

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
SLAUGHTER BEACH WATER COMPANY FOR AN) PSC DOCKET NO. 13-364
INCREASE IN WATER RATES)
(FILED SEPTEMBER 18, 2013))

ORDER NO. 8526

AND NOW, on this 6th day of February, 2014, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on September 18, 2013, Slaughter Beach Water Company ("Slaughter Beach" or the "Company") filed an application (the "Application") seeking approval to increase its unmetered annual residential water service rate from \$210 to \$336, an increase of \$126, representing a 60% proposed increase; and to increase its metered annual commercial rate from \$146 to \$175, an increase of \$29, representing a 20% proposed increase; plus a \$.50 increase on each 1000 gallons over 25,000 gal./month from \$2.50 to \$3.00 per month, along with increases in other miscellaneous service charges (collectively, the Proposed Rate Increase); and

WHEREAS, the Application asserts that the Proposed Rate Increase is necessary "to continue to provide quality water service to the Town of Slaughter Beach"; and

WHEREAS, on October 22, 2013, the Commission entered Order No. 8474, suspending the requested increase pursuant to 26 Del. C. § 306(a)(1) and requiring that Slaughter Beach Water Company send a notice to each of its customers. The notice provided for a deadline to submit comments or objections to Slaughter Beach's requested rate

increase. Additionally, Order No. 8474 directed Staff to investigate whether the Proposed Rate Increase is just and reasonable.

WHEREAS, Commission Staff has confirmed that the Company sent the notice to its customers; and

WHEREAS, Staff has also completed its review of the Application and recommends approval.

WHEREAS, Staff recommends the Company should make more timely applications to the Commission when making requests for increases in rates to avoid rate shock to its customers and to make the Company more viable. Staff is concerned about the Company's future viability and will be monitoring the Company's year-end financials beginning in March, 2014.

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

1. The Proposed Rate Increase is hereby approved, effective February 6, 2014.

2. No later than March 31st of each year, Slaughter Beach shall file annual financial reports with the Commission that detail its income and expenses for the preceding calendar year.

3. Within 30 days of this Order, Slaughter Beach shall file updated tariff leaves with the Commission reflecting the rates approved herein.

4. 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:

Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Jeffrey J. Clark
Commissioner

Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary