

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

IN THE MATTER OF THE APPLICATION OF)
TIDEWATER UTILITIES, INC., FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY TO PROVIDE WATER SERVICES TO)
SEVENTEEN PARCELS OF LAND DISTRIBUTED)
TO THE NORTH AND TO THE EAST OF)
DAGSBORO, SUSSEX COUNTY, DELAWARE)
(FILED SEPTEMBER 6, 2006 AND AMENDED)
SEPTEMBER 20, 2006)

PSC DOCKET NO. 06-CPCN-51
("PINEY NECK")

ORDER NO. 7094

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
TO PROVIDE PUBLIC WATER UTILITY SERVICES**

This 19th day of December, 2006, the Commission finds, determines,
and Orders the following:

I. BACKGROUND

1. Tidewater Utilities, Inc. ("Tidewater" or "Applicant"), is a water utility providing water services for public use that is subject to the regulatory jurisdiction of this Commission. On September 6, 2006, the Applicant filed an application ("Application") with the Commission seeking a Certificate of Public Convenience and Necessity ("CPCN") to expand its facilities and operations in order to provide water services to nineteen parcels of land distributed to the north and to the east of Dagsboro, Sussex County, Delaware ("Proposed Service Area"). The basis for the Application is Tidewater's possession of petitions requesting water services signed by a majority of the landowners (in this case all) in the Proposed Service Area as set forth in 26 Del. C. § 203C(e)(1)b.

2. Staff reviewed the Application in accordance with the rules adopted in PSC Regulation Docket No. 51, Order No. 5730, effective July 10, 2001, and found that two parcels of land are already in the certificated service territory of another water utility. On September 20, 2006, Tidewater filed an amended parcel listing which removed these two parcels of land from its Proposed Service Area.

3. Staff has solicited comments from the Office of Drinking Water of the Department of Public Health, the Office of the State Fire Marshal, and the Division of Water Resources of the Department of Natural Resources and Environmental Control. All three agencies responded indicating that they have no issues relating to Tidewater's ability to provide safe, adequate, and reliable water services to its existing customers.

4. Staff also directed Tidewater to publish notice of the Application in two newspapers of general circulation, advising residents of the Application, that the Application may be reviewed at the Commission's office during normal business hours or the Commission's website, that a hearing in this matter would not be held unless a meritorious request for a hearing was received, and that property owners may object to, or "opt-out," of the proposed CPCN area. No comments, requests for hearing, or objections have been received by the Commission as a result of either the landowner notification or the newspaper notices.

II. SUMMARY OF THE EVIDENCE

5. The record in this matter consists of the Application, as amended, including Applicant's request that the Commission proceed in

this matter under the informal fact-finding procedures set forth in 29

Del. C. § 10123 (¶ 3). In addition, the Application includes:

- (i) petitions signed by all of the landowners in the Proposed Service Area, as amended;
- (ii) a copy of the United States Postal Service's form verifying that the Applicant sent, via certified mail, a Commission approved notice to all landowners in the Proposed Service Area, as amended, as prescribed by Water Utility CPCN Reg. 10.109;
- (iii) the County tax parcel identification numbers of the properties in the Proposed Service Area, as amended;
- (iv) a listing of the landowners of record of the parcels included in the Proposed Service Area, as amended, and the associated tax maps; and
- (v) the Applicant's statement that its expansion of service to the Proposed Service Area, as amended, will comply with the water pressure requirements of 26 Del. C. § 403(a)&(b), and is not barred by any of the restrictions set forth in 26 Del. C. § 403(c);

6. The record also contains:

- (i) affidavits of publication of the public notices of the Application in the Delaware State News and in The News Journal newspapers on October 5, 2006;
- (ii) correspondence from the Office of Drinking Water of the Division of Public Health (dated November 3, 2006), from the Office of the State Fire Marshal (dated November 28, 2006 and printed e-mail dated December 4, 2006), and from the Department of Natural Resources and Environmental Control (printed e-mail dated September 20, 2006) reporting that there are no outstanding issues with the Applicant that might preclude granting the requested CPCN; and

- (iii) Staff's December 4, 2006 memorandum of its investigation recommending the Commission approve the amended Application and grant the requested CPCN. Staff reports that, based upon its review, Tidewater has complied with all the statutory and regulatory requirements necessary for granting the CPCN.

III. FINDINGS OF FACT & CONCLUSIONS OF LAW

7. The Commission has jurisdiction to grant a CPCN permitting a water utility to expand its operations and facilities, and the Applicant operates a water system for public use and, consequently, is a water utility.

8. First, the Applicant obtained the consent of a majority of the landowners (in this case all) of the properties within the Proposed Service Area, as amended, in compliance of 26 Del. C. § 203C(e)(1)(b). Second, the Applicant sent by certified mail an approved notice of its Application to all owners of parcels of land within the Proposed Service Area, as amended. Third, the record reflects the Applicant's statement that the Applicant will continue to meet the water pressure requirements for its existing customers, and the Applicant's statement that it is not subject to any regulatory Order or finding pertaining to the quality of its service to existing customers which would preclude it from expanding its operations or facilities.

9. The Commission's Staff has investigated the Applicant and has not discovered that the Applicant is currently subject to any Commission finding that the utility is unwilling or unable to provide adequate and reliable water services to its existing customers. The

present record does not provide a basis for the Commission to believe further investigation into the Applicant's service quality is necessary in order to render a decision in this proceeding.

10. In summary, the Applicant has submitted the necessary proof required by the provisions of 26 Del. C. §§ 203C(e)(1), 203C(e)(1) b., & 203C(e)(3), which the Commission's Staff has reviewed and found to be accurate. The Commission also finds no reason that the Applicant is not entitled to a CPCN under the provisions of either 26 Del. C. §§ 203C(f) or 203C(i).

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

1. That, pursuant to 26 Del. C. § 203C(e), the application for a Certificate of Public Convenience and Necessity, as filed in PSC Docket No. 06-CPCN-51 on September 6, 2006 and amended on September 20, 2006 is hereby approved to the extent it is consistent with this Order, and a CPCN is granted to Tidewater Utilities, Inc., to serve the area identified by the following Sussex County Tax Map Parcels Numbers:

233-5.00-146.00	233-6.00-115.11	233-12.00-3.01
233-5.00-189.06	233-6.00-116.09	233-12.00-3.02
233-5.00-189.07	233-6.00-130.03	233-12.00-4.01
233-5.00-189.08	233-7.00-12.00	233-12.00-14.00
233-5.00-190.00	233-7.00-26.02	233-12.00-15.00
233-5.00-195.00	233-7.00-199.00	

2. That Tidewater Utilities, Inc., shall comply with any and all federal, state, county, and local statutes, ordinances, orders, regulations, rules, and permit conditions that are applicable, or may

become applicable, to any matter involving water utility services provided to the service territory granted by this Certificate of Public Convenience and Necessity.

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/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary