

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. 10-421  
AND FOR REVISIONS TO ITS TARIFF )  
(FILED DECEMBER 6, 2010) )

**ORDER NO. 7889**

**AND NOW**, this 11<sup>TH</sup> day of January, 2011, United Water Delaware Inc. ("United"), having, on December 6, 2010, 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 \$3,679,299 or 16.04% over present rates;<sup>1</sup> 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:**

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<sup>1</sup> United notes that its proposed increase in base rates includes \$203,772 of an existing Distribution System Improvement Charge. Because United proposes to roll this amount into base rates, United notes that the total change in base rates is equivalent to \$3,883,071, or about 16.93%.

1. That the rates and revised tariff sheets filed by United Water Delaware Inc. on December 6, 2010 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 or before January 19, 2011. 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

/s/ Joann T. Conaway  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

/s/ Dallas Winslow  
Commissioner

/s/ Jeffrey J. Clark  
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley  
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 December 6, 2010, 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 \$3,679,299 or 16.04% over present 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	\$3.1208	\$3.7424
5,001-20,000	\$3.7170	\$4.4573
Over 20,000	\$5.2401	\$6.2838

COMMERCIAL

USAGE	PRESENT RATE	PROPOSED RATE
All Consumption	\$3.1273	\$3.6896

INDUSTRIAL

USAGE	PRESENT RATE	PROPOSED RATE
0-1,400,000	\$2.9292	\$3.4347
Over 1,400,000	\$2.1864	\$2.5687

PUBLIC AUTHORITY

USAGE	PRESENT RATE	PROPOSED RATE
All Consumption	\$2.7653	\$3.2901

SALES FOR RESALE

USAGE	PRESENT RATE	PROPOSED RATE
All Consumption	\$2.6961	\$3.1636

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"	\$10.79	\$12.22	5/8"	\$32.37	\$36.66
3/4"	\$12.96	\$14.68	3/4"	\$38.88	\$44.04
1"	\$17.14	\$19.41	1"	\$51.42	\$58.23
1 1/4"	\$20.10	\$22.76	1 1/4"	\$60.30	\$68.28
1 1/2"	\$24.99	\$28.30	1 1/2"	\$74.97	\$84.90
2"	\$37.14	\$42.06	2"	\$111.42	\$126.18
3"	\$94.37	\$106.88	3"	\$283.11	\$320.64
4"	\$126.42	\$143.17	4"	\$379.26	\$429.51
6"	\$202.65	\$229.51	6"	\$607.95	\$688.53

8"	\$290.88	\$329.43	8"	\$872.64	\$988.29
10"	\$378.30	\$428.44	10"	\$1,134.90	\$1,285.32

PUBLIC FIRE HYDRANT

MONTHLY			QUARTERLY		
Meter Size	Present Rate	Proposed Rate	Meter Size	Present Rate	Proposed Rate
5/8"	\$2.19	\$2.57	5/8"	\$6.57	\$7.71
3/4"	\$3.27	\$3.84	3/4"	\$9.81	\$11.51
1"	\$5.46	\$6.41	1"	\$16.38	\$19.22
1 1/4"	\$8.21	\$9.63	1 1/4"	\$24.63	\$28.88
1 1/2"	\$10.93	\$12.83	1 1/2"	\$32.79	\$38.48
2"	\$17.51	\$20.55	2"	\$52.53	\$61.64
3"	\$32.83	\$38.52	3"	\$98.49	\$115.57
4"	\$54.72	\$64.21	4"	\$164.16	\$192.63
6"	\$109.48	\$128.47	6"	\$328.44	\$385.40
8"	\$175.17	\$205.54	8"	\$525.51	\$616.61
10"	\$251.82	\$295.48	10"	\$755.46	\$886.44

PRIVATE FIRE PROTECTION - MONTHLY

Service Line	Present Rate	Proposed Rate
1 1/2"	\$5.98	\$7.01
2"	\$24.84	\$29.15
4"	\$39.73	\$46.62
6"	\$99.27	\$116.48
8"	\$178.59	\$209.56
10"	\$277.91	\$326.10
12"	\$396.99	\$465.82

Charge Per Public and Private Hydrant:

	Present Rate	Proposed Rate
Maintained by Company	\$119.17	\$139.83
Maintained by Customer	\$99.27	\$116.48

On January 11, 2011, 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 December 6, 2010 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](http://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 **February 14, 2011** 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. 10-421

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 [heidi.wagner@state.de.us](mailto:heidi.wagner@state.de.us).