



**STATE OF DELAWARE
PUBLIC SERVICE COMMISSION**

861 SILVER LAKE BOULEVARD
CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500
FAX: (302) 739-4849

October 28, 2015

MEMORANDUM

TO: The Chair and Members of the Commission

From: Connie S. McDowell, Senior Regulatory Policy Administrator *COM*

SUBJECT: In the Matter of the Commission's Investigation into Whether Ernest P. Timmons or E.A. Timmons Mobile Homes, Inc. is Unlawfully Operating As a Public Utility (Opened March 11, 2015) - PSC Docket No. 15-0859

In PSC Order No. 8723 (April 7, 2015), the Commission opened this docket to investigate whether Ernest P. Timmons and E.A. Timmons Mobile Homes, Inc. ("the Timmons") were violating Delaware laws and regulations by operating an unlicensed public utility that has been providing water services to customers within the development of Holiday Pines and by failing to first obtain a Certificate of Public Convenience and Necessity before providing such water services. The Commission also appointed a Hearing Examiner to schedule and conduct evidentiary hearings and public comment sessions as necessary.

The parties in this docket are the Division of the Public Advocate, Tidewater Utilities, Inc. (which currently holds the CPCN for this area), the Timmons, and the Commission Staff. In addition, the parties invited representatives from the Delaware Department of Natural Resources and Environmental Control ("DNREC"), the Department of Public Health, Office of Drinking Water, and the United States Department of Agriculture Rural Development ("USDA-RD") to join in discussions and meetings regarding the issues in this docket. All of these parties and invited governmental groups have been working diligently to find a reasonable solution regarding providing water services from an alternative source which will not create a hardship on the homeowners in the Holiday Pines development. However, this endeavor will take time because of the need to work with each

individual homeowner who is currently receiving water services from the Timmons.

Because the parties and governmental groups involved have been working cooperatively towards reaching a resolution, the Commission Staff believes that this proceeding can be resolved without the need to conduct evidentiary hearings before a hearing examiner. The Commission Staff also believe that it would be more efficient and practical for this Commission to directly hear a proposed resolution rather than to require a hearing examiner's report. Hence, the Commission Staff recommends that the Commission approve PSC Order No. 8812 which would rescind the delegation of authority to the current Hearing Examiner and direct the Commission Staff to periodically provide progress reports to the Commission.