STATE OF DELAWARE

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MEMORANDUM

TO: The Chair and Commissioners

FROM: Lisa B. Driggins, Public Utilities Analyst LBD

DATE: July 5, 2016

SUBJECT: IN THE MATTER OF THE APPLICATION OF THE TOWN OF OCEAN VIEW FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO BEGIN PROVIDING WATER UTILITY SERVICES TO CERTAIN UNSERVED AREAS WITHIN ITS MUNICIPAL BOUNDARIES AND THE ABANDONMENT OF THE CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY HELD BY TIDEWATER UTILITIES, INC. FOR CERTAIN PARCELS OF LAND WITHIN THOSE AREAS (FILED AUGUST 16, 2007) PSC DOCKET NO. 07-CPCN-46

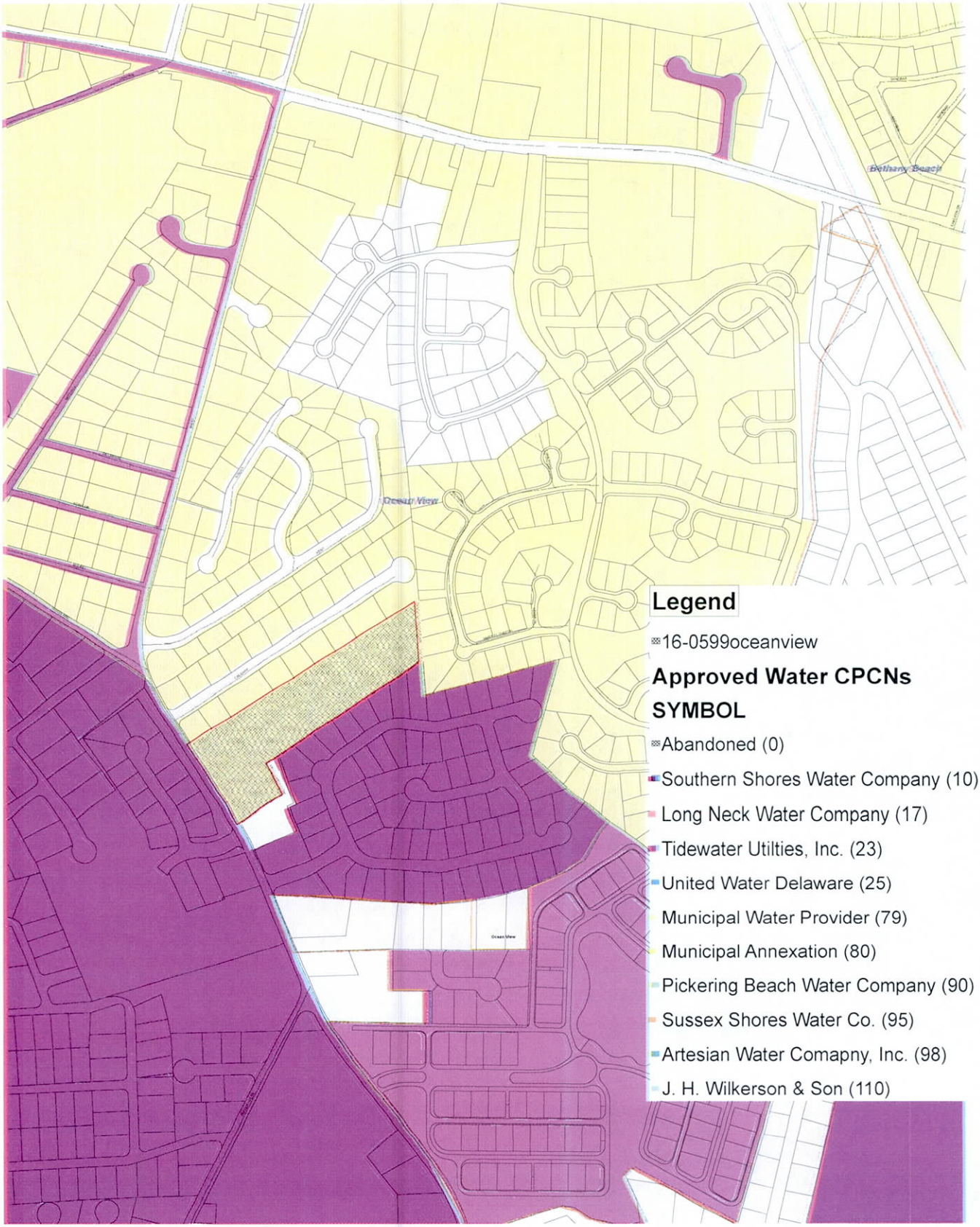
IN THE MATTER OF THE APPLICATION OF THE TOWN OF OCEAN VIEW TO ABANDON UNDER 26 DEL. C. § 203A(d) WATER SERVICES PROVIDED UNDER A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (SUBMITTED APRIL 25, 2016; FILED JUNE 20, 2016)
PSC DOCKET NO. 16-0599

Town of Ocean View ("Ocean View" or "Company") is a utility providing water services for public use that is subject to the regulatory jurisdiction of this Commission. On November 6, 2007, the Commission granted via Order No. 7313 Ocean View's application for a Certificate of Public Convenience and Necessity ("CPCN") for water services for 431 parcels of land located within the Town of Ocean View, Sussex County, Delaware. On April 28, 2016, Ocean View submitted an application (the "Application") with the Commission seeking to partially abandon or discontinue its CPCN for water operations or services by removing one of the parcels of land from its CPCN, specifically Sussex County Tax Map Parcel Numbers 134-16.00-386.00 (the "Parcel"). If the Commission grants the Application, Ocean View will still have a CPCN for all of the other parcels that are within the existing CPCN.

At the request of Staff, on June 20, 2015, Ocean View made a supplemental filing to its Application. At that time, the submitted Application and this additional required information completed the filing (the "Completed Application").

Delaware law provides that no public utility shall abandon or discontinue, in whole or in part, any regulated public utility business, operations or services provided under a certificate of public convenience and necessity without first having received Commission approval for such abandonment or discontinuance. 26 *Del. C.* §203A(d)(1). Such applications must be made to the Commission in writing, verified by oath or affirmation, and be in such form and contain such information as the Commission may from time to time require. 26 *Del. C.* §203A(d)(2). Finally, the Commission must approve any such application when it finds that the utility has met its burden of proving that the abandonment or discontinuance is reasonable, necessary and not unduly disruptive to the present or future public convenience and necessity. 26 *Del. C.* §203A(d)(3).

Staff reviewed the Completed Application for abandonment and found it complies with all Delaware statutory and regulatory requirements. The Company provided a verified Application that requests to abandon a portion of the CPCN which relates to water service for the Parcel. Staff believes the abandonment is reasonable because Ocean View does not currently supply water service to the Parcel. The abandonment is necessary because the owner of the Parcel requested that Ocean View remove such Parcel from Ocean View's CPCN service area. The landowner stated the reason for the abandonment is that during discussions regarding the need for public water and future development it would best be served by Tidewater Utilities. Hence, if the Commission grants the Application's request, the abandonment would not be unduly disruptive to the future convenience and necessity because future customers would not be impeded (in general) from receiving water services from another public utility.

Therefore, Staff recommends that the Commission grant Ocean View's request to partially abandon its CPCN.

Town of Ocean View - Abandonment
Docket No. 16-0599
July 12, 2016