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MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Lisa B. Driggins, Public Utilities Analyst 

DATE: August 26, 2014

SUBJECT: IN THE MATTER OF THE APPLICATION OF TIDEWATER UTILITIES, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICES PURSUANT TO 26 DEL. C. §203C ("PEP-UP") (SUBMITTED FEBRUARY 18, 2014; FILED JUNE 20, 2014) - PSC DOCKET NO. 14-CPCN-02

On February 18, 2014, Tidewater Utilities, Inc. ("Tidewater" or the "Company") submitted an application ("Application") with the Delaware Public Service Commission (the "Commission") seeking a Certificate of Public Convenience and Necessity ("CPCN") to provide water services to one parcel of land in Sussex County, Delaware, known as the Pep-up ("Proposed Service Area") pursuant to 26 *Del. C.* §203C(e)(1)b.

As required by 26 *Del. C.* §203C(e)(1)b. and the Commission's Regulations Governing Certificates of Public Convenience and Necessity for Water Utilities, 26 *Del. Admin. C.* §2002 (the "Regulations"), the Application contains the following documentation: (1) a copy of a petition signed by all of the landowners of record included in the Proposed Service Area requesting to be included in the Proposed Service Area; (2) copies of the United States Postal Service forms verifying that the Company sent, via certified mail, a Commission approved notice to all landowners of record of each parcel included in the Proposed Service Area; (3) a list of the County tax map parcel identification numbers of the properties and identification of all landowners of record included in the Proposed Service Area;¹ and (4) a copy of the associated tax map clearly marking the Proposed Service Area. Additionally, the Application contains Tidewater's statement that its expansion of service to the Proposed Service Area will comply with the water pressure requirements of 26 *Del. C.* §§403(a) and (b) and that Tidewater is not barred by any of the restrictions set forth in 26 *Del. C.* §403(c).

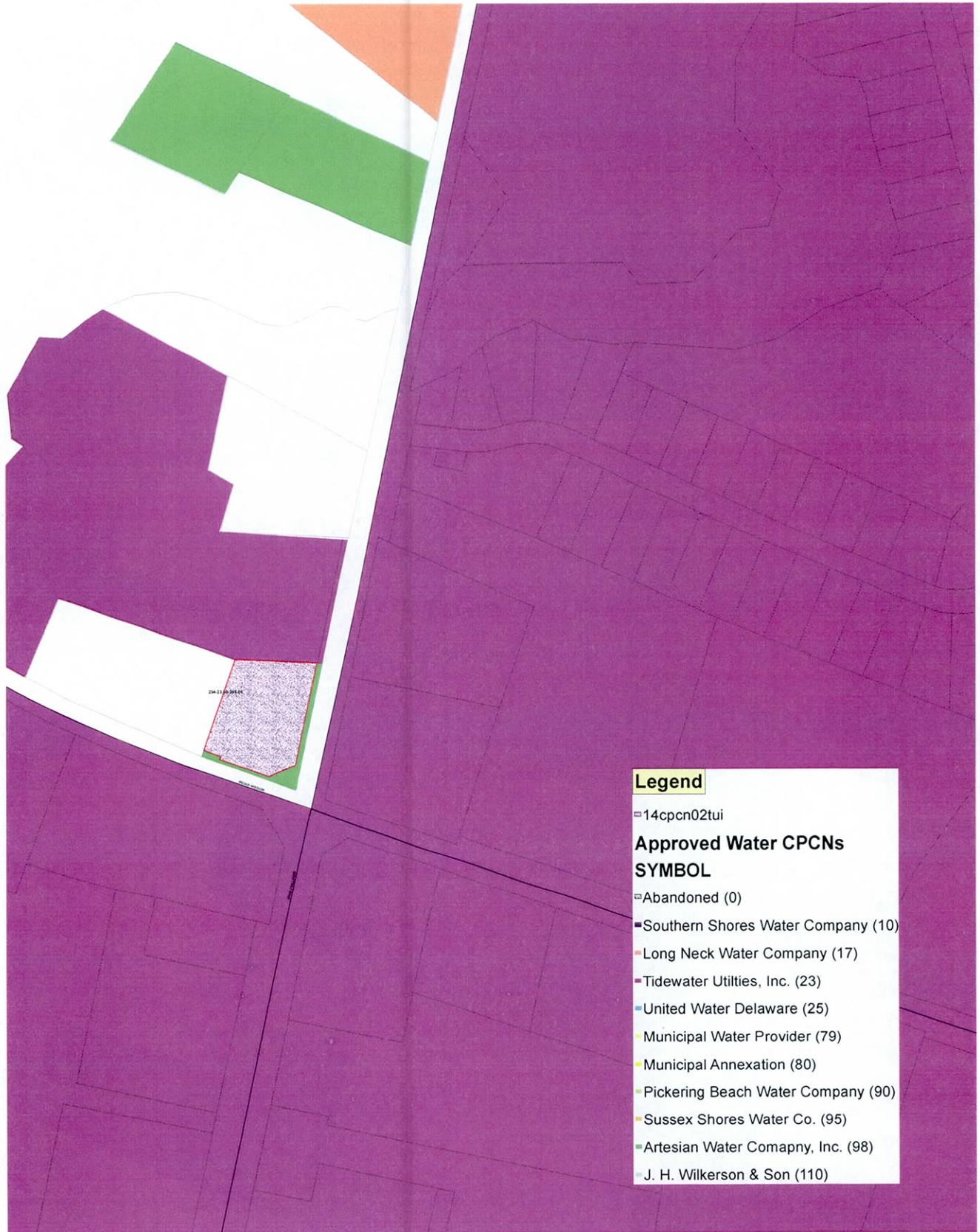
¹At Staff's request, Tidewater submitted a written certification that the Company (i) reviewed the appropriate tax or land record documents relating to the Proposed Service Area; (ii) confirmed that the landowner identified in the parcel listing are the landowners of record; and (iii) confirmed that the petitions included in the Application have been signed by each landowner of record.

In addition to the required notification to all the landowners of record in the Proposed Service Area, Tidewater published a notice in The News Journal on February 20, 2014, and Delaware State News newspaper on February 21, 2014. The notice advised the public of the Application, that the Application may be reviewed at the Commission's office during normal business hours or on the Commission's website, that a hearing on this matter would not be held unless an appropriate request for a hearing was received, and that the property owner may object to or "opt-out" of the Proposed Service Area. To date, no comments regarding the Company or this Application have been received, and no landowners of record included in the Proposed Service Area have objected to the Application or elected to "opt-out" of the Proposed Service Area.

At the request of the Commission Staff ("Staff"), on June 20, 2014, the Company filed additional required information to show that the individuals who signed the petitions on behalf of the only landowner for the Proposed Service Area had the legal authority to sign such petitions.

Staff reviewed the completed Application to ensure compliance with the statutory provisions of 26 *Del. C.* §203C and the Regulations. No errors or omissions were found. Finally, to determine whether the Commission should deny the requested CPCN as set forth in 26 *Del. C.* §203C(f), Staff solicited comments from the Delaware Department of Natural Resources and Environmental Control, the Office of the State Fire Marshal, and the Office of Drinking Water of the Division of Public Health. All three agencies responded and confirmed they have no issues relating to Tidewater's ability to provide safe, adequate, and reliable water services to its existing customers.

In summary, Tidewater has submitted the necessary proof required by the provisions of 26 *Del. C.* §§203C(e)(1), 203C(e)(1)b., 203C(e)(3) and the Regulations for issuance of a CPCN. Staff also finds no reason to deny the Company a CPCN under the provisions of 26 *Del. C.* §203C(f). Therefore, Staff recommends that the Commission grant the Application.



Legend

14cpcn02tui

Approved Water CPCNs

SYMBOL

- Abandoned (0)
- Southern Shores Water Company (10)
- Long Neck Water Company (17)
- Tidewater Utilities, Inc. (23)
- United Water Delaware (25)
- Municipal Water Provider (79)
- Municipal Annexation (80)
- Pickering Beach Water Company (90)
- Sussex Shores Water Co. (95)
- Artesian Water Comapny, Inc. (98)
- J. H. Wilkerson & Son (110)