

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

IN THE MATTER OF THE APPLICATION OF )	
TIDEWATER ENVIRONMENTAL SERVICES, )	
INC., FOR APPROVAL OF WASTEWATER )	
TARIFF RATE FOR WASTEWATER SERVICES )	
TO BE PROVIDED TO THE "BAY POINT" )	PSC DOCKET NO. 09-507WW
DEVELOPMENT LOCATED ON THE EAST )	(BAY POINT)
SIDE OF ANGOLA BEACH ROAD, SUSSEX )	
COUNTY, DELAWARE (FILED DEC. 1, )	
2009) )	

**ORDER NO. 7810**

This 22<sup>nd</sup> day of July, 2010, the Commission determines and Orders the following:

1. On December 1, 2009, Tidewater Environmental Services, Inc. ("TESI") filed an application with the Commission (the "Application") for approval of a wastewater tariff rate for the provision of wastewater services to the development now known as "Bay Point", located in Sussex County on the east side of Angola Beach Road. The Commission previously granted TESI a certificate of public convenience and necessity to provide wastewater services to Bay Point, then known as "Herring Point". See PSC Order No. 6712 (Sep. 6, 2005).

2. TESI seeks approval for a proposed annual wastewater rate of \$960 per customer. In support of this request, TESI has provided Commission Staff with certain information containing financial, operational and maintenance estimates regarding its requested rate. The requested rate is the same rate approved by the Commission for wastewater services that TESI provides to the

"Bay Front Subdivision" service territory, which is located near Bay Point. See PSC Order No. 7185 (May 22, 2007). As reported by Staff, the Bay Point system is connected to the Bay Front regional wastewater system.

3. On January 28, 2010, by PSC Order No. 7730, the Commission approved the Application and the requested rate on a temporary basis and subject to refund. The Order further directed TESI to send a notice of the initial rate (the "Notice") to each of its customers in the Bay Point service territory. The Order also required that the Notice be published in The News Journal and the Delaware State News. Following the publication and mailing of the Notice, the Commission received two responses from Bay Point customers, objecting to the requested rate.

4. Commission Staff completed its review of the Application and the requested rate for Bay Point and recommends approval. Staff notes that TESI's request pursuant to the Application is essentially an extension of the already approved rate for the Bay Front system, which had been reviewed and approved by the Commission. Staff notes further that TESI has estimated 165 single family homes for Bay Point, although there are only fifteen homes presently occupied and receiving wastewater service. Staff informs the Commission that these customers are projected to add approximately \$14,400 in annual revenues, but that these revenues will be offset by additional costs for chemicals, power and waste disposal. According to Staff, Bay Front is operating at a loss, even with the addition of the Bay

Point customers. Compounding this problem, Staff further notes that a temporary connection of 150 customers in the Woods on Herring Creek is slated to be connected to the County system and TESI may therefore soon lose that additional revenue. Staff states that, when TESI files a base rate adjustment to address its operating losses, Staff will more fully evaluate the actual costs of operating the system.

5. The Delaware Division of the Public Advocate has reviewed the requested rate for Bay Front and has also recommended approval.

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

1. That, for the reasons set forth in the body of this Order, Tidewater Environmental Services, Inc. ("TESI") is hereby finally authorized to institute an annual charge of \$960 for its public utility wastewater services in the service territory granted by PSC Order No. 6712 (Sep. 6, 2005). The Commission further finally approves the Tariff filed by Tidewater Environmental Services, Inc., on December 1, 2009.

2. That, prior to filing an application for approval of rate applicable to any future developments or customers, TESI consider seeking approval of a uniform rate for its wastewater customers.

3. That the Commission reserves the jurisdiction and authority to enter such other or further Orders in this matter as may be deemed necessary or proper.

