. 07-WW-008
TO THE COMMUNITY OF THE WOODLANDS OF)
MILLSBORO, SUSSEX COUNTY, DELAWARE)
(FILED FEBRUARY 8, 2007))

ORDER NO. 7204

AND NOW, this 19th day of June, 2007, the Delaware Public Service Commission ("Commission") determines and Orders as follows:

WHEREAS, on July 6, 2004, the Governor signed into law 74 Delaware Laws, Chapter 317, which amended a number of provisions of Title 26 of the Delaware Code and made private wastewater utilities serving fifty customers or more, in the aggregate, subject to the jurisdiction of the Commission;

AND WHEREAS, the Woodlands of Millsboro is a residential community in Sussex County, Delaware. Prior to July 6, 2004, Utility Systems, Inc. ("USI") owned and operated the wastewater system serving the Woodlands of Millsboro. Pursuant to 74 Delaware Laws, Chapter 317, USI and the wastewater system serving the Woodlands of Millsboro became subject to the Commission's jurisdiction;

AND WHEREAS, following the enactment of 74 Delaware Laws, Chapter 317, USI applied for and was awarded a Certificate of Public Convenience and Necessity ("CPCN") for the Woodlands of Millsboro by Order No. 6521 (Nov. 23, 2004) in Docket No. 04-WW-003;

AND WHEREAS, on August 22, 2006, the Commission entered Order No. 7014, in PSC Complaint Docket No. 342-06. In the Order (pg. 14, ¶ 1), the Commission ordered USI to file a written response to Order No. 7014 showing good cause, if any it had, why the CPCN for the Woodlands of Millsboro Community, previously granted to USI (Order No. 6521, Docket No. 04-WW-003) should not be revoked for the reasons set forth in Order No. 7014. USI was directed to file a written response to Order No. 7014 on or before September 11, 2006. Order No. 7014 is incorporated by reference herein;

AND WHEREAS, Order No. 7014 also provided that if USI failed to file, in a timely fashion, a written response to the Order, the Commission would revoke USI's CPCN without a hearing and without further notice to USI;

AND WHEREAS, USI failed to file a written response to Order No. 7014;

AND WHEREAS, for the reasons stated in Order No. 7014, and because USI failed to file a written response to the Order, the Commission revoked USI's CPCN for the Woodlands of Millsboro community;

AND WHEREAS, as set forth in Order No. 7014, USI abandoned and discontinued its regulated public utility business, operations, and services at the Woodlands of Millsboro community and failed to pay its contract operator White Marsh Environmental Systems, Inc. to operate the community wastewater system;

AND WHEREAS, the Woodlands of Millsboro Homeowners' Association ("Woodlands Homeowners' Association") has applied to the Commission

for a Temporary Operating Certificate for the community wastewater system;

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

1. That the Commission hereby recognizes the Woodlands Homeowners' Association as the owner and de facto operator of the Woodlands of Millsboro community wastewater system. The Woodlands Homeowners' Association is permitted to operate the Woodlands of Millsboro community wastewater system on a temporary basis until further Order of the Commission. The Woodlands Homeowners' Association may not abandon or discontinue operation of the system without prior approval of the Commission.

2. That the Woodlands Homeowners' Association shall operate the system in accordance with the provisions of Title 26 of the Delaware Code governing public wastewater utilities. The Woodlands Homeowners' Association is authorized to charge and collect rates from customers, subject to the requirements of Title 26 of the Delaware Code.

3. That this Order does not confer a Certificate of Public Convenience and Necessity upon the Woodlands Homeowners' Association.

4. That the Woodlands Homeowners' Association shall cooperate with the Commission Staff in all matters pertaining to the operation of the Woodlands of Millsboro community wastewater system, and shall abide by its obligations under Title 26 of the Delaware Code, and the Commission's Orders, rules, and regulations governing public wastewater utilities.

5. That the Commission hereby determines that, as the owner and de facto operator of the system, the Woodlands Homeowners' Association shall have the right, but not the obligation, to recover any unpaid fees for wastewater services owed by customers of the Woodlands of Millsboro wastewater system, including fees that were incurred during the period that Utility Systems, Inc. operated the wastewater system. Any delinquent fees collected pursuant to this Order shall be applied toward the maintenance, operation, repair, replacement, or management of the system.

6. That nothing herein shall be construed to relieve Utility Systems, Inc. or any other person from any obligation to pay for the operation, maintenance, repair, or replacement of the wastewater system at the Woodlands of Millsboro.

7. That the Commission retains jurisdiction in this matter, including the authority to enter such further orders and conduct such further proceedings as it deems just, proper, or appropriate.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jaymes B. Lester
Commissioner

PSC Docket No. 07-WW-008, Order No. 7204 Cont'd.

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary