

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

IN THE MATTER OF THE APPLICATION )  
OF SUSSEX SHORES WATER COMPANY )  
FOR A GENERAL INCREASE IN WATER ) PSC DOCKET NO. 20-0421  
SERVICE RATES AND TO REISSUE )  
ITS GENERAL TARIFF )  
(FILED JUNE 28, 2020) )

**ORDER NO. 9629**

**AND NOW**, this 19th day of August 2020, the Delaware Public Service Commission (“Commission”) determines and orders the following:

**WHEREAS**, on June 28, 2020, Sussex Shores Water Company (“Sussex Shores”) filed an Application (“Application”) with the Commission seeking approval of: (1) an increase in its water service rates of \$223,332, which is a 13.19% increase over existing base rates; and (2) several changes to its water service tariff as described in the Application; and

**WHEREAS**, Sussex Shores has requested that the Commission approve its Application and authorize the proposed rates to become effective August 27, 2020; and

**WHEREAS**, 26 *Del. C.* § 306(a)(1) permits the Commission to suspend the operation of a utility’s proposed rate change for a period not to exceed seven months after the filing of a utility’s rate change request; and

**WHEREAS**, Sussex Shores has asserted that if the Commission exercises its discretion to suspend the proposed rate increase pursuant to 26 *Del. C.* § 306(a), it intends to exercise its right to put increased rates into effect under bond sixty (60) days after the filing of the Application, to the extent permitted pursuant to 26 *Del. C.* §306(c);<sup>1</sup> and

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<sup>1</sup> 26 *Del. C.* § 306(c) provides, in pertinent part, that notwithstanding 26 *Del. C.* § 306(a) and (b), 60 days after the filing of a petition for a proposed change to any rate, a public utility may put a rate into effect under bond as authorized

**WHEREAS**, on July 31, 2020, Sussex Shores filed with the Commission a petition (the "Petition") pursuant to *26 Del. C. § 306(c)* seeking authority to place in effect interim rates, under bond and subject to refund, intended to produce an annual increase of \$111,094 in revenues; and

**WHEREAS**, as part of its Petition, Sussex Shores requests that the Commission accept its longstanding history as a regulated utility and its commitment to abide by all orders of the Commission in this docket as surety and satisfactory protection of all parties' and ratepayers' interests in this matter in lieu of a surety bond as authorized in *26 Del. C. § 306(b)*;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NO FEWER THAN THREE COMMISSIONERS:**

1. That, pursuant to the Commission's authority under *26 Del. C. § 306(a)(1)*, the Commission hereby suspends the rates and revised tariff sheets set forth in Sussex Shores' Application pending the completion of evidentiary hearings regarding the justness and reasonableness of the proposed new rates and tariff changes and a final decision by the Commission. The proposed new rates and tariff changes 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 Commission's authority under *26 Del. C. § 306(a)(2)*, Sussex Shores' request to implement interim rates intended to produce an annual increase of \$111,094 in annual revenues effective August 27, 2020, with proration and subject to refund, is granted.

3. That Sussex Shores' longstanding history as a regulated utility and its commitment to abide by all orders of the Commission in this docket is a satisfactory substitute for a bond and sufficient surety to meet the requirements of *26 Del. C. § 306(b)*.

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in *26 Del. C. § 306(b)*, provided that the increase does not constitute an increase in excess of 15 percent of the public utility's annual gross intrastate operating revenues or \$2,500,000 annually, whichever is less.

4. That Sussex Shores shall provide public notice of the filing of its Application with the proposed rate changes and this Commission action by publishing notice in the form attached as **Exhibit "A"** in the legal classified section of the Delaware State News, The Coastal Point and the Delaware Wave newspaper the week of **August 31, 2020**. Sussex Shores shall file with the Commission proof of such publication as soon as possible thereafter.

5. That the Commission designates Hearing Examiner Glenn Kenton as the 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, Hearing Examiner Kenton shall file with the Commission for its consideration his proposed order with his findings and recommendations. Pursuant to 29 *Del. C.* § 10126(a), such proposed order must include: (i) a brief summary of the evidence and recommended findings of fact based upon the evidence; (ii) recommended conclusions of law; and (iii) a recommended decision.

6. That, pursuant to 29 *Del. C.* ch. 101 and 26 *Del. Admin. C.* § 1001-2.9, Hearing Examiner Kenton is specifically delegated the authority to grant or deny petitions seeking leave to intervene and for admission of counsel *pro hac vice*. In addition, Hearing Examiner Kenton is delegated the authority, under 26 *Del. C.* §102(A), to determine the form and manner of any further public notice in this matter.

7. That the deadline for filing petitions to intervene pursuant to 26 *Del. Admin. C.* § 1001-2.9 shall be **Thursday, September 23, 2020**. Late-filed petitions to intervene will not be granted unless good cause is shown.

8. That Sussex Shores is hereby placed on notice that the costs incurred by the Commission Staff and by the Division of the Public Advocate in this proceeding will be charged to it under the provisions of 26 *Del. C.* § 114(b)(1).

9. 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:**

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Chairman – Dallas Winslow

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Commissioner – Joann T. Conaway

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Commissioner – Harold B. Gray

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Commissioner – Manubhai C. Karia

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Commissioner – K. F. Drexler

ATTEST:

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Secretary – Donna Nickerson

**EXHIBIT “A”**

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OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION )  
OF SUSSEX SHORES WATER COMPANY )  
FOR A GENERAL INCREASE IN WATER ) PSC DOCKET NO. 20-0421  
SERVICE RATES AND TO REISSUE ITS )  
GENERAL TARIFF )  
(FILED JUNE 28, 2020) )

**PUBLIC NOTICE OF APPLICATION OF SUSSEX SHORES WATER COMPANY  
FOR AN INCREASE IN BASE RATES AND MISCELLANEOUS TARIFF CHANGES**

**TO: ALL WATER CUSTOMERS OF SUSSEX SHORES WATER COMPANY:**

On June 28, 2020, Sussex Shores Water Company (“Sussex Shores” or the “Company”) filed with the Delaware Public Service Commission (“Commission”) an application for an increase in water rates, as tabulated below, and to effect several changes to its rules and regulations (“Application”). The proposed changes to Sussex Shores’ rules and regulations include: (1) a provision clarifying the costs and expenses customers and developers are required to pay, as a contribution in aid of construction, in connection with any water main extensions; (2) a provision that expressly allows Sussex Shores to gross up any portion of a contribution in aid of construction deemed to be taxable income, as authorized in the Commission’s *Minimum Standards Governing Service Provided By Water Utilities*, 26 Del. Admin. C. § 2001-3.8.6; and (3) minor technical changes and clarifications to make corrections and improve readability.

In the Application, Sussex Shores seeks an increase in annual operating revenues of \$223,332, or an increase of 13.19% over existing base rates.

The following is a comparison of Sussex Shores’ present and proposed rates:

**FIXED CUSTOMER CHARGE (Per Quarter)**

<b>Meter Size</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
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5/8"	\$86.24	\$97.62
3/4"	\$101.92	\$115.38
1"	\$168.00	\$190.16
1-1/2"	\$897.12	\$1015.45
2"	\$2,241.12	\$2,536.72

**Water Usage Charge (per 1,000 gallons)**

<b>Gallons Per Quarter</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
0-5,000 Gallons	\$3.60	\$4.07
5001-20,000 Gallons	\$5.13	\$5.81
Over 20,000 Gallons	\$6.53	\$7.39

**Public Fire Hydrant Service (Per Quarter)**

	<b>Current Charge</b>	<b>Proposed Charge</b>
Per Hydrant	\$127.31	\$144.10

**Private Fire Line Service (Per Quarter)**

<b>Meter Size</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
1" (New Proposed)		\$25.46
1 1/2"	\$50.61	\$57.29
2"	\$89.15	\$100.91
3"	\$113.67	\$128.66
4"	\$127.70	\$144.54
6"	\$155.18	\$175.65
10"	\$341.00	\$385.98

**Miscellaneous Service Charges**

	<b>Current Rate</b>	<b>Proposed Rate</b>
Turning on Water Service	\$22.00	\$30.00
Turning off Water Service	\$22.00	\$30.00
Turning on Water Service During Non-working hours	\$43.00	\$72.00
Turning off Water Service During Non-working hours	\$43.00	\$72.00
Transfer of Service to a New Customer without a Turn Off	\$26.00	\$42.00
Payment Returned by Bank	\$20.00	\$42.00

On August 19, 2020, in Order No. XXXX, the Commission, pursuant to 26 *Del. C.* § 306(a)(1), suspended the effect of the proposed new rates, tariff revisions and other requested relief pending further investigation, public comment sessions, and public evidentiary hearings, which will be held later after further public notice. The commission also granted Sussex Shores' petition for authority to place a portion of its proposed increases into effect, subject to refund on August 27, 2020, pursuant to 26 *Del. C.* § 306(c).

The Commission will make its decision on this matter on the basis of the record evidence 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 (if it finds one to be appropriate).

You are invited to review Sussex Shores' Application and supporting documents to determine how your interests may be affected by going to DelaFile (<http://delafile.delaware.gov>), the Commission's docketing and file management system, and by searching for Docket No. 20-0421.

If you wish to formally participate as a party in this matter, with the right to present evidence and be represented by counsel, you must file with the Commission a petition asking for leave to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 *Del. Admin. C.* § 1001-2.9) **on or before Thursday, September 23, 2020**. All such petitions should be filed in DelaFile according to the Commission's Rules (26 *Del. Admin. C.* § 1001-1.6.4). Petitions filed after the deadline of September 3, 2020, will not be considered except for good cause shown.

If you would like to review documents at the Commission's offices, please contact Donna Nickerson at (302) 736-7500 or send an email addressed to [donna.nickerson@delaware.gov](mailto:donna.nickerson@delaware.gov). You

may also review copies of Sussex Shores' Application and supporting documents at the office of the Division of the Public Advocate located at either 820 North French Street, 4th Floor, Wilmington, Delaware 19801 or 29 South State Street, Dover, Delaware 19901. Please call either (302) 577-5077 or (302) 241-2555 to arrange for a time to review the documents at either of those locations.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. The link to this form can be found on the Commission's website, <http://depsec.delaware.gov>, or by visiting this web address: <https://delafile.delaware.gov/Complaints/FOIA.aspx>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, *29 Del. C. ch. 100*.

If you have a disability and wish to participate or to review the materials in this matter, please contact the Commission to discuss any auxiliary aids or services 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 may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to [psc@delaware.gov](mailto:psc@delaware.gov) with "Docket No. 20-0421" in the subject line.