

**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. 07-184WW
THE EXISTING CUSTOMERS IN THE TOWN)
OF MILTON, SUSSEX COUNTY, DELAWARE)
(FILED JULY 2, 2007))

ORDER NO. 7251

This 21st day of August, 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. Concurrent with this Order, the Commission has granted to TESI a Certificate of Public Convenience and Necessity ("CPCN") to provide wastewater services in a service territory encompassing the area within the current corporate limits of the Town of Milton ("Town"). See PSC Order No. 7244 (Aug. 21, 2007). Such CPCN will allow TESI to succeed the Town as the provider of wastewater services within that municipality.¹ In conjunction with such shift, TESI has now also asked the Commission to approve a revised page to its Tariff to include the rates it will charge for services in this new service territory. The rates being proposed in such tariff revision mirror the rates last being charged by the Town when it operated its own

¹As set forth in PSC Order No. 7244, the Town and TESI are parties to a wastewater services agreement under which the Town will cease its municipal operation of the present sewer system in favor of TESI providing its services within the Town.

sewer system. The "carried-forward" rates are a \$40.00 per quarter flat fee and a usage fee of \$3.00 per 1,000 gallons, premised on concurrent water usage amounts. TESI represents that these rates 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 and expenses related to serving the existing customers on the Town system.

2. Staff has conducted a preliminary analysis of the rates and tentatively concluded that the proposed rates are supported by the data, estimates, and projections submitted by TESI. Staff recommends that the Commission permit TESI to put the proposed rates into effect, on a temporary basis, while also requiring TESI to provide public notice of the proposed rates. Staff suggests that the Commission provide interested persons, including residents within the Town and the Division of the Public Advocate, the opportunity to file objections or comments concerning TESI's proposed rates. The Commission accepts Staff's recommendations and will allow the proposed rates 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 rates. Conversely, if no person or entity files objections or comments raising significant issues, the Commission might finally approve the rates 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 and pursuant to 26 Del. C. § 306(a)(2), Tidewater Environmental Services, Inc., is hereby authorized to charge, on a temporary basis, a \$40.00 quarterly flat fee and a \$3.00 per 1,000 gallons usage fee (based on concurrent water usage) for its wastewater services provided within the corporate boundaries of the Town of Milton (as of June 7, 2007) under the Certificate of Public Convenience and Necessity granted by PSC Order No. 7244 (Aug. 21, 2007). Such temporary rates shall be effective as of the date of this Order. The rates 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 rates are unjust or unreasonable.

2. That the revised page to the Tariff of Tidewater Environmental Services, Inc. submitted on July 7, 2007, reflecting the rates 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 August 21, 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 August 28, 2007. Tidewater Environmental Services, Inc. shall file proof of such publication with the Commission prior to September 12, 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 resident of the Town of Milton presently connected to the former Town of Milton's wastewater system. Such notice shall be mailed on or before August 31, 2007. Tidewater Environmental Services, Inc. shall file a certification of such mailing on or before September 12, 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 temporarily allowed rates. Such objections or comments shall be filed on or before September 28, 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 rates now allowed to go into effect without further notice or proceedings. If material objections or 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

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary

E X H I B I T "A"

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THE EXISTING CUSTOMERS IN THE TOWN)
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(FILED JULY 2, 2007))

NOTICE OF FILING OF REVISED TARIFF AND PROPOSED
RATES BY TIDEWATER ENVIRONMENTAL SERVICES, INC.,
TO GOVERN ITS WASTEWATER SERVICES WITHIN
THE CORPORATE LIMITS OF THE TOWN OF MILTON

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"). On August 21, 2007, TESI was granted a Certificate of Public Convenience and Necessity to provide public wastewater services to a service territory encompassing the area within the current boundaries of the Town of Milton ("Town"). TESI was granted such service area because of a resolution by the Town passed on June 7, 2007 that implements an earlier wastewater service agreement between the Town and TESI. TESI has now asked the PSC to approve rates for its wastewater services in that service territory. The proposed rates are a quarterly flat fee of \$40.00 and a usage fee of \$3.00 per 1,000 gallons premised on concurrent water usage. TESI

represents that these proposed rates continue the rates previously charged by the Town. The PSC's Staff has conducted a preliminary analysis of TESI's proposed rates and has tentatively concluded that such rates are supported by cost data submitted by TESI.

In PSC Order No. 7251 (Aug. 21, 2007), the PSC allowed the above rates 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 rates. If you wish to file any such comments or objections, you must file such document (10 copies) with the PSC by September 28, 2007. 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. 07-184WW

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 rates and accompanying 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. 7251. That Order is available at <http://depssc.delaware.gov>. 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) 736-7500 (text telephone also). You can also send inquiries by Internet e-mail to heidi.wagner@state.de.us.