

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

IN THE MATTER OF THE APPLICATION OF            )  
BROADKILN BEACH WATER COMPANY FOR AN        )        PSC DOCKET NO. 07-296  
INCREASE IN WATER RATES                        )  
(FILED OCTOBER 26, 2007)                        )

**ORDER NO. 7324**

**AND NOW**, to-wit, this 4<sup>th</sup> day of December, 2007;

**WHEREAS**, Broadkiln Beach Water Company ("Broadkiln Beach" or "the Company"), having, on October 26, 2007, filed with the Public Service Commission ("the Commission") an application with proposed revised tariffs designed to increase its rate for water service from \$235.00 per year to \$325 per year (to be phased-in over two years) for its 480 customers and to establish a new rate for wholesale bulk water sales to Prime Hook Water Company, an affiliated company, of \$1.50 per 1,000 gallons; and

**WHEREAS**, the Commission having determined that pursuant to the authority granted to the Commission by 26 Del. C. § 306(a)(1), the filing by Broadkiln Beach shall be suspended pending full and complete evidentiary hearings into the justness and reasonableness of the proposed new rates; now, therefore,

**IT IS ORDERED:**

1. That the rates and associated tariff changes filed by Broadkiln Beach Water Company with the Delaware Public Service Commission on October 26, 2007, 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 or pursuant to law, and then only to the extent such further Commission Order or such law may permit or allow.

2. That, pursuant to the requirements of 26 Del. C. §§ 102A and 304, Broadkiln Beach Water Company shall give public notice of the application for increased rates by causing the delivery, by mail or by other means, of the notice attached hereto as Exhibit "A" to all of its customers, including Prime Hook Water Company, by December 21, 2007. If delivery is made by mail, the Company should use the customer addresses it uses for billing purposes. Proof of such delivery (which may consist of a sworn affidavit from an officer of the Company) shall 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 Gary A. Myers is designated as Hearing Examiner for this matter pursuant to the terms of 26 Del. C. § 502 and 29 Del. C. ch. 101 to conduct a public hearing on March 19, 2008 for the purpose of developing a full and complete evidentiary record concerning the justness and reasonableness of the proposed increased rates and to thereafter file a report and recommendations with the Commission. Hearing Examiner Myers is specifically delegated the authority to grant or deny petitions seeking leave to intervene. In addition, Hearing Examiner Myers is delegated the authority, under 26 Del. C. § 102A, to determine the form and manner of any further public notice concerning this docket or may modify the attached form of notice as he deems necessary. Francis J. Murphy, Esquire, is designated Rate Counsel for this matter.

4. That the Applicant is hereby placed on notice that the cost of the proceeding will be charged to it under the provisions of 26 Del. C. § 114(b)(1).

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

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae  
Chair

/s/ Joann T. Conaway  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

/s/ Dallas Winslow  
Commissioner

/s/ Jeffrey J. Clark  
Commissioner

ATTEST:

/s/ Karen J. Nickerson  
Secretary

E X H I B I T "A"

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF )  
BROADKILN BEACH WATER COMPANY FOR AN ) PSC DOCKET NO. 07-296  
INCREASE IN WATER RATES )  
(FILED OCTOBER 26, 2007) )

NOTICE OF PUBLIC HEARING

**TO: ALL CUSTOMERS OF BROADKILN BEACH WATER COMPANY  
(INCLUDING PRIME HOOK WATER COMPANY)**

On October 26, 2007, Broadkiln Beach Water Company ("Broadkiln Beach" or "the Company") filed with the Public Service Commission ("the Commission") an application seeking to increase its rate for water services from \$235.00 per year to \$325.00 per year (to be phased-in over two years) and to establish a new rate for wholesale bulk water sales to Prime Hook Water Company, an affiliated company, of \$1.50 per 1,000 gallons. The new proposed rates are designed to produce a rate of return to the Company of 4.35 percent. Pursuant to 26 Del. C. § 306(a)(1), the Commission has suspended the effectiveness of the proposed new rates pending further investigation and a public evidentiary hearing.

Any person wishing to participate as a party in this docket (PSC Docket No. 07-296) should file for leave to intervene with the Commission in accordance with Rule 21 of the Commission Rules of Practice and Procedure. Such petitions should be filed on or before Wednesday, **January 16, 2008** at the Commission's office located at:

Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building  
Suite 100  
Dover, Delaware 19904  
(Attn: PSC Dckt. No. 07-296)

Petitions filed thereafter will not be considered except for good cause shown.

The Commission will make its decision on this matter on the basis of the evidence of record taken at a public evidentiary hearing, which will be held on Wednesday, **March 19, 2008**, at 10:00 AM, in the Commission's Dover office at the above address. In addition to taking evidence from the formal parties to the case, the Hearing Examiner will permit customers or other interested persons to offer oral comments regarding the application. Written comments will also be considered and should be submitted to the Commission no later than March 17, 2008. The Commission may approve or reject, in whole or in part, the proposed rate changes.

Interested persons are urged 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's Dover office at the address listed above or on the Commission's website at <http://www.state.de.us/delpsc/water.shtml>. Any individual with a disability 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, by telephone, or otherwise. For inquiries, the Commission's toll free telephone number (in Delaware) is 1-800-282-8574. Any person with questions may also contact the Commission Staff at (302)

736-7500. Inquiries can also be sent by Internet e-mail to  
vincent.ikwuagwu@state.de.us.