

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

IN THE MATTER OF THE APPLICATION OF        )  
TIDEWATER UTILITIES, INC. FOR AN         )       PSC DOCKET NO. 09-29  
INCREASE IN WATER RATES                    )  
(FILED JANUARY 26, 2009)                    )

**ORDER NO. 7543**

**AND NOW**, to-wit, this 17<sup>th</sup> day of March, 2009;

**WHEREAS**, Tidewater Utilities, Inc. ("the Company"), having, on January 26, 2009, filed with the Commission an application for an increase in rates designed to produce approximately \$6,423,370 in additional annual revenue by increasing its water service rates by approximately 32.54%; and

**WHEREAS**, the Commission, in PSC Order No. 7533 (Feb. 19, 2009), having reviewed the application for increased rates, and having determined that such proposed rate and tariff changes should, pursuant to the authority granted to the Commission by 26 *Del. C.* § 306(a)(1), be suspended pending full and complete evidentiary hearings into the justness and reasonableness of the proposed new rates and tariff alterations; and

**WHEREAS**, the Company having, on March 4, 2009, filed with the Commission an Application for Rates under Bond (the "Application") seeking to place temporary rates under bond and revised tariff leaves carrying an effective date of March 27, 2009, establishing rates as permitted by 26 *Del. C.* § 306(c) to enable the Company to collect under bond, and subject to refund, an annual revenue increase of approximately \$2,460,315, or an increase of approximately 12.77%,

which does not exceed 15% of the public utility's annual gross intrastate operating revenues or \$2,500,000, whichever is less; and

**WHEREAS**, Commission Staff reviewed the Application and its attachments, including a proposed bond and tariff sheets, and has recommended the approval of the Application;

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

1. That the Commission finds, pursuant to 26 *Del. C.* § 306(c), that Tidewater Utilities, Inc. has the statutory right, on and after the expiration of sixty (60) days from the filing of its rate increase application, to place into effect temporary rates, subject to refund, so long as such temporary rates do not exceed the lesser of fifteen percent (15%) of the Company's annual gross intrastate operating revenues or Two and a Half Million Dollars (\$2,500,000), and provided that the Commission approves as reasonable the amount of the bond and the surety thereon.

2. That the Commission hereby approves as reasonable the form of rate refunding bond attached to the application filed by Tidewater Utilities, Inc. on March 4, 2009, in the principal amount of One Million, Eight Hundred Thousand Dollars (\$1,800,000), and further waives the requirement for a surety on such rate refunding bond to further guarantee the repayment of the interim rates collected pursuant to 26 *Del. C.* § 306(c). A duly executed rate refunding bond without surety shall be filed prior to March 27, 2009.

3. That the proposed temporary rates set forth above in the application of Tidewater Utilities, Inc., and in its revised tariff

leaves, are reasonably designed to produce, on an annual basis, less than Two and a Half Million Dollars (\$2,500,000) and less than fifteen percent (15%) of the gross annual intrastate operating revenues of Tidewater Utilities, Inc., and may, therefore, be placed into effect on March 27, 2009, under 26 Del. C. § 306(c), subject to any refund as the Commission may hereafter Order.

4. 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