

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

IN THE MATTER OF THE APPLICATION)
OF UNITED WATER DELAWARE INC.)
FOR A GENERAL INCREASE IN RATES) PSC DOCKET NO. 09-60
AND FOR REVISIONS TO ITS TARIFF)
(FILED FEBRUARY 13, 2009))

ORDER NO. 7537

AND NOW, this 3rd day of March, 2009, United Water Delaware Inc. ("United"), having, on February 13, 2009, filed with the Delaware Public Service Commission (the "Commission") an application seeking approval for a general increase in its water rates and for approval of changes to its tariff; and

WHEREAS, in its application, United represents that it is seeking an increase in annual operating revenues of \$3,477,637 or 14.75% over present rates; 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 United shall be suspended pending full and complete evidentiary hearings into the justness and reasonableness of the proposed new rates and tariff sheets and a final decision of the Commission;

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. That the rates and revised tariff sheets filed by United Water Delaware Inc. on February 13, 2009 are hereby suspended pursuant to 26 *Del. C.* § 306(a)(1) and shall not be placed into force or effect

except pursuant to law or further Order of the Commission, and then only to the extent such law or further Commission Order may permit or allow.

2. That, pursuant to the requirements of 26 *Del. C.* §§ 102A and 304, United Water Delaware Inc. shall give public notice of the application for increased rates and revised tariff sheets by causing the publication of the notice attached hereto as Exhibit "A" in The News Journal newspaper, in two-column format, outlined in black, on March 6, 2009. United shall file proof of such publication 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 Mark Lawrence 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, upon due notice, such public comment sessions and evidentiary hearings, as may be necessary, to have a full and complete record concerning the justness and reasonableness of the proposed increased rates and tariff modifications. Thereafter, the Hearing Examiner shall file with the Commission his proposed findings and recommendations. Pursuant to Rule 21 of the Commission's Rules of Practice and Procedure, the Hearing Examiner is specifically delegated the authority to grant or deny petitions seeking leave to intervene. In addition, the Hearing Examiner is delegated the authority, under 26 *Del. C.* § 102(A), to determine the form and manner of any further public notice in this matter.

4. United Water Delaware Inc. is hereby placed on notice that the costs of the proceedings 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 further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

Commissioner

/s/ Jeffrey J. Clark
Commissioner

/s/ Jaymes B. Lester
Commissioner

Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary

E X H I B I T "A"

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PUBLIC NOTICE OF APPLICATION OF UNITED WATER DELAWARE INC. FOR A
GENERAL INCREASE IN RATES AND FOR REVISIONS TO ITS TARIFF

TO: ALL CUSTOMERS OF UNITED WATER DELAWARE INC.:

On February 13, 2009, United Water Delaware Inc. ("United" or "the Company"), filed an application with the Delaware Public Service Commission ("the Commission") seeking approval for an increase in its water service rates and for revisions to its tariff.

In its application, United is seeking an increase in annual operating revenues of \$3,477,637 or 14.75% over existing rates.

Below is a comparison of United's present rates and proposed new rates:

WATER CHARGE - RATE PER THOUSAND GALLONS

RESIDENTIAL

USAGE	PRESENT RATE	PROPOSED RATE
0-5,000	\$2.7717	\$3.3349
5,001-20,000	\$3.3012	\$3.9720
Over 20,000	\$4.6540	\$5.5996

COMMERCIAL

USAGE	PRESENT RATE	PROPOSED RATE
All Consumption	\$2.7405	\$3.3775

INDUSTRIAL

USAGE	PRESENT RATE	PROPOSED RATE
0-1,400,000	\$2.5558	\$3.1719
Over 1,400,000	\$1.9067	\$2.3663

PUBLIC AUTHORITY

USAGE	PRESENT RATE	PROPOSED RATE
All Consumption	\$2.3922	\$3.0231

SALES FOR RESALE

USAGE	PRESENT RATE	PROPOSED RATE
All Consumption	\$2.2927	\$2.9896

CUSTOMER SERVICE CHARGES FOR RESIDENTIAL AND COMMERCIAL SERVICE
(BILLED IN ADDITION TO THE CONSUMPTION USAGE;
NO ALLOWANCE FOR WATER INCLUDED)

MONTHLY			QUARTERLY		
Meter Size	Present Rate	Proposed Rate	Meter Size	Present Rate	Proposed Rate
5/8"	\$9.50	\$11.60	5/8"	\$28.50	\$34.80
3/4"	\$11.40	\$13.92	3/4"	\$34.20	\$41.76
1"	\$15.08	\$18.42	1"	\$45.25	\$55.26
1 1/4"	\$17.72	\$21.65	1 1/4"	\$53.15	\$64.95
1 1/2"	\$21.98	\$26.84	1 1/2"	\$65.95	\$80.52
2"	\$32.68	\$39.92	2"	\$98.05	\$119.76
3"	\$83.03	\$101.41	3"	\$249.10	\$304.23
4"	\$111.23	\$135.85	4"	\$333.70	\$407.55
6"	\$178.32	\$217.79	6"	\$534.95	\$653.37
8"	\$255.95	\$312.61	8"	\$767.85	\$937.83
10"	\$332.87	\$406.56	10"	\$998.60	\$1,219.68

PUBLIC FIRE HYDRANT

MONTHLY			QUARTERLY		
Meter Size	Present Rate	Proposed Rate	Meter Size	Present Rate	Proposed Rate
5/8"	\$2.08	\$2.19	5/8"	\$6.24	\$6.57
3/4"	\$3.11	\$3.27	3/4"	\$9.33	\$9.81
1"	\$5.19	\$5.46	1"	\$15.57	\$16.38
1 1/4"	\$7.80	\$8.21	1 1/4"	\$23.40	\$24.63
1 1/2"	\$10.38	\$10.93	1 1/2"	\$31.14	\$32.79
2"	\$16.63	\$17.51	2"	\$49.89	\$52.53
3"	\$31.18	\$32.83	3"	\$93.54	\$98.49
4"	\$51.97	\$54.72	4"	\$155.91	\$164.16
6"	\$103.98	\$109.48	6"	\$311.94	\$328.44
8"	\$166.37	\$175.17	8"	\$499.11	\$525.51
10"	\$239.17	\$251.82	10"	\$717.51	\$755.46

PRIVATE FIRE PROTECTION - MONTHLY

Service Line	Present Rate	Proposed Rate
1 1/2"	\$5.68	\$5.98
2"	\$23.59	\$24.84
4"	\$37.73	\$39.73
6"	\$94.28	\$99.27
8"	\$169.92	\$178.59
10"	\$263.95	\$277.91
12"	\$377.04	\$396.99

Charge Per Private Hydrant:

	Present Rate	Proposed Rate
Maintained by Company	\$113.18	\$119.17
Maintained by Customer	\$94.28	\$99.27

On March 3, 2009, the Commission, pursuant to 26 Del. C. § 306(a)(1), suspended the effectiveness of the proposed new rates and tariff revisions pending further investigation, public comment sessions, and public evidentiary hearings, which will be held later after further public notice. However, United is expected to exercise its rights under 26 Del. C. § 306(c) to place a portion of its

proposed increases into effect under bond and subject to refund sixty (60) days after the initial February 13, 2009 filing date.

The Commission will make its decision on this matter on the basis of the evidence of record taken at the public evidentiary hearings. The Commission may approve or reject, in whole or in part, the proposed increase and tariff revisions and may approve a different method for allocating any increase should one be found to be appropriate.

United customers are invited to review the application and supporting documents to determine how your interest may be affected. You may review the documents during normal business hours in the Commission's Dover office at the address listed below or on the Commission's website at www.state.de.us/delpsc/water.shtml. You may also review copies of the filing at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801. Please call (302) 577-5077 to arrange for a time to review the documents at that location. If you wish to participate as a party in this docket, with the right to present evidence and be heard by counsel, you must file a petition to intervene under Rule 11 of the Commission's Rules of Practice and Procedure. You must file that petition on or before **Friday, March 20, 2009** at the Commission's office located at:

Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building
Suite 100
Dover, Delaware 19904
ATTN: PSC Docket No. 09-60

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

If you have a disability and wish to participate in, or to review the materials in these proceedings, please contact the Commission to discuss any auxiliary aids or services which you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means. If you have questions about this matter, you can call the Commission at 1-800-282-8574 (toll-free in Delaware) or you may call (302)736-7500 (voice and text telephone). You may also send questions or request information by Internet e-mail addressed to vincent.ikwuagwu@state.de.us or heidi.wagner@state.de.us.