BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF
UNITED WATER DELAWARE INC. IMPLEMENTING
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
PURSUANT TO 26 DEL. C. §314
(FILED NOVEMBER 27, 2013)

ORDER NO. 8501

This 17th day of December 2013, the Public Service Commission of Delaware (the "Commission") determines and Orders the following:

WHEREAS, on November 27, 2013, United Water Delaware Inc. ("United") 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 requests implementation of a DSIC Rate of 5.28%, an increase of 1.13% over the last period which became effective July 1, 2013. The requested DSIC Rate is based on net additional plant of $1,302,705.00 and an associated semi-annual depreciation expense of $23,216,00; 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 the requested DSIC Rate to go into effect on January 1, 2014 on an interim basis subject

¹ The DSIC Rate mechanism is described in greater detail in PSC Order #5850 dated December 11, 2001.
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to review, audit and an annual reconciliation based on the 12-month
period ending December 31, 2014 (the “Audit”); and

WHEREAS, Staff further recommends that if the Audit reflects that
the requested DSIC Rate was improperly calculated, the Commission
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 requested DSIC Rate of
   5.28% is allowed to go into effect on January 1, 2014 on an interim
   basis subject to the Audit and final approval.

2. Pursuant to 26 Del. C. §314(b)(1), United 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. United 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. United 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:

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Chair
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/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Jeffrey J. Clark
Commissioner

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Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary