STATE OF DELAWARE

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MEMORANDUM

TO: The Chair and Commissioners

FROM: Lisa B. Driggins, Public Utilities Analyst

DATE: April 7, 2016

SUBJECT: IN THE MATTER OF THE APPLICATION OF TIDEWATER UTILITIES, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICES PURSUANT TO 26 DEL. C. §203C ("FINIELLO") (SUBMITTED JANUARY 20, 2016; FILED FEBRUARY 5, 2016)
PSC DOCKET NO. 16-0110

On January 20, 2016, Tidewater Utilities, Inc. ("Tidewater" or the "Company") began the process[1] of filing a Certificate of Public Convenience and Necessity ("CPCN") with the Delaware Public Service Commission (the "Commission"). On February 5, 2016, Tidewater filed an application with the Commission seeking a CPCN to provide water services to one parcel of land in Sussex County, Delaware, known as Finiello (the "Proposed Service Area") pursuant to 26 *Del. C.* §203C(e)(1)b. On February 5, 2016 the Application was completed (the "Application").

As required by 26 *Del. C.* §203C(e)(1)b. and the Commission's Regulations Governing Certificates of Public Convenience and Necessity for Water Utilities, 26 *Del. Admin. C.* §2002 (the "Regulations"), the submitted Application contained the following documentation: (1) a copy of a petition signed by all of the landowners of record included in the Proposed Service Area requesting to be included in the Proposed Service Area; (2) copies of the United States Postal Service forms verifying that the Company sent, via certified mail, a Commission approved notice to all landowners of record of each parcel included in the Proposed Service Area; (3) a list of the County tax map parcel identification numbers of the properties and identification of all landowners of record included

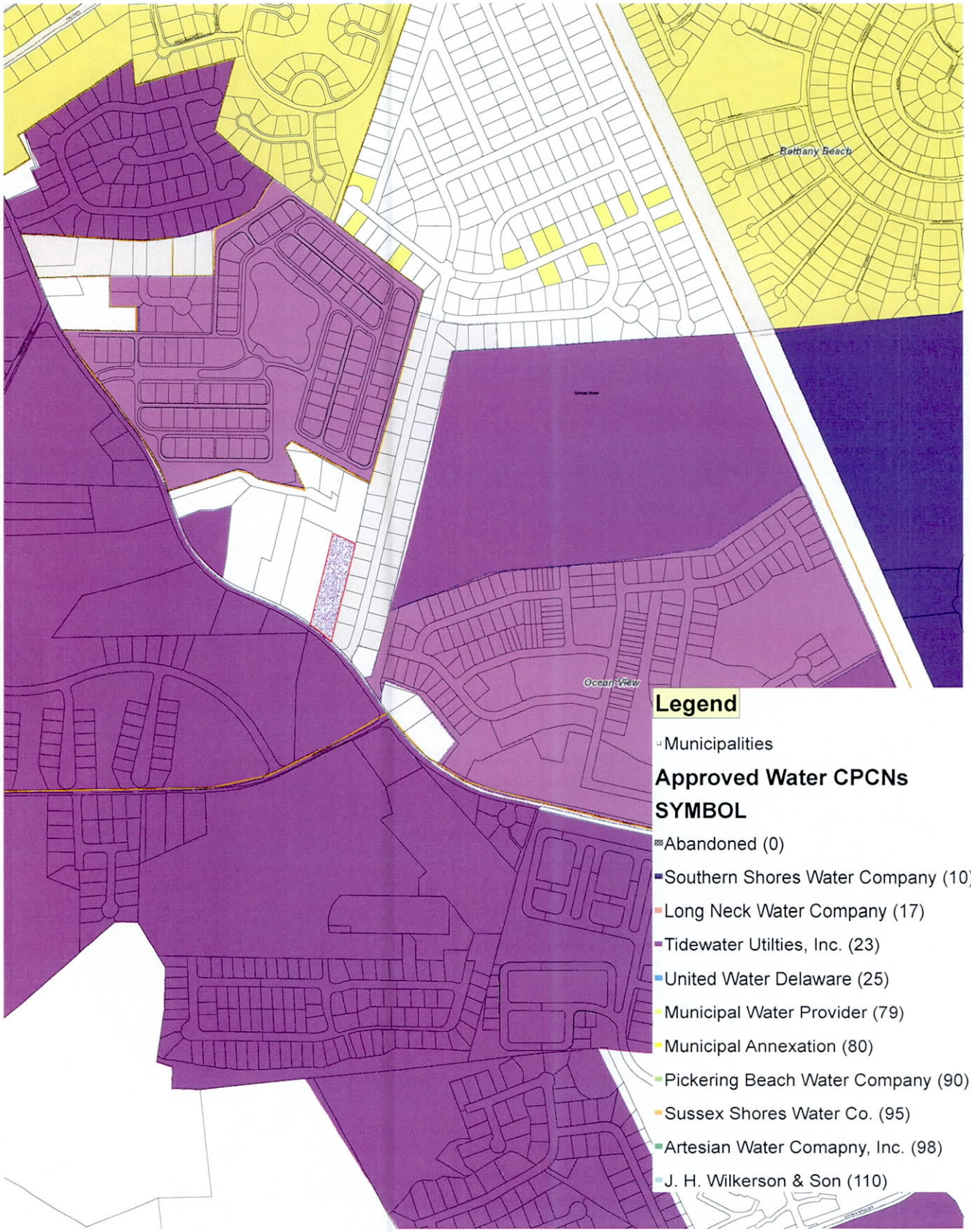
[1] Tidewater contacted Commission Staff requesting to provide temporary emergency water service to the parcel at issue because the property owner's well had failed and the parcel was without water service. Commission Staff granted Tidewater permission, without sanction, to provide temporary emergency water service to the parcel at issue because the property owner was in immediate need of water service, with the understanding that Tidewater would file a CPCN Application as soon as feasible and discontinue service should the Commission deny the Application.

in the Proposed Service Area;[2] and (4) a copy of the associated tax map clearly marking the Proposed Service Area. Additionally, the Application contained Tidewater's statement that its expansion of service to the Proposed Service Area will comply with the water pressure requirements of 26 *Del. C.* §§403(a) and (b) and that Tidewater is not barred by any of the restrictions set forth in 26 *Del. C.* §403(c).

In addition to the required notification to all the landowners of record in the Proposed Service Area, Tidewater published a notice in The News Journal on February 9, 2016, and Delaware State News newspaper on February 9, 2016. The notice advised the public of the Application, that the Application may be reviewed at the Commission's office during normal business hours or on the Commission's website, that a hearing on this matter would not be held unless an appropriate request for a hearing was received, and that the property owner may object to or "opt-out" of the Proposed Service Area. To date, no comments regarding the Company or this Application have been received, and no landowners of record included in the Proposed Service Area have objected to the Application or elected to "opt-out" of the Proposed Service Area.

Staff reviewed the Application to ensure compliance with the statutory provisions of 26 *Del. C.* §203C and the Regulations. No errors or omissions were found. Finally, to determine whether the Commission should deny the requested CPCN as set forth in 26 *Del. C.* §203C(f), Staff solicited comments from the Delaware Department of Natural Resources and Environmental Control, the Office of the State Fire Marshal, and the Office of Drinking Water of the Division of Public Health. All three agencies responded and confirmed they have no issues relating to Tidewater's ability to provide safe, adequate, and reliable water services to its existing customers.

In summary, Tidewater has submitted the necessary proof required by the provisions of 26 *Del. C.* §§203C(e)(1), 203C(e)(1)b., 203C(e)(3) and the Regulations for issuance of a CPCN. Staff also finds no reason to deny the Company a CPCN under the provisions of 26 *Del. C.* §203C(f). Therefore, Staff recommends that the Commission grant the Company a CPCN based on the Application.

[2]At Staff's request, Tidewater submitted a written certification that the Company (i) reviewed the appropriate tax or land record documents relating to the Proposed Service Area; (ii) confirmed that the landowner identified in the parcel listing are the landowners of record; and (iii) confirmed that the petitions included in the Application have been signed by each landowner of record.

Tidewater Utilities, Inc.
Docket No. 16-0110
April 19, 2016