

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

IN THE MATTER OF THE APPLICATION OF)
CANTWELL WATER COMPANY FOR AN INCREASE) PSC DOCKET NO. 10-138
IN WATER RATES (FILED April 9, 2010))

ORDER NO. 7780

AND NOW, on this 18th day of May, 2010:

WHEREAS, Cantwell Water Company ("Cantwell" or the "Company"), a regulated water company serving approximately 39 unmetered customers in Odessa, Delaware; and

WHEREAS, on April 9, 2010, Cantwell filed an application with the Commission (the "Application"), seeking approval of a new quarterly water rate of \$110, which represents a 206% increase, according to the Company. Cantwell states that this rate increase is necessary "to bring Cantwell into full cost pricing and to build a reasonable reserve to cover emergencies and contingencies."; and

WHEREAS, according to the Application, Cantwell had never charged an amount sufficient to accumulate a reserve, emergencies were covered out-of-pocket, and the operator who had been providing his services free of charge will be retiring and a new operator will need to be hired and paid a salary; and

WHEREAS, Cantwell states that it has applied for a \$63,000 loan with the State Revolving Fund, the proceeds of which the Company plans to use to pay for the cost of installing water meters for each of its customers.

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

1. That the rate proposed by Cantwell Water Company in its application filed with the Commission on April 9, 2010, is 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, by no later than June 1, 2010, Cantwell Water Company shall send a copy of the notice attached hereto as "**Exhibit A**" to each of its water customers and file proof of such service with the Commission.

3. That the Commission will hold a public hearing on Cantwell Water Company's rate application on August 17, 2010, during the Commission's regularly scheduled Commission meeting, or at such further time as the Commission may order.

4. That Commission Staff shall investigate the justness and reasonableness of the proposed rate and, following its investigation, report to the Commission with its recommendation.

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/ Jeffrey J. Clark
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jaymes B. Lester
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary

"EXHIBIT A"

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IN THE MATTER OF THE APPLICATION OF)
CANTWELL WATER COMPANY FOR AN INCREASE) PSC DOCKET NO. 10-138
IN WATER RATES (FILED April 9, 2010))

**NOTICE OF APPLICATION OF CANTWELL WATER
COMPANY FOR AN INCREASE IN WATER RATES**

TO: ALL CUSTOMERS OF CANTWELL WATER COMPANY

On April 9, 2010, Cantwell Water Company ("Cantwell") filed an application (the "Application") with the Delaware Public Service Commission (the "Commission"), seeking approval of a new quarterly water rate of \$110. Cantwell states that this rate increase is necessary "to bring Cantwell into full cost pricing and to build a reasonable reserve to cover emergencies and contingencies." Cantwell also states that it has never charged an amount sufficient to accumulate a reserve, emergencies were covered out-of-pocket, and its operator who had been donating his services in maintaining and operating the water company is retiring and a new operator will need to be hired and paid a salary.

On May 18, 2010, in PSC Order No. 7780, the PSC suspended the requested rate and set a hearing on the Application for August 17, 2010 at 1:00 p.m. at the Commission's address below. You are invited to attend the public hearing and you may be heard at the hearing on the Application.

You may also submit written comments or an objection. **If you choose to submit written comments or an objection, you must do so by June 30, 2010.** If you wish to comment or object, you should file ten copies of such comments or objections with the PSC at the address set forth below:

Public Service Commission
861 Silver Lake Blvd.
Cannon Bldg., Suite 100
Dover, DE 19904
Attn: PSC Docket No. 10-138

If possible, you should also file an electronic copy of your comments or objections as an attachment to an Internet e-mail addressed to vincent.ikwuagwu@state.de.us. **You do not have to submit written comments or an objection in order to attend, and be heard at, the August 17, 2010 hearing described above.**

The PSC urges you to review copies of Cantwell's Application to learn the details of the Company's rate request. You can review the Application, and supporting material, at the Commission's office at the address denoted above.

If you are disabled and need assistance in participating in this matter, please contact the Commission to discuss such assistance. You can contact the PSC about this matter at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (text telephone also). You may also send your inquiries by Internet e-mail addressed to vincent.ikwuagwu@state.de.us.