

SOUTHERN SHORES WATER COMPANY, L.L.C.  
P.S.C. Del. No. 1 - Water

Original Cover Page

SOUTHERN SHORES WATER COMPANY, L.L.C.

Schedule made and filed by Southern Shores Water Company, L.L.C., pursuant to the requirements of the Public Service Commission of the State of Delaware, showing the rates, charges, rules and regulations applicable to its water service in the State of Delaware.

Tariff for

Water Service

Applicable To Service Areas in

Sussex County, Delaware

By: Gerard L. Esposito, President  
1100 South Little Creek Road  
Dover Delaware 19901  
1-800- 523-7224 or 302-734-7500

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SOUTHERN SHORES WATER COMPANY, L.L.C.

I. RULES AND REGULATIONS GOVERNING WATER  
SERVICE AND SERVICE RATES AND CHARGES

1. APPLICATIONS FOR SERVICE

1.1 DEFINITIONS:

- a) “Associations” means the Sea Colony Condominium Associations and the Sea Colony Recreational Association
- b) “Customer” means the owner or lessee of the property, or any person, partnership, firm, association or corporation or governmental agency being supplied with water by the Company.
- c) “Company” means Southern Shores Water Company, L.L.C..
- d) “Premises” means the land and building or structure owned, rented or leased by the customer.
- e) “Water Main” means a water pipe line owned and maintained by the Company, located in public rights-of-way or utility easements, which distributes water to the premises of one or more customers.
- f) “Commission” means Delaware Public Service Commission.
- g) “Unit” means commercial space from which a business is operated or a dwelling occupied or intended to be occupied as separate living quarters by a single family, a group of persons living together as a household or a person living alone, consisting of a house, townhouse, mobile home, apartment or efficiency apartment, containing private kitchen, bathroom and sleeping facilities.
- h) “Office of the Company” means 1100 South Little Creek Road, Dover Delaware 19901; Telephone (800) 523-7224 or (302) 734-7500.

1.2 WRITTEN APPLICATION FOR CONNECTION AND SERVICE:

A new water service connection will be made and water furnished upon receipt of written application signed by the property owner or lessee, or his properly authorized agent, together with payment of the service connection charge and deposit, if any. Application forms for this purpose will be furnished by the Company and all applications must receive the approval of the Company before connection is made or water furnished.

1.3 APPLICATION FOR SERVICE:

Where a connection had been previously installed and new water service is desired, for example, because of a change of ownership or occupancy, a proper written or oral notification is to be made by the owner or lessee. The Company shall have the right upon ten days notice to disconnect water service to the premises until such notification is made and approved.

1.4 COMMENCEMENT OF SERVICE:

Upon installation of a service connection and turn on of water service to the property, the billing period will commence, regardless of the date when the customer may make first actual use of such connected and available services.

1.5 RENEWAL OF DISCONTINUED SERVICE:

Service will be renewed under a proper application when the conditions under which such service was discontinued are corrected and upon the payment of all charges and amounts due as provided in the schedule of rates and rules of the Company.

2. CUSTOMER DEPOSITS AND BILLINGS

2.1 GENERAL:

The Company may require deposits from customers who have failed to make timely payment to secure future payment of bills for water service. The amount of the deposit shall equal the applicable minimum service charge for a period of six billing periods.

2.2 INTEREST ON DEPOSITS:

Interest on the deposit will accrue at the current rate approved by the Commission. Interest accruing on customer deposits will be credited to the customers' bills once every twelve months.

2.3 RETURN OF DEPOSITS:

Deposits received from customers will be held for twenty-four consecutive billing periods. If the depositor's water bill has been paid in full by the due date for each such twenty-four consecutive billing periods, the deposit will be refunded by a credit to the customer's account, with interest, in the next quarterly billing period.

3. SERVICE CONNECTIONS

3.1 COMPANY MAINS AND SERVICE LINES:

The Company will make all connections to its mains, furnish and install and maintain all service lines from the main to and including the curb stop and box, or meter stop and meter box, which will be placed inside the curb line, right of way or easement, all of which service lines will be the property of the Company and under its control. The Company reserves the right to determine the size and kind of the Company service line which runs from the water main to the curb stop or meter stop and which is to be installed by the Company at the rates usually charged for such installation. The minimum size service for commercial customers shall be one inch.

3.2 PROPERTY OWNER SERVICE LINE:

The Company will prescribe the size, type and class of pipe and all materials laid between the curb stop and the property which is to be furnished and installed by the owner of the property. All service lines must have a meter pit with approved yoke and stops installed within ten feet of the property line. All service lines from the curb to the property must be laid in a straight line and at least 42" below the surface of the ground.

The customer shall install all service lines located on its premises in accordance with the following Company specifications: Minimum size of  $\frac{3}{4}$  inch diameter pipe: SCH 40 PVC, SDR-7 or SDR-9, connected only with glue or compression fittings. No hose clamp fittings shall be permitted. The customer shall also install a proper shut-off valve in the service line before such line enters the customer's building, structure or water fixtures.

The Company shall not be responsible for low water pressure caused by abnormally long and/or undersized service lines.

3.3 STANDBY OR SUPPLEMENTAL CONNECTION:

A customer desiring water service for standby to supplement his present water supply shall make application for service and agree to a water service contract. Under no circumstances shall a Company water service be connected to any other source of water. A positive air break of at least six inches must be maintained between Company water supplies and any other water source.

3.4 SEPARATE TRENCH:

No water service pipe shall be laid in the same trench with gas pipe, drain or sewer pipe, or electric cable, or any other facility. All sewer connections must be laid in a separate trench having a minimum 10-foot separation.

3.5 PROPERTY SUPPLIED BY SINGLE SERVICE LINE:

A customer service line from the meter to a property shall not supply more than one property, except under special circumstances approved in writing by the Company. Any such property upon written request of the owner may be supplied by two or more meters, each of which shall be considered for billing purposes as being one customer account, and provided that each supply to each such meter has an individual control at or near the curb. Installation or continuance of any such multiple meter applications shall be in the discretion of the Company, and the Company shall have the right to reduce, modify or discontinue any service as it sees fit.

3.6 CROSS CONNECTION CONTROL

Customers shall install back flow prevention equipment on their service lines when they connect any irrigation system or equipment on their property. All back flow prevention equipment must be approved by the Company prior to installation.

4. DISCONTINUANCE OF SERVICE

4.1 AT THE REQUEST OF THE CUSTOMER:

All agreements regarding water service shall continue in full force and effect until and unless reasonable oral or written notice is given of a desire to terminate the contract by reason of a customer moving off the Company's system in the event of a change in ownership or occupancy. Water may be turned off from the premises temporarily upon the oral or written request of the customer and upon payment to the Company of the approved Turn-off Charge without in any way affecting the existing agreement for service or the customer's duty to pay the approved Facilities Charges. In the event a Seasonal Turn Off is requested, the customer shall pay the approved seasonal Turn-off Charge at the time of the turn off. In each case service will be restored upon payment of any required Turn-on Charge and other amounts due before service is restored.

4.2 BY COMPANY:

Service may be discontinued by the Company for any of the following reasons:

- (a) For the use of water for any property or purpose other than described in the application.
- (b) For the willful waste of water through improper or imperfect pipes, fixtures, use or otherwise.
- (c) For tampering with or damaging any service pipe, meter, curb stop, cock, or seal, or any other equipment or appliance of the Company.
- (d) In case of vacancy of the property.
- (e) For neglecting to make or renew deposits or for nonpayment of any charge due under the rules or tariff of the Company.
- (f) For refusal of reasonable access to the property for purpose of inspecting, reading, or removing the meter, and for failure to afford Company access to the meter at least once every month during the Company's regular working hours, on Monday through Friday.
- (g) For making or refusing to sever any cross-connection between a pipe or a fixture carrying water furnished by the Company and a pipe or fixture carrying water from any other source.
- (h) For nonpayment of water service or repair charges.
- (i) For interfering with or adversely affecting or impairing service to other customers of the Company.
- (j) For extending service lines or other water lines to other buildings, structures or water fixtures without first obtaining prior written approval of the Company and/or refusing to pay the applicable tariff for such extensions of the Company's water service.

- (k) For refusal to have water pipes properly arranged for meter installation.
- (l) If water bills have not been paid in twenty days, water service may be discontinued in accordance with the delinquent bill procedures provided in these rules. For temporary shut-off either requested by a customer or for failure to pay past due bills there will be a charge for turning off and there will be a charge for turning back on.
- (m) For violation of any rules of the Company as filed with the Public Service Commission or any violation of State or Municipal regulations governing such water service.
- (n) The Company can discontinue service immediately when it receives notice that a customer has issued a bad check to cover a past due water account that was scheduled for disconnection due to non-payment.
- (o) For any other reasons set forth in the regulations of the Commission (“Minimum Standards Governing Service Provided by Public Water Companies”).

#### 4.3 TURNING OFF WATER WITHOUT AUTHORITY:

A service may be turned on or turned off only by the Company. The customer shall not turn the water on or off at any curb or meter stop or disconnect or remove the meter or permit its disconnection or removal without the written consent of the Company. Turning on or turning off service shall not be deemed as a discontinuance of service or a termination of the service contract.

4.4 TEMPORARY DISCONTINUANCE OF SERVICE:

As necessity may arise in the case of breakdown, emergency or any other unavoidable cause, the Company shall have the right to shut off the water supply temporarily in order to make the necessary repairs, connections, etc.; but the Company will use all reasonable and practical measures to notify the customer in advance of such temporary discontinuance of service. In such case, the Company shall not in any way be liable for any loss or damage or any inconvenience suffered by the customer or any claim of any nature for interruption in service, lessening of supply, inadequate pressure, poor quality of water, or for any other cause beyond its control. When a supply of water is to be temporarily shut off, notice will be given, when practicable, to all customers affected by the shutting off, stating the probable duration of the interruption of service, and also the purpose for which the shut off is made.

4.5 RESERVATION AND REGULATION OF SUPPLY:

The Company shall have the right to reserve a sufficient supply of water at all times in its reservoirs to provide for fire service (if applicable) and other emergencies, and may restrict or regulate the quantity or manner of water used by the customer in case of scarcity or whenever the public welfare may require it.

4.6 ACCESS:

Company's authorized agent may have access to customer's premises during regular business hours or at such other times as may be necessary in the case of an emergency. Whenever practicable, the Company will notify the customer in advance of its intent to access the premises.

5. METERS

5.1 METERS FURNISHED BY THE COMPANY:

All meters will be furnished and installed by the Company and will remain the property of the Company and be accessible to and subject to its control.

5.2 ALL SERVICES TO BE METERED:

Except for service to the thirty (30) existing Sea Colony developments, known as East Phase I through East Phase VII and West Phase I through West Phase XXIII, each service line from a curb to a property shall be metered, and the Company reserves the right to determine the size and type of the meter (including remote meters and appurtenances).

5.3 LOCATION OF METERS:

All installed meters shall be set in suitable below ground meter boxes or in a suitable location on the outside or inside of a building on the premises, by the Company. A below-ground meter box shall be located within ten feet of the property line. Meters 1-1/2" and larger shall be set within the building in an open space so that the meter is accessible at all times for reading and repair. A meter shall never be placed behind an appliance, heating equipment, or other fixtures hindering its free and easy access. In cases where it is not practical to put a meter within a building, or at the discretion of the Company, a brick or concrete pit shall be provided at the owner's cost to house the meter. A suitable steel or cast-iron cover shall be provided. The Company shall make available to the customer or his agents a drawing of the meter box. All meters three inches and larger shall be provided with a bypass to provide the customer with emergency water. After plumbing has been installed and tested, the meter bars must be removed, bypasses closed, and the water shut off at the curb so that the water is not available until the meter has been installed.

Remote meters and related appurtenances may be installed in a form and location determined by the Company. The customer shall provide reasonable access to such equipment.

Water service for construction purposes will be supplied through a metered connection.

5.4 RESPONSIBILITY FOR DAMAGE:

Meters will be maintained and repaired by the Company so far as ordinary wear and tear are concerned; but damage due to freezing, hot water, or external damage due to negligence of the customer shall be paid for by the customer. The Company's judgment shall be final and binding in all matters pertaining to repairs to meters.

5.5 COST OF REPAIR OR REINSTALLATION:

The charge for repair or reinstallation or changing of the meter when removed because of damage in any way due to the negligence of the customer will be charged for on the basis of labor and materials to repair.

5.6 MINIMUM CHARGE:

Reserved.

5.7 NOTICE TO COMPANY OF METER PROBLEMS:

The customer shall immediately notify the Company of injury to or the inaccuracy or non-working of the meter as soon as it comes to his knowledge.

5.8 REGISTRATION CONCLUSIVE:

The quantity recorded by the meter shall be conclusive on both the customer and the Company, except when the meter has been found to be registering inaccurately or has ceased to register. In such case the quantity may be determined by the average registration of the meter when in order.

5.9 DISPUTED ACCOUNT:

In case of a disputed account involving the accuracy of the meter, such meter will be tested upon the request of the customer in conformity with the provisions of the rules and regulations of the Commission pertaining to water utilities. In the event that the meter so tested is found to have an error in registration in excess of 2%, slow or fast, the bills will be increased or decreased accordingly, as provided by the aforesaid rules.

5.10 REQUEST FOR METER TEST:

When meters are removed after installation, at the request of the customer for testing, the following rules of the Commission will apply:

Upon request by a customer, the utility shall make a test of the accuracy of the registration of the meter serving his premises.

If the meter is found to be within 2% of zero error the customer may be billed for the testing. The amount of the fee shall be \$30.06, for meter service up to one inch, and for other domestic services up to two inches the fee shall be \$60.11. If the meter is found to be greater than 2% of zero error the customer shall not be charged for testing.

The customer or his representative may be present when the meter is tested. In either case, a written report of the results of the test shall be made to the customer within a reasonable time after the completion of the test. A record of the report along with the complete record of the test shall be kept on file at the utility's office for at least three years.

5.11 PERIODIC METER TESTS:

In order to check the accuracy of registration of meters in service, periodic tests shall be made by the Company and at intervals not exceeding the following rules of the Commission:

- |     |                         |                     |
|-----|-------------------------|---------------------|
| (1) | 5/8 in. and ¾ in.       | Once every 15 years |
| (2) | 1 in. and 1-1/2 in.     | Once every 10 years |
| (3) | 2 in., 3 in., and 4 in. | Once every 3 years  |
| (4) | 6 in. and larger        | Once every year     |

6. PUBLIC FIRE SERVICE

6.1 ALLOWABLE USE:

No person except an authorized agent of the Company or other person authorized by the Company shall take water from any public fire hydrant or hose plug, except for fire purposes or the use of the fire department in case of fire, and no public fire hydrant shall be used for sprinkling streets, flushing sewers or gutters, or for any other purposes except with the approval and consent of the Company.

6.2 MAINTENANCE:

All fire hydrants shall be maintained by the Company.

6.3 CHANGE OF LOCATION:

Upon written request for a change in the location of any fire hydrant, the Company, if an approved location can be found, will make such change at the expense of the person making the request. Charges shall be based on time and material to make such changes.

6.4 INSPECTION:

Upon request of the Fire Marshall or duly authorized officials of any municipality or governing body, the Company will make inspections at convenient times and at reasonable intervals to determine the condition of the fire hydrants, such inspections to be made by a representative of the Company and a duly authorized representative of the Fire Marshall or municipality.

7. RESPONSIBILITY OF THE COMPANY

7.1 LIMITATION OF COMPANY RESPONSIBILITY:

It is agreed by the parties receiving fire service and any other water service, that the Company does not assume any liability as insurer of property or person and that the Company does not guarantee any continuing or special service, pressure, capacity, or facility. It is agreed by the parties receiving services that the Company shall be free and exempt of any and all claims for loss, damage or injury to any person or property by reason of fire, water leak or flood, failure to maintain water pressure or capacity.

8. BILLS AND PAYMENT

8.1 PLACE OF PAYMENT:

Bills are payable at the office of the Company or other designated location, forthwith upon receipt.

8.2 BILLS RENDERED AND DUE:

Regular meter readings will be made for each billing period and bills will be rendered as soon as possible after the reading of the meter. All bills are due and payable upon presentation or delivery.

All charges will be in accordance with tariffs approved by the Commission, a copy of which is attached hereto.

**DELINQUENT BILLS:**

If a bill remains unpaid for a period of twenty-five (25) days from the effective billing date it shall be classified as delinquent, and a late notice will be sent. If the bill is then not paid within ten (10) days of mailing of the late notice and if payment arrangements are not made service will be terminated. If service is thus terminated it will not be restored until all unpaid bills and charges including the turn off and turn on charges are paid or satisfactory arrangements are made for payment. If the bill serves a multi-dwelling premise, a tag will be attached to the entrance door and the service will be terminated within forty-eight (48) hours.

The Company shall charge a late fee payment of 0.75% per month on all account balances that are not paid within thirty (30) days from the date rendered.

**8.4 SEASONAL AND TEMPORARY VOLUNTARY TURN OFFS:**

Customers with metered service may request a Voluntary Turn Off by giving notice to the Company and paying the Voluntary Turn Off Charge. Service thus suspended will not be restored until all unpaid bills and charges including turn off charges are paid or satisfactory arrangements are made for payment. The amount of the Voluntary Turn Off Charge will depend upon meter size and is set forth below.

9. GENERAL

9.1 COMPLAINTS:

Complaints with regard to the character of quality of service furnished or the reading of meters or the bills rendered, must be made at the Company's office, and a record of such complaint will be kept by the Company, giving the name and address of the complainant, date of occurrence and nature of the complaint, deposition and findings.

9.2 GENERAL:

All pipes, meters and fixtures shall be subject at all reasonable hours to inspection by properly identified employees of the Company. No plumber, owner, or other unauthorized person shall turn the water on or off at the curb or meter stop or disconnect or remove the meter without the consent of the Company.

No agent or employee of the Company has authority to bind it to any promise, agreement, or representation not provided for in these rules and regulations.

The Company reserves the right, subject to the approval of the Public Service Commission, to change, take from, or add to, the foregoing rules and regulation.

SOUTHERN SHORES WATER COMPANY, L.L.C.  
P.S.C. Del. No. 1 - Water

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EFFECTIVE DATE: JUNE 1, 2011

II. SCHEDULE OF RATES AND CHARGES

1. CONDOMINIUM UNIT FIXED SERVICE CHARGE:

The table below sets forth the condominium unit fixed service fee schedule per month of non-metered potable water service:

May 1, 2011	\$30.94
January 1, 2012	\$33.69
January 1, 2013	\$36.59
January 1, 2014	\$39.33
January 1, 2015	\$41.69

For each year beginning January 1, 2016, 2017, 2018, 2019 and 2020, the previous calendar year's fixed service fee shall be increased to the product determined by multiplying the previous calendar year's fixed service fee, including any adjustments pursuant to paragraph 4, by a fraction, the numerator of which shall be the U.S. Department of Labor Bureau of Labor statistics Consumer Price Index, Urban Earners and Clerical Workers (CPI-U), Washington, D.C. MD-VA, All items (September 2014 = 100)(x the "CPI") for September of the year proceeding the year of adjustment for which the increased fixed service fee is being established, and the denominator of which shall be the CPI for the September of the year prior to that. In no event shall the aforesaid CPI adjustment cause the adjusted fixed service fee to be lower than the fixed service fee for the previous calendar year, nor shall the CPI adjustment exceed three percent (3%) in any single calendar year. If the CPI is changed so that a base year other than 1982-84 is used, then the CPI shall be converted in accordance with the conversion factor published by the Bureau of Labor Statistics or other agency of the United States government. If the CPI is discontinued or otherwise revised, then such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the CPI had not been discontinued or revised.

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2. METERED SERVICE CHARGES:

The table below sets forth the consumption or volumetric rate for each 1,000 gallons (tg) of potable water registered through the meter of each Metered Service account:

	Rate per tg		Rate per tg
May 1, 2011	\$7.34	January 1, 2016	\$7.97
January 1, 2012	\$7.34	January 1, 2017	\$7.97
January 1, 2013	\$7.97	January 1, 2018	\$7.97
January 1, 2014	\$7.97	January 1, 2019	\$7.97
January 1, 2015	\$7.97	January 1, 2020	\$7.97

In the event revenues generated by rates charged for metered service within the Sea Colony complex fall below \$30,000 annually, the condominium unit fixed service fee schedule in Part II, Section 1 of this Tariff shall be adjusted to restore annual metered revenues to a floor of \$30,000. Any such adjustment shall be made without regard to limitations on increases as set forth in Part II, Section 1 of this Tariff. The annual period to measure said metered revenues shall be a twelve month fiscal period that ends on October 31<sup>st</sup> with any required adjustment to be effective the next January 1<sup>st</sup>. If any of the Associations decides to install a new or additional metered system for the purpose of watering grass, shrubs, flowerbeds or other metered uses, then said Association agrees to pay to SSWC the rate per tg shown in this paragraph, plus all costs associated with the installation of a water meter. Upon such installation the Company, the meter installed will be owned by the Company. If any of the Associations decides to terminate an existing irrigation service, then said Association shall be required to reimburse the Company for the cost and expense to safely and securely sever the service. Said reimbursement shall be on a time and material basis without any profit mark-up.

3. COMMERCIAL METERED SERVICE CHARGES:

The consumption or volumetric rate for each 1,000 gallons (tg) of potable water registered through the meter of each Commercial Metered Service account is \$7.00 per tg.