

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

IN THE MATTER OF THE APPLICATION OF )  
TIDEWATER UTILITIES, INC., FOR )  
APPROVAL TO ENTER INTO A LONG-TERM ) PSC DOCKET NO. 04-50  
DEBT OBLIGATION TO THE DELAWARE )  
DRINKING WATER STATE REVOLVING FUND )  
(FILED FEBRUARY 11, 2004) )

**ORDER NO. 6370**

**AND NOW**, to-wit, this 24th day of February, 2004, Tidewater Utilities, Inc. ("Tidewater" or "the Company"), having, pursuant to 26 Del. C. § 215, filed the above-captioned application for approval by the Commission of the issuance of a 20-year long-term General Obligation Note (Series 2004-SRF) to the Delaware Safe Drinking Water Revolving Fund ("Revolving Fund") in the principal amount of Eight Hundred Eighty-Two Thousand Five Hundred Thirty Five Dollars (\$882,535), with a fixed rate of interest to be set pursuant to the Revolving Fund's current interest rate policy; and

**WHEREAS**, Tidewater has represented that the proceeds from such note will be utilized to defray costs associated with the financing of the Woodfield, Jonathan's Landing, and Rehoboth/Lewes District water system improvement projects; and

**WHEREAS**, the Commission having examined said application and having made such investigation in connection therewith as deemed necessary, and having concluded that the proposed issuance is in accordance with law, for a proper purpose, and consistent with the public interest; and

**WHEREAS**, the Commission is limited in its authority with respect to utility financing applications pursuant to 26 Del. C. § 215 under the holding of Diamond State Tel. Co. v. Public Serv. Commission, Del.

Supr., 367 A.2d 644 (1976), to the extent that, among other things, the future rate impact of the proposed financing is not deemed an appropriate consideration in making a determination concerning such applications; now, therefore,

**IT IS ORDERED:**

1. That the application of Tidewater Utilities, Inc., filed with the Commission in the above-captioned matter on February 11, 2004, for approval of the issuance of a long-term General Obligation Note in the principal amount of Eight Hundred Eighty-Two Thousand Five Hundred Thirty Five Dollars (\$882,535) is hereby granted and approved.

2. That the approval of this application by the Commission is not to be construed as approving any capitalization ratios which result therefrom for any purposes, or in any proceedings involving ratemaking, nor is the burden of proof as imposed by statute upon the utility affected by this approval.

3. That nothing in this Order shall be construed as a guarantee, warranty, or representation of any kind by the State of Delaware or by any agency, commission, or department thereof with respect to the indebtedness which may be incurred under the authority herein granted.

4. That Tidewater Utilities, Inc. shall, within thirty (30) days after execution of the General Obligation Note - Series 2004-SRF -herein granted, file with the Commission a letter confirming issuance of such note.

5. 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/ Joshua M. Twilley  
Vice Chair

/s/ Joann T. Conaway  
Commissioner

/s/ Donald J. Puglisi  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

ATTEST:

/s/ Karen J. Nickerson  
Secretary