

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
TIDEWATER UTILITIES, INC., FOR APPROVAL)
TO ESTABLISH A DISTRIBUTION SYSTEM) PSC DOCKET NO. 03-210
IMPROVEMENT CHARGE UNDER THE PROVISIONS)
OF 26 DEL. C. § 314 TO BE EFFECTIVE)
JULY 1, 2003 (FILED MAY 30, 2003))

ORDER NO. 6560

This 25TH day of January, 2005, the Commission determines and Orders the following:

1. In July 2003, Tidewater Utilities, Inc. ("Tidewater"), initiated its Distribution System Improvement Charge ("DSIC") rate. See 26 Del. C. § 314 (2004 Supp.). The Commission allowed such charge to go into effect, reserving further scrutiny of the charge until the time of the year-end reconciliation process required by 26 Del. C. § 314(b)(8) (2004 Supp.). See PSC Order No. 6185 (June 17, 2003).

2. Staff has now submitted the results of its year-end review, audit, and reconciliation for the year 2003. Staff reports that the improvements underlying Tidewater's 2003 DSIC charge were indeed "eligible" ones and that the components of that charge had been appropriately calculated. Staff also reports that the actual DSIC revenues received by Tidewater over the year 2003 were slightly below (3.8%) the projected DSIC revenues for that year.

3. Neither Tidewater nor the Division of the Public Advocate contests Staff's findings. Tidewater has waived the recovery of any under-collections in DSIC revenues during the year 2003.

4. In light of Staff's report, the Commission now confirms the 2003 DSIC rate initiated by Tidewater in July, 2003.

Now, therefore, **IT IS ORDERED:**

1. That the Distribution System Improvement Charge rate allowed to go into effect by PSC Order No. 6185 (June 17, 2003) is now confirmed.

2. That no "under-collections" under the reconciliation process of 26 Del C. § 314(b)(8) for the year 2003 shall be carried forward to any future Distribution System Improvement Charge rate for Tidewater Utilities, Inc., and no such "under-collections" or "over-collections" were made a part of the general rate increase approved by PSC Order No. 6494 (Oct. 19, 2004).

3. 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

Commissioner

PSC Docket No. 03-210, Order No. 6560 Cont'd.

Commissioner

ATTEST:

/s/ Norma J. Sherwood
Acting Secretary