

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
TIDEWATER UTILITIES, INC. FOR THE)
APPROVAL OF THE SEMI-ANNUAL ADJUSTMENT)
TO THE DISTRIBUTION SYSTEM IMPROVEMENT) PSC DOCKET NO. 09-503
CHARGE ("DSIC") EFFECTIVE JANUARY 1, 2010)
PURSUANT TO 26 DEL. C. §314 (b) (5))
(FILED NOVEMBER 30, 2009))

(NOT CONSOLIDATED)

IN THE MATTER OF THE APPLICATION OF)
TIDEWATER UTILITIES, INC. FOR THE)
APPROVAL OF THE SEMI-ANNUAL ADJUSTMENT)
TO THE DISTRIBUTION SYSTEM IMPROVEMENT) PSC DOCKET NO. 10-188
CHARGE ("DSIC") EFFECTIVE JULY 1, 2010)
PURSUANT TO 26 DEL. C. §314 (b) (5))
(FILED MAY 26, 2010))

ORDER NO. 8023

This 6th day of September 2011, the Commission determines and Orders the following:

WHEREAS, under the provisions of 26 Del. C. §314, a water utility may calculate and collect a "Distribution System Improvement Charge" ("DSIC Rate"), which allows the utility to promptly begin to recover depreciation expenses and a return on capital invested in "eligible distribution system improvements" put into service between rate cases; and

WHEREAS, under the statutory scheme, a particular water utility's DSIC Rate, once initiated, may thereafter be adjusted on a semi-annual basis to reflect eligible improvements put into service within the preceding six months (see 26 Del. C. §§314(b)(3), (5));¹ and

¹The Commission has explained the DSIC Rate mechanism in detail in PSC Order No. 5850 (Dec. 11, 2001).

WHEREAS, on November 30, 2009, Tidewater Utilities, Inc. ("Tidewater") filed an application with the Delaware Public Service Commission (the "Commission") to reset its DSIC Rate from 0%² to 1.71% effective January 1, 2010; and

WHEREAS, after Staff identified an error in Tidewater's application, Tidewater submitted a corrected application to reset its DSIC Rate from 0% to 1.11%; and

WHEREAS, on December 22, 2009, in Order No. 7713, the Commission opened Docket No. 09-503 and reset Tidewater's DSIC Rate to 1.11% on a temporary basis and subject to refund, pending a review, audit and annual reconciliation to be performed by Staff; and

WHEREAS, on May 26, 2010, Tidewater filed a subsequent application pursuant to 26 Del. C. §314 to reset its DSIC Rate from 1.11% to 1.07%; and

WHEREAS, on June 15, 2010, in Order No. 7791, the Commission opened Docket No. 10-188 and reset Tidewater's DSIC Rate to 1.07% on a temporary basis and subject to refund, pending a review, audit and annual reconciliation to be performed by Staff; and

WHEREAS, Staff reports that it has reviewed the DSIC applications that preceded Docket Nos. 09-503 and 10-188, conducted certain discovery and found no discrepancies with the filings; and

WHEREAS, Staff recommends that the Commission formally close these dockets; and

² Tidewater's DSIC Rate was reset to zero at the conclusion of its last base rate case, Docket No. 09-29.

WHEREAS, Staff further reports that it has shared its findings with the Public Advocate and Tidewater and that there are no objections to the closing of these dockets;

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

1. That, based upon Staff's recommendation and for the reasons discussed above, Dockets Nos. 09-503 and 10-188 may be closed without any further action of the Commission.

2. That the Commission reserves the jurisdiction and authority to enter such further orders in these dockets 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/ Dallas Winslow
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ William O'Brien
Executive Director