

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
SUSSEX SHORES WATER COMPANY FOR THE)
APPROVAL OF THE SEMI-ANNUAL ADJUSTMENT)
TO THE DISTRIBUTION SYSTEM IMPROVEMENT) DOCKET NO. 15-1602
CHARGE PURSUANT TO 26 *DEL. C.* §314)
(FILED NOVEMBER 30, 2015))

ORDER NO. 8834

This 15th day of December, 2015, the Delaware Public Service Commission (the "Commission") determines and orders the following:

WHEREAS, on November 30, 2015, Sussex Shores Water Company ("Sussex Shores") filed an application (the "Application") to implement a "Distribution System Improvement Charge" ("DSIC Rate")¹ pursuant to 26 *Del. C.* §314; and

WHEREAS, the Application requested implementation of a DSIC Rate of 2.83%. The requested DSIC Rate is based on net additional plant of \$266,646 and an associated semi-annual depreciation expense of \$1,894; and

WHEREAS, Staff has reviewed the Application and has determined that the requested DSIC Rate is less than a 5% increase in current rates and, therefore, satisfies the requirements of 26 *Del. C.* §314(b)(7); and

WHEREAS, Staff recommends that the Commission not specifically approve the requested DSIC Rate, but rather permit

¹ The DSIC Rate mechanism is described in greater detail in PSC Order #5850 dated December 11, 2001.

the requested DSIC Rate to go into effect on January 1, 2016, on an interim basis and subject to review, audit, and an annual reconciliation based on the 12-month period ending December 31, 2016 (the "Audit"); and

WHEREAS, Staff further recommends that if the Audit reflects that the requested DSIC Rate was improperly calculated, the Commission should properly revise the requested DSIC Rate and provide an appropriate remedy for any DSIC charges improperly collected.

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

1. Pursuant to 26 *Del. C.* §314, the Commission allows the requested DSIC Rate of 2.83% to go into effect on January 1, 2016, on an interim basis and subject to the Audit and our final approval.

2. Pursuant to 26 *Del. C.* §314(b)(1), Sussex Shores shall provide information to its customers concerning the requested DSIC Rate.

3. Pursuant to 26 *Del. C.* §314(b)(8), the Commission reserves jurisdiction and authority to conduct the Audit. Sussex Shores is put on notice that it may be obligated to refund or reimburse customers if the Audit determines that the requested DSIC Rate was improperly calculated.

4. Sussex Shores is hereby notified that it will be assessed the costs of this proceeding pursuant to 26 *Del. C.* §114(b).

5. 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:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary