

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

IN THE MATTER OF THE APPLICATION OF )  
TIDEWATER ENVIRONMENTAL SERVICES, INC.)  
FOR APPROVAL OF RATES TO GOVERN THE )  
PROVISION OF WASTEWATER SERVICES TO ) PSC DOCKET NO. 05-344WW  
THE BAY FRONT SUBDIVISION, SUSSEX )  
COUNTY, DELAWARE )  
(FILED SEPTEMBER 26, 2005) )

**ORDER NO. 7130**

This 6<sup>th</sup> day of February, 2007, the Commission determines and Orders the following:

1. Tidewater Environmental Services, Inc. ("TESI") is a public wastewater utility subject to the regulatory supervision of this Commission. By a previous Order, the Commission granted TESI a Certificate of Public Convenience and Necessity to begin operations and provide wastewater services in a service territory encompassing a 180 lot development known as "Bay Front" in Sussex County. See Order No. 7056 (Oct. 31, 2006). TESI has now asked the Commission to approve a revised page to its Tariff to include its rate for its services in this service territory. That proposed rate is a \$960 customer fee to be paid annually. TESI represents that the annual fee will recover the costs associated with operating the wastewater system on a daily basis, including the costs of payroll, purchased power, chemicals, repairs, maintenance, and administration. TESI has provided to Staff its projections of revenues, expenses, capital costs, and customer growth related to serving the "Bay Front" service territory.

2. Staff has conducted a preliminary analysis of the annual fee rate and tentatively concluded that such rate is supported by the data, estimates, and projections submitted by TESI. Staff recommends that the Commission permit TESI to put its annual rate into effect, on a temporary basis, while also requiring TESI to provide public notice of the proposed rate. Staff suggests that the Commission provide interested persons, including any present landowners in the area and the Division of the Public Advocate, the opportunity to file objections or comments concerning TESI's proposed rate. The Commission accepts Staff's recommendations and will - following to a large extent the process utilized in PSC Order No. 7056 (Oct. 31, 2006) - allow the annual rate to go into effect on a temporary basis while soliciting comments and objections from any interested persons or entities. If comments or objections are forthcoming, or further information comes to light, the Commission can then determine what additional process, if any, might be appropriate before the Commission undertakes any final decision concerning the proposed rate. Conversely, if no person or entity files objections or comments raising significant issues, the Commission might finally approve the rate now allowed to go into effect on a temporary basis without further hearings or protracted proceedings.

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

1. That, for the reasons set forth in paragraph 2 in the body of this Order, Tidewater Environmental Services, Inc., is hereby authorized to charge, on a temporary basis, an annual customer fee of \$960 for its wastewater services provided to customers within the

service territory granted by PSC Order No. 7056 (Oct. 31, 2006). The annual rate allowed to go into effect by this Order shall be subject to refund, in whole or in part, if the Commission shall later finally determine that such rate is unjust or unreasonable.

2. That the revised page to Tidewater Environmental Services, Inc.'s Tariff, reflecting the rate allowed to go into effect under Ordering paragraph 1 of this Order, is also allowed to go into effect for services rendered on or after February 6, 2007.

3. That Tidewater Environmental Services, Inc. shall cause to be published in The News Journal newspaper, in two-column format outlined in black, the form of Notice set forth in Exhibit "A" to this Order. Such Notice shall be published on or before February 20, 2007. Tidewater Environmental Services, Inc. shall file proof of such publication with the Commission prior to February 27, 2007. In addition, Tidewater Environmental Services, Inc., shall also cause a copy of the Notice attached hereto as Exhibit "A" to be sent, by first-class United States mail, to each customer presently connected to its wastewater system in the service territory granted by PSC Order No. 7056 (Oct. 31, 2006). Such notice shall be mailed on or before February 20, 2007. Tidewater Environmental Services, Inc. shall file a certification of such mailing, listing the names and addresses of the persons so served, on or before February 27, 2007.

4. That the Secretary shall promptly serve a copy of this Order on the Division of the Public Advocate.

5. That, as outlined in the form of Notice and paragraph 2 of the body of this Order, interested persons or entities are afforded

the opportunity to file objections to the proposed rate. Such objections or comments shall be filed on or before March 12, 2007. If the Commission does not receive any objections or comments raising significant issues, the Commission may, by later Order, approve the revised tariff page submitted by Tidewater Environmental Services, Inc., and the rate now allowed to go into effect without further notice or proceedings. If objections or significant comments are filed, the Commission will, by later Order, determine the course of any appropriate further proceedings.

6. That Tidewater Environmental Services, Inc., is hereby notified that it will, pursuant to 26 Del. C. § 114(b), be assessed the costs of this proceeding.

7. 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

PSC Docket No. 05-344WW, Order No. 7130 Cont'd.

/s/ Jeffrey J. Clark  
Commissioner

ATTEST:

/s/ Karen J. Nickerson  
Secretary

E X H I B I T "A"

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NOTICE OF FILING OF REVISED TARIFF AND PROPOSED  
RATE BY TIDEWATER ENVIRONMENTAL SERVICES, INC.,  
TO GOVERN ITS WASTEWATER SERVICES IN ITS  
"BAY FRONT" SERVICE TERRITORY  
IN SUSSEX COUNTY, DELAWARE

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**TO: ALL INTERESTED PERSONS**

Tidewater Environmental Services, Inc., ("TESI"), is a public wastewater utility subject to the regulatory supervision of the Public Service Commission ("PSC"). TESI currently holds a Certificate of Public Convenience and Necessity to provide public wastewater services to a service territory encompassing the "Bay Front" subdivision located in Sussex County. TESI has now asked the PSC to approve a rate for its wastewater services in the above service territory. The rate is an annual customer fee of \$960. The PSC's Staff has conducted a preliminary analysis of TESI's proposed rate and has tentatively concluded that such rate is supported by cost data submitted by TESI.

In PSC Order No. 7130 (Feb. 6, 2007), the PSC allowed the above annual rate as proposed by TESI to go into effect on a temporary

basis. The PSC now solicits from any interested person or entity comments or objections to TESI's proposed rate. If you wish to file any such comments or objections, you must file such document (10 copies) with the PSC by March 12, 2006. Such comments or objections shall be filed with the PSC at the following address:

Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, Delaware 19904  
Attn: PSC Docket No. 05-344WW

You may also file a petition to intervene under Rule 21 of the Commission's Rules of Practice. Only persons or entities filing comments, objections, or petitions will receive notice of further proceedings in this matter.

If no comments or objections raising significant issues are submitted, the PSC may finally approve the rate and tariff revision proposed by TESI without further notice or further proceedings.

If you wish to participate in this matter, you should review PSC Order No. 7130. That Order is available at [www.state.de.us/delpsc](http://www.state.de.us/delpsc). You may review (and copy) the documents and supporting material submitted by TESI at the PSC's office at the above-noted address. If you want more information you can contact the PSC at 1-800-282-8574 (Delaware only) or (302) 739-4247 (text telephone also). You can also send inquiries by Internet e-mail to [william.schaffer@state.de.us](mailto:william.schaffer@state.de.us).