STATE OF DELAWARE

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MEMORANDUM

TO: The Chair and Commissioners

FROM: Lisa B. Driggins, Public Utilities Analyst

DATE: November 13, 2018

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
(FILED OCTOBER 4, 2018 – (BAY RD 9-2018)
PSC DOCKET NO. 18-1117

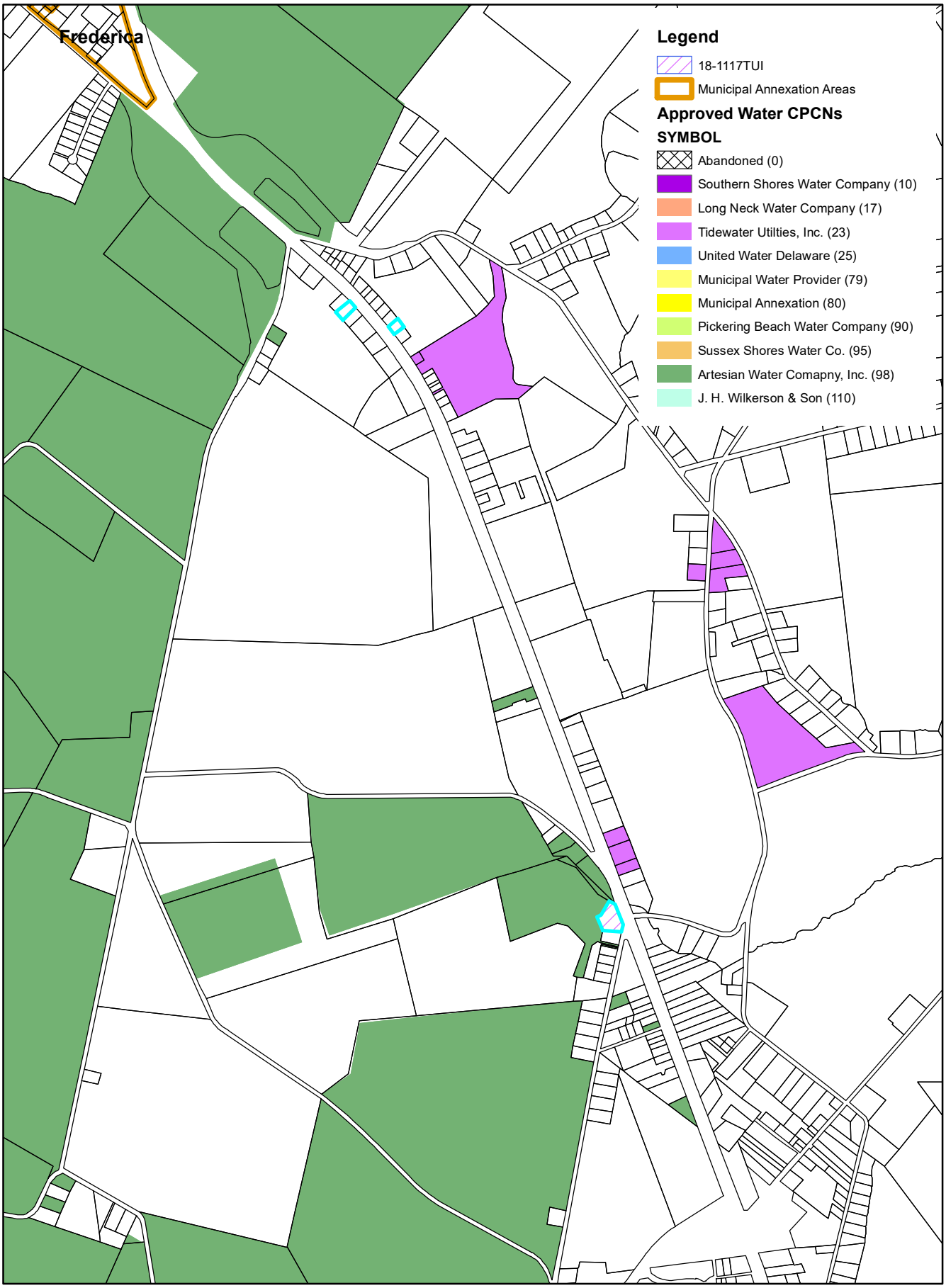
On October 4, 2018, Tidewater Utilities, Inc. ("Tidewater" or the "Company") submitted an application ("Application") with the Delaware Public Service Commission (the "Commission") pursuant to 26 *Del. C.* § 203C(e)(1)b.2 seeking a Certificate of Public Convenience and Necessity ("CPCN") to provide water services to three parcels of land in Kent County, Delaware, known as Bay Rd 9-2018 (the "Proposed Service Area").

As required under 26 *Del. C.* § 203C(e)(1)b.2. and the Commission's Regulations Governing Certificates of Public Convenience and Necessity for Water Utilities, 26 *Del. Admin. C.* § 2002 (the "Regulations"), the Application contained the following documentation: (1) copies of petitions signed by all landowners of record encompassed in the Proposed Service Area requesting to be included in the Proposed Service Area; (2) a copy of the United States Postal Service forms verifying that the Company sent, via certified mail, a Commission-approved notice to all landowners of record for each parcel within 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 map clearly marking the Proposed Service Area. Additionally, the Application contained Tidewater's statement that: (i) its expansion of service to the Proposed Service Area will comply with the water pressure requirements of 26 *Del. C.* § 403(a) and (b); and (ii) Tidewater is not barred by any of the restrictions set forth in 26 *Del. C.* § 403(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 landowners identified in the parcel listing are the landowners of record; and (iii) verified that the petitions included in the Application have been signed by each landowner of record.

In addition to the required notification to all the landowners of record, Tidewater published a notice in The News Journal newspaper and the Delaware State News newspaper on October 10, 2018. The notice advised residents that: (i) the Application may be reviewed at the Commission's office during normal business hours or on its website; (ii) a hearing on this matter would not be held unless an appropriate request was received; and (iii) the property owner may object to or "opt-out" of the Proposed Service Area. To date, Staff has received no comments regarding the Application, 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 ("DNREC"), the Office of the State Fire Marshal ("SFM"), and the Office of Drinking Water of the Division of Public Health ("ODW"). 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 under 26 *Del. C.* § 203C(e)(1), 203C(e)(1)b., 203C(e)(3), and the Regulations for CPCN issuance. In accordance with 26 *Del. C.* § 203C(f), Staff finds no basis for denial and, therefore, respectfully recommends that the Commission grant Tidewater a CPCN based upon the Application.

Tidewater Utilities, Inc.
Docket No. 18-1117 "Bay Rd 9-2018"
November 29, 2018