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 AND FOR REVISIONS TO ITS TARIFF
(FILED DECEMBER 6, 2010)

ORDER NO. 7900

AND NOW, this 27th 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;¹ and

WHEREAS, on January 11, 2011, the Commission entered PSC Order No. 7889, suspending the proposed rate increase pursuant to 26 Del. C. §306(a)(1), pending evidentiary hearings into the justness and reasonableness of the proposed new rates and tariff sheets and a final decision of the Commission and requiring public notice of United’s application and proposed rate increase;

WHEREAS, United having, on January 13, 2011, filed with the Commission a Petition of United Water Delaware Inc. to Put Interim Rates Into Effect under Bond (the “Petition”) seeking to place

¹ According to United, 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%.
temporary rates under bond and revised tariff leaves carrying an
effective date of February 4, 2011, establishing rates as permitted by
26 Del. C. §306(c) to enable the Company to collect under bond, and
subject to refund, an annual revenue increase of approximately
$2,500,000, or a net increase of approximately 10%, which does not
exceed 15% of the public utility's annual gross intrastate operating
revenues or $2,500,000, whichever is less; and

WHEREAS, Commission Staff has reviewed the petition and its
attachments, including a proposed form of rate refunding bond and
tariff sheets, and has recommended the approval of the petition;

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

1. That the Commission finds, pursuant to 26 Del. C. §306(c),
that United Water Delaware Inc. has the statutory right, on and after
the expiration of sixty (60) days from the filing of its rate increase
application, to place into effect temporary rates, subject to refund,
so long as such temporary rates do not exceed the lesser of fifteen
percent of the Company's annual gross intrastate operating revenues or
$2,500,000, and provided that the Commission approve as reasonable the
amount of the bond and the surety thereon.

2. That the Commission hereby approves as reasonable the form
of rate refunding bond attached to the petition filed by United Water
Delaware Inc. on January 13, 2011, in the principal amount of
$2,500,000, and further waives the requirement for a surety on such
rate refunding bond to further guarantee the repayment of the interim
rates collected pursuant to 26 Del. C. §306(c). A duly executed rate refunding bond without surety shall be filed prior February 10, 2011.

3. That the proposed temporary rates set forth above in the petition of United Water Delaware Inc. and in its revised tariff leaves are reasonably designed to produce, on an annual basis, less than $2,500,000 and less than fifteen percent of the gross annual intrastate operating revenues of United Water Delaware Inc., and may, therefore, be placed into effect on February 4, 2011, under 26 Del. C. §306(c), subject to any refund as the Commission may hereafter Order.

4. 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