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 TIDEWATER UTILITIES, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICES PURSUANT TO 26 DEL. C. §203C ("SOUTHVIEW") (FILED APRIL 28, 2016)
PSC DOCKET NO. 16-0609

On April 28, 2016, Tidewater Utilities, Inc. ("Tidewater" or the "Company") submitted an application ("Application") with the Delaware Public Service Commission (the "Commission") seeking a Certificate of Public Convenience and Necessity ("CPCN") to provide water services to one parcel of land in Sussex County, Delaware, known as Southview (the "Proposed Service Area") pursuant to 26 *Del. C.* §203C(e)(1)b.

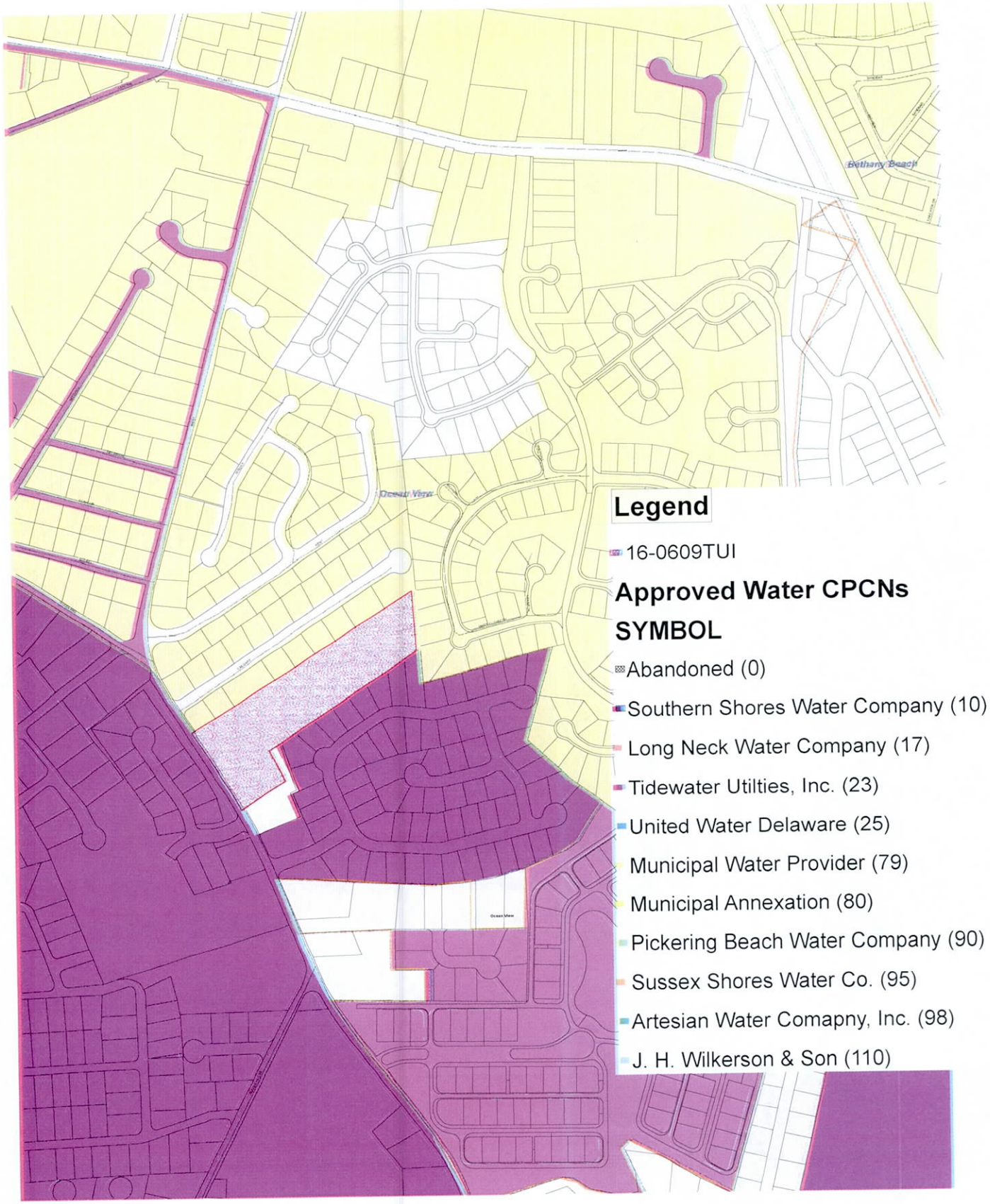
As required by 26 *Del. C.* §203C(e)(1)b. and the Commission's Regulations Governing Certificates of Public Convenience and Necessity for Water Utilities, 26 *Del. Admin. C.* §2002 (the "Regulations"), the submitted Application contained the following documentation: (1) a copy of a petition signed by 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 in the Proposed Service Area;[1] 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.*

[1]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.

§§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 May 2, 2016, and Delaware State News newspaper on May 2, 2016. The notice advised residents 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.

Tidewater Utilities, Inc. "Southview"
Docket No. 16-0609
July 12, 2016