BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF	)	
TIDEWATER UTILITIES, INC. FOR AUTHORITY	)	
TO ISSUE UP TO $22,000,000 OF CERTAIN	)	PSC DOCKET NO. 09-24
LONG-TERM DEBT SECURITIES	)	
(FILED JANUARY 26, 2009)	)	

ORDER NO. 7535

This 19th day of February, 2009, the Commission determines and Orders the following:

1. On January 26, 2009, Tidewater Utilities, Inc. ("Tidewater" or the "Company") filed an application (the "Application"), pursuant to 26 *Del. C.* § 215(a)(2), seeking Commission approval of the issuance of a long-term debt designation as a Term Loan Facility in the principal amount of $22 million (the "CoBank Loan").

2. According to the Application, in connection with the CoBank Loan, an existing Combination Mortgage and Security Agreement ("Mortgage") with CoBank will be amended to "encompass" the proposed CoBank Loan. Upon closing of the CoBank Loan, the Company plans to draw down approximately $16 million against the "Term Loan Facility" and use those funds to retire $7 million of short-term loans with CoBank and to retire approximately $9 million of intercompany loans from Tidewater's parent company, Middlesex Water Company. The application states that the remaining $6 million will be available to draw down by Tidewater up to and until March 31, 2010 and will be used to fund a portion of the 2009 and 2010 Tidewater capital program.

3. Staff has reviewed the Application and related documents, and, based upon this review and its investigation, Staff has recommended that the Commission approve the Application.

4. The Commission, after considering Staff's recommendation, determines that the proposed issuance of the Bonds is in accordance with law, for proper purposes, and consistent with the public interest.

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. That the application filed by Tidewater Utilities, Inc., seeking Commission approval of the issuance of a long-term debt designation as a Term Loan Facility in the principal amount of $22 million (the "CoBank Loan") is hereby approved.

2. That Tidewater Utilities, Inc. is hereby authorized to execute the CoBank Loan and any other documents and instruments necessary and appropriate in conjunction with the issuance of a long-term debt designation as a Term Loan Facility in the principal amount of $22 million.

3. That Tidewater Utilities, Inc. shall file a written report with this Commission within thirty (30) days of the closing of the transactions approved by this Order, setting forth, with regard to each transaction, the amount(s) issued, the maturities, the interest rates, and the actual proceeds received, along with copies of the CoBank Loan, the Opinion(s) of Counsel, final term sheet(s), and all information required under subsections 3.1 and 4.1.1. of Part D, Section 1002, Minimum Filing Requirements for All Regulated Companies

Subject to the Jurisdiction of the Public Service Commission (26 Del. Admin. C. § 1002 Part D – §§ 3.1 and 4.1.1), not provided to the Commission as of the date of this Order.

4. That this approval of Tidewater Utilities, Inc.'s application shall not be construed as approving the capitalization ratios that may result for any purposes or procedures involving rate-making. In addition, nothing in this Order waives the Commission's rules regarding the burden of proving the merits of any related issue. The Commission's approval of Tidewater Utilities, Inc.'s application is limited to that which is necessary under 26 *Del. C.* § 215 and shall not be construed, in any manner, as endorsing any ratemaking treatment for any future rate case.

5. That nothing in this Order shall be construed as a guarantee, warranty, or representation by the State of Delaware or by any agency, commission, or department thereof, with respect to approval issued pursuant to this Order.

6. 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