

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

IN THE MATTER OF THE APPLICATION OF)
TIDEWATER ENVIRONMENTAL SERVICES,) PSC DOCKET NO. 11-329WW
INC. FOR AN INCREASE IN WASTEWATER)
RATES (FILED JULY 29, 2011))

ORDER NO. 8012

AND NOW, this 9th day of August, 2011:

WHEREAS, on July 29, 2011, Tidewater Environmental Services, Inc. ("TESI") filed with the Delaware Public Service Commission (the "Commission") an application (the "Application") to increase wastewater rates by a total of \$798,000 (or 90.6% over current revenues) for customers in the developments of The Retreat, Harts Landing, Country Grove, Breeders Crown, Bay Front, Bay Pointe and the Town of Milton; and

WHEREAS, the Commission determines that pursuant to the authority granted to the Commission by 26 *Del. C.* § 306(a)(1), TESI's filing shall be suspended pending full and complete evidentiary hearings into the justness and reasonableness of the proposed new rates and tariff sheets and a final decision of the Commission;

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

1. That the rates and revised tariff sheets filed by Tidewater Environmental Services, Inc. on July 29, 2011 are hereby suspended pursuant to 26 *Del. C.* §306(a)(1) and shall not be placed into force or effect except pursuant to law or further Order of the Commission,

and then only to the extent such law or further Commission Order may permit or allow.

2. That, pursuant to the requirements of 26 *Del. C.* §§102A and 304, TESI shall give public notice of the application for increased rates and revised tariff sheets by causing the notice attached hereto as Exhibit "A" to be published in the Delaware State News, The Wave and The Cape Gazette newspapers, in two-column format, outlined in black, on the following dates:

Tuesday, August 16, 2011 (Delaware State News)

Tuesday, August 16, 2011 (The Cape Gazette)

Wednesday, August 17, 2011 (The Wave)

TESI shall file proof of such publication with the Commission as soon thereafter as is reasonably practicable but prior to the date set for any evidentiary hearing in this docket.

3. That Mark Lawrence is designated as Hearing Examiner for this matter pursuant to the terms of 26 *Del. C.* §502 and 29 *Del. C.* ch. 101 to schedule and conduct, upon due notice, such public comment sessions and evidentiary hearings, as may be necessary, to have a full and complete record concerning the justness and reasonableness of the proposed increased rates and tariff modifications. Thereafter, Mr. Lawrence shall file with the Commission his proposed findings and recommendations. Pursuant to Rule 1001.2.9 of the Commission's Rules of Practice and Procedure (26 *Del. Admin. Code* ch. 1001 *et seq.*), Mr. Lawrence is specifically delegated the authority to grant or deny petitions seeking leave to intervene. In addition, Mr. Lawrence is

delegated the authority, under 26 Del. C. §102(A), to determine the form and manner of any further public notice in this matter.

4. That the deadline for petitions to intervene in this docket pursuant to Rule 1001.2.9 of the Commission's Rules of Practice and Procedure shall be September 16, 2011.

5. TESI is hereby placed on notice that the costs of the proceeding will be charged to it under the provisions of 26 Del. C. §114(b) (1).

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

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Jeffrey J. Clark
Commissioner

Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary

EXHIBIT "A"

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INC. FOR AN INCREASE IN WASTEWATER)
RATES (FILED JULY 29, 2011))

**PUBLIC NOTICE OF APPLICATION OF
TIDEWATER ENVIRONMENTAL SERVICES, INC.
FOR A GENERAL RATE INCREASE**

TO: ALL CUSTOMERS OF TIDEWATER ENVIRONMENTAL SERVICES, INC.:

On July 29, 2011, Tidewater Environmental Services, Inc. ("TESI") filed an application with the Delaware Public Service Commission ("the Commission") to increase its rates for wastewater service. In its application, TESI seeks an overall increase in annual operating revenues of approximately \$798,000 or approximately 90.6% over current wastewater revenues.

Below is a comparison of TESI's present and proposed rates for customers with a flat monthly rate charge:

DEVELOPMENT	PRESENT RATE	PROPOSED RATE
The Retreat	\$70.83/month	\$135.23/month
Harts Landing	\$82.91/month	\$158.29/month
Country Grove	\$85.41/month	\$163.07/month
Breeders Crown	\$93.75/month	\$178.99/month
Bay Front	\$80.00/month	\$152.74/month
Bay Pointe	\$80.00/month	\$152.74/month

Below is a comparison of TESI's present and proposed rates for customers of the TESI - Town of Milton wastewater system as follows:

SERVICE CHARGE	PRESENT RATE	PROPOSED RATE
Flat Rate per Quarter	\$40.00	\$76.37
Volumetric	\$3.00 per thousand gallons	\$5.73 per thousand gallons

A typical Town of Milton customer with metered usage of 15,000 gallons of water per quarter would see his quarterly wastewater bill increase from \$85.00 to \$162.32 if the full requested rate increase is approved.

On August 9, 2011, pursuant to 26 *Del. C.* §306(a)(1), the Commission suspended the effectiveness of the proposed new rates and tariff revisions pending further investigation, public comment sessions, and public evidentiary hearings, which will be held later after further public notice. However, TESI has requested authority to place a portion of its proposed increases into effect under bond and subject to refund sixty (60) days after the initial July 29, 2011 filing date, pursuant to 26 *Del. C.* §306(c).

The Commission will make its decision on this matter on the basis of the evidence of record taken at public evidentiary hearings. The Commission may approve or reject, in whole or in part, the proposed rate increase and tariff revisions, and may approve a different method for allocating any increase should one be found to be appropriate.

TESI's customers are invited to review the application and supporting documents to determine how their interests may be affected. You may review the documents during normal business hours in the Commission's Dover office at the address listed below or on the Commission's website at <http://dep.sc.delaware.gov/water.shtml>. You may also review copies of the filing at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801. Please call (302) 577-5077 to arrange for a time to review the documents at that location. If you wish to participate as a party in this docket, with the right to present evidence and be heard by counsel,

you must file a petition to intervene under Rule 1001.2.9 of the Commission's Rules of Practice and Procedure (26 Del. Admin. Code §§1001 et seq.) You must file that petition on or before September 16, 2011 at the Commission's office located at:

Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building
Suite 100
Dover, Delaware 19904
ATTN: PSC Docket No. 11-329WW

Petitions filed thereafter will not be considered except for good cause shown.

If you have a disability and wish to participate in, or to review the materials in, these proceedings, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, in writing, by telephone (including text telephone), or by Internet e-mail. If you have questions about this matter, please call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions or request information by Internet e-mail addressed to heidi.wagner@state.de.us.