

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)
OF TIDEWATER UTILITIES, INC.) PSC DOCKET NO. 06-145
FOR AN INCREASE IN WATER RATES)
(FILED APRIL 28, 2006))

ORDER NO. 6922

AND NOW, this 23rd day of May, 2006, Tidewater Utilities, Inc. ("Tidewater"), having, on April 28, 2006, filed with the Commission an application seeking approval for a general increase in its rates; and

WHEREAS, in its application, Tidewater represents that it is seeking an increase in annual operating revenues of \$5,495,350 or 38.58% over current revenues; and

WHEREAS, the Commission having determined that pursuant to the authority granted to the Commission by 26 Del. C. § 306(a)(1), the filing by Tidewater shall be suspended pending full and complete evidentiary hearings into the justness and reasonableness of the proposed new rates and tariff sheets and a final decision of the Commission; now, therefore,

IT IS ORDERED:

1. That the rates and revised tariff sheets filed by Tidewater Utilities, Inc., on April 28, 2006, are hereby suspended pursuant to 26 Del. C. § 306(a)(1) and 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 requirements of 26 Del. C. §§ 102A and 304, Tidewater Utilities, Inc., shall give public notice of the application for increased rates and revised tariff sheets by causing the

publication of the notice attached hereto as Exhibit "A" in The News Journal and Delaware State News newspapers, in two-column format, outlined in black, on the following dates:

Tuesday, May 30, 2006 (The News Journal)

Wednesday, May 31, 2006 (Delaware State News).

Tidewater Utilities, Inc., shall file proof of such publication with the Commission as soon thereafter as is reasonably practicable but prior to the date set for any evidentiary hearing in this docket.

3. That William F. O'Brien is designated as 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, the Hearing Examiner shall file with the Commission his proposed findings and recommendations. Pursuant to Rule 21 of the Commission's Rules of Practice and Procedure, the Hearing Examiner is specifically delegated the authority to grant or deny petitions seeking leave to intervene. In addition, the Hearing Examiner is delegated the authority, under 26 Del. C. § 102(A), to determine the form and manner of any further public notice in this matter.

4. That James McC. Geddes, Esquire, is designated Rate Counsel for this matter. The Applicant is hereby placed on notice that the costs of the proceeding will be charged to it under the provisions of 26 Del. C. § 114(b)(1).

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IN THE MATTER OF THE APPLICATION)
OF TIDEWATER UTILITIES, INC.) PSC DOCKET NO. 06-145
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(FILED APRIL 28, 2006))

PUBLIC NOTICE OF APPLICATION OF TIDEWATER UTILITIES, INC., FOR
INCREASED UNIFORM RATES FOR WATER SERVICE

TO: ALL CUSTOMERS OF TIDEWATER UTILITIES, INC.

On April 28, 2006, Tidewater Utilities, Inc. ("Tidewater" or "the Company"), filed an application with the Delaware Public Service Commission ("the Commission") seeking approval for an increase in its water service rates.

In its application, Tidewater is seeking an increase in annual operating revenues of \$5,495,350 or 38.58% over current revenues. A customer using a 5/8" water meter with usage of 15,000 gallons of water per quarter would see their bill increase from \$100.95 to \$139.96 if the full increase is authorized.

The following is a comparison of Tidewater's present rates and proposed new rates:

<u>FACILITIES CHARGES PER QUARTER</u>		
<u>Meter Size</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
5/8" - 3/4"	\$ 39.02	\$ 54.10
1"	65.04	90.17
1-1/2"	117.07	162.31
2"	182.11	252.48
3"	351.21	486.92

4"	546.34	757.45
6"	1,066.65	1,478.80
8"	1,665.01	2,308.47

FIRE HYDRANT DISTRICT CHARGE AND WATER USAGE CHARGE

Fire Hydrant District Charge (per quarter)	6.31	8.75
Water Usage Charge per 1,000 Gallons	4.1286	5.7238

SEASONAL TURN-OFF CHARGES

<u>Meter Size</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
5/8" - 3/4"	\$ 120.22	166.60
1"	180.33	249.90
1 1/2"	360.66	499.80
2"	601.11	833.02
3"	1,081.99	1,499.42
4"	1,803.22	2,499.04
6"	3,606.63	4,998.07
8"	5,770.61	7,996.91

On May 23, 2006, the Commission, acting pursuant to 26 Del. C. § 306(a)(1), suspended the effectiveness of the proposed new rates and tariff revisions pending further investigation, public comment sessions and public evidentiary hearings, which will be held later after further public notice. However, the Company is expected to exercise its rights under 26 Del. C. § 306(c) to place a portion of its proposed increases into effect under bond and subject to refund sixty (60) days after the initial April 28, 2006 filing date.

The Commission will make its decision on this matter on the basis of the evidence of record taken at the public evidentiary hearings. The

Commission may approve or reject, in whole or in part, the proposed increase and revisions and may approve a different method for allocating any increase should one be found to be appropriate.

If you are a customer of Tidewater you are invited to review the application and supporting documents to determine how your interest may be affected. You may review the documents during normal business hours in the Commission's Dover office at the address listed below or on the Commission's website at <http://www.state.de.us/delpsc/water.shtml>. You may also review copies of the filing at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801. Please call (302) 577-5077 to arrange for a time to review the documents at that location.

If you wish to participate as a party in this docket, with the right to present evidence and be heard by counsel, you must file a petition to intervene under Rule 11 of the Commission's Rules of Practice and Procedure. You must file that petition on or before Tuesday, **June 20, 2006** at the Commission's office located at:

Delaware Public Service Commission
ATTN: PSC Docket No. 06-145
861 Silver Lake Boulevard
Cannon Building
Suite 100
Dover, Delaware 19904

A petition filed thereafter will not be considered except for good cause shown.

If you have a disability and wish to participate in, or to review the materials in these proceedings, please contact the Commission to discuss any auxiliary aids or services which 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 can call the Commission at 1-800-

282-8574 (toll-free in Delaware) or you may call (302) 739-4247 (voice) or (302) 739-4333 (text telephone). You may also send questions or request information by Internet e-mail addressed to william.schaffer@state.de.us.