BEFORE THE

DELAWARE PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

BRUCE PATRICK

TIDEWATER UTILITIES, INC.

EXHIBIT T-1

November 2026

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Q. Please state your name and business address.

A. My name is Bruce E. Patrick. My business address is 1100 South Little Creek Road, Dover, Delaware 19901.

Q. By whom are you employed and in what capacity?

A. I am employed by Tidewater Utilities, Inc. ("Tidewater", or the "Company") and serve as its President.

Q. Please summarize your responsibilities, educational background and other qualifications.

A. I am the President of Tidewater and am responsible for the overall management of the Company's day-to-day operations and maintenance activities, water quality and regulatory compliance, and capital planning and construction programs. I have been employed by Tidewater since February 2002, and during my 24 years with the Company, participated in several prior base rate cases. Before joining Tidewater, I held various positions in the consulting sector and in state and county government, each involving progressively greater responsibilities in the water and wastewater industry. I earned a Bachelor of Civil Engineering degree from the University of Delaware in 1991 and a Master of Business Administration degree from Delaware State University in 1996. I am also a registered Professional Engineer. A summary of my professional qualifications and experience is attached hereto as Exhibit A.

Q. HAVE YOU TESTIFIED IN RATE PROCEEDINGS PRIOR TO THIS CASE?

A. Yes, I have previously testified before the Delaware Public Service Commission (the "DEPSC") in Docket Nos. 04-152, 06-145, 09-29, 11-397, 13-466 and 24-0991.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to provide an overview of Tidewater, its operations, and its service area; describe the primary factors driving the need for an increase in rates; describe the company's capital planning process and commitment to service; discuss acquisitions since its last base rate case; explain Tidewater's relationship with its affiliates; support certain operating expenses; as well as sponsor proposed non rate changes to the Company's tariff. My testimony has been prepared by me or under my direct supervision and control and is based on Company records, public documents, my personal knowledge and education and my professional experience.

Q. PLEASE PROVIDE AN OVERVIEW OF TIDEWATER'S OPERATIONS.

A. Tidewater provides regulated water utility service to approximately 63,000 customers through 48 separate Public Water Systems located in all three Counties in Delaware. Please refer to Minimum Filing Requirement ("MFR") 2.1.3 for a map of the systems.

Water service is provided to the 48 systems through 81 water plants using groundwater from 162 wells. The pumping capacities of the plants range from 46,000 gallons per day to 3.0 million gallons per day.

Tidewater's distribution system consists of approximately 1,017 miles of water mains varying in size from $1^{1}/_{2}$ inch to 24 inches in diameter, approximately 15,700 valves, 5,900 fire hydrants, and 63,000 active services. The distribution system also provides 10.0 million gallons of storage from 49 Storage tanks. The breakdown of the different types of storage is 13 elevated tanks with a combined capacity of 6,200,000 gallons and 36 ground level tanks with a combined capacity of 3,825,500 gallons.

Tidewater supplements its water production on an as needed basis, with annual purchases of approximately 70 million gallons of treated water from the City of Dover, Delaware ("Dover") and approximately 70 million gallons from Southern Shores Water Company, LLC ("Southern Shores"), a DEPSC-regulated subsidiary of Tidewater.

Q. WHAT ARE THE PRIMARY FACTORS DRIVING THE COMPANY'S NEED FOR AN INCREASE IN RATES AT THIS TIME?

A. The Company's need for a rate increase is primarily driven by two factors: the capital investment necessary to continue providing safe, adequate, reliable, and resilient water service, and increases in the cost of operating and maintaining our water systems.

First, Tidewater has made, and must continue to make, necessary and prudent capital investments in its water systems. Specific capital projects are discussed in greater detail in the testimony sponsored by Mr. Brian C. Carbaugh, P.E. These investments are generally driven by the following primary considerations:

1. Water Demand and Capacity. Tidewater must maintain sufficient source and treatment capacity to reliably meet customer demand, including peak-day conditions. As demand increases, additional wells, treatment facilities, storage, and other infrastructure is required to maintain adequate capacity and operational redundancy.
2. Aging Infrastructure and Useful Life. Tidewater continually evaluates the condition and performance of its infrastructure, including factors such as age, break and repair history, reliability, and remaining useful life. Infrastructure that is deteriorating, experiencing recurring failures, or approaching the end of its

useful life must be rehabilitated or replaced to reduce the risk of service interruptions and maintain reliable service.

3. System Reliability and Resiliency. Our systems must have adequate sources of supply, treatment, storage, and distribution capacity, together with appropriate redundancy. Investments such as system interconnections and distribution system looping improve operational flexibility and help limit the number of customers affected when a well, treatment facility, water main, or other critical asset is temporarily out of service.

4. Risk Management, Safety, and Security. Tidewater must also invest in protecting its critical water infrastructure. This includes physical security improvements such as fencing, access controls, locks, cameras, and other protective measures identified through our risk and resilience assessments and emergency response planning that are regulatorily required by EPA's America Water Infrastructure Act (AWIA).

5. Regulatory and Other Mandated Requirements. Certain capital investments are necessary to comply with federal, state, and local requirements. For example, because portions of Tidewater's water infrastructure are located within Delaware Department of Transportation rights-of-way, highway construction and road-improvement require the Company to relocate existing water mains and other facilities. In addition, drinking-water regulations may require new or enhanced treatment to ensure that finished water continues to meet applicable water-quality standards.

Second, the costs associated with operating and maintaining our water systems have increased. These include purchased power, chemicals, materials, fuel, labor, employee benefits, and other expenses necessary to operate our systems and provide safe and reliable water service. These operating and maintenance expenses are discussed in greater detail in the testimony sponsored by Mr. Robert Capko.

Taken together, the capital investments required to maintain and improve our systems and the increased costs of operating those systems have increased the overall cost of providing water service. The additional revenues requested in this proceeding are necessary for Tidewater to continue meeting its service obligations while maintaining safe, adequate, reliable, and resilient water service for our customers.

Q. CAN YOU EXPLAIN WHAT FACTORS TIDEWATER TAKES INTO ACCOUNT WHEN PREPARING ITS CAPITAL PROGRAMS?

A. Tidewater constantly monitors and evaluates the water systems, considering factors such as water demand, asset conditions and useful life, reliability and resilience, environmental requirements, safety and security and new and existing regulatory requirements. Based on those evaluations, Tidewater then prepares a five-year capital program (the "Capital Program") that is updated annually which is designed to address identified system needs and to ensure that system infrastructure and facilities can support the continued provision of safe, adequate, and reliable water service.

Q. CAN YOU DESCRIBE TIDEWATER'S PUBLIC WATER SYSTEMS THROUGHOUT THE STATE?

A. Eight (8) of Tidewater's systems are "regional." That is, they are interconnected and our customers are all capable of being served by at least two water treatment plants.

Tidewater's remaining systems are independent systems, each served by a single water plant. The systems are located in New Castle, Kent and Sussex Counties and range in size with the largest providing service to approximately 28,500 customers. The system locations are shown on the system map provided in MFR 2.1.3.

Tidewater's systems are served by 81 active water treatment plants, most of which provide pH control in addition to disinfection. In addition, five Tidewater treatment plants use pressure filter treatment for iron/manganese removal, 26 use ion-exchange treatment for iron removal, 11 use ion-exchange treatment for nitrate removal, eight use ion exchange treatment for Perfluorinated Compounds removal, and three use ion exchange treatment for Total Organic Carbon removal. These treatment plants are supplied by 162 active production wells drilled into the Cheswold, Columbia, Frederica, Magothy, Mt. Laurel, Pocomoke and Potomac aquifers.

The Company has 5 "wide-area" service territories located in the areas north and south of Dover in Kent County, to the west of Rehoboth Beach and Lewes, and to the north and south of Indian River Bay in Sussex County.

Q. PLEASE DESCRIBE TIDEWATER'S REGIONAL DISTRICTS.

A. Tidewater manages eight regional districts. The regional districts are outlined as follows:

New Castle County:

1. Northwest District – Serves an area north-northwest of Middletown and is supplied by three interconnected treatment plants.
2. East District – Serves an area east-northeast of Middletown along the Route 13 corridor and is supplied by two interconnected treatment plants.

Kent County:

3. Garrison's Lake District – Extends from north Dover to south of Smyrna, is supplied by four treatment plants and an elevated storage tank; and is supplemented with purchased water from the City of Dover.

4. Camden District – Serves multiple communities in the area between Dover, Camden, Magnolia, Viola and Felton and is supplied by five water treatment plants and two elevated water storage tanks.

5. Wild Quail District – Serves communities west of Camden-Wyoming and is supplied by two water treatment plants.

Sussex County:

6. Rehoboth District – Serves residential and commercial customers along the Route 1 corridor, extending from north of Five Points, south to the Rehoboth canal, and west to Angola and Oak Orchard. The Rehoboth District is supplied from 16 water treatment plants and four elevated water storage tanks.

7. Bethany Bay District – Serves Ocean View, Millville, and north of Bethany Beach. The Bethany Bay District is supplied from four water treatment plants and three elevated water storage tanks and is supplemented with purchased water from Southern Shores.

8. Bayside District – Serves customers located along Route 54 east of Selbyville and is supplied by two water treatment plants and two elevated water storage tanks.

Q. PLEASE DESCRIBE TIDEWATER'S COMMITMENT TO SERVICE IMPROVEMENTS IN DELAWARE.

A. Tidewater employs a diverse team of professionals dedicated to the operation, maintenance, repair, upgrade, design, and management of the Company's water systems.

These employees are committed to providing safe, adequate, and reliable service across a geographically dispersed service area that spans two hours from north to south. To support this commitment, Tidewater invests in training and educational programs that enable employees to obtain and maintain the licenses, registrations and certifications required to perform their responsibilities effectively.

The physical assets and infrastructure necessary to provide safe, adequate, and reliable water service must be continually evaluated, maintained, upgraded and replaced. Tidewater therefore remains committed to making prudent and necessary capital investments to preserve the reliability, resiliency, and long-term integrity of its systems. The Company's current 5-year Capital Program reflects a substantial and sustained investment in its existing systems and infrastructure and excludes projects associated with system expansion outside of its current service territories.

Tidewater expects to continue integrating new and existing infrastructure into regional districts as the need arises. The integration allows the Company to realize economies of scale and implement more cost-effective operating practices for the benefit of our customers. The Capital Program, together with the related schedules and testimony sponsored by Mr. Brian C. Carbaugh, P.E., identifies planned expenditures for the replacement, rehabilitation, and improvement of infrastructure, including water treatment plants, interconnections, stand-by power generation and water storage facilities. In addition, the Capital Program includes several interconnections between systems that will provide additional redundancy and reliability during periods of peak summer water demand.

Q. PLEASE DESCRIBE ANY TIDEWATER SYSTEM ACQUISITIONS SINCE ITS LAST BASE RATE CASE?

A. In April 2025, Tidewater completed the DEPSC approved acquisition of the water utility assets of the Town of Ocean View and the transfer of the Certificate of Public Convenience and Necessity. The acquisition enabled Tidewater to serve approximately 900 metered customers through the Company's Bethany Bay water system in eastern Sussex County, Delaware. The DEPSC also authorized Tidewater to maintain the rate structure previously applicable to those customers. The acquisition was approved in DEPSC Docket No. 25-0077, Order No. 10656.

In January 2026, the Company completed the DEPSC approved acquisition of the water utility assets of Pinewood Acres which serves approximately 350 customers. Tidewater installed meters shortly after the acquisition, and those customers are now metered and are being billed under Tidewater's current tariff. The acquisition was approved in DEPSC Docket No. 25-1211, Order No. 10878.

Q. DOES TIDEWATER ANTICIPATE ANY CHANGES TO THE BILLING FREQUENCY FOR OCEAN VIEW CUSTOMERS?

A. Yes. Tidewater plans to transition Ocean View customers from their current quarterly billing cycle to monthly billing. This change will provide customers with more frequent and predictable billing, allowing them to better monitor their water usage and manage household expenses. Monthly billing will also align Ocean View customers with Tidewater's standard billing practices and provide a more consistent customer experience across our service territory. Please refer to Mr. David Njuguna's testimony and Tim Lyons for additional details.

Q. CAN YOU EXPLAIN THE RELATIONSHIP BETWEEN TIDEWATER AND ITS AFFILIATES?

A. Tidewater is a wholly-owned subsidiary of Middlesex Water Company, a corporation with its principal place of business in New Jersey. Tidewater owns White Marsh Environmental Systems, Inc. ("White Marsh"), a non-regulated subsidiary whose primary business is providing contract operations and maintenance services to owners of water and wastewater systems. White Marsh also owns commercial office buildings that are leased to Tidewater. Tidewater also owns Southern Shores, a regulated water system which provides service to approximately 2,200 customers in the Sea Colony development near Bethany Beach, Delaware.Intercompany services are provided through these parent-subsidiary relationships. The corporate organization chart submitted as MFR 2.1.2 to this application summarizes Tidewater's relationship with its affiliates.

Q. HAVE YOU PREPARED INFORMATION OR SCHEDULES FOR THE O&M EXPENSES COVERED BY YOUR TESTIMONY?

A. Yes, under my supervision, Schedules 3B.2, 3B.3, 3B.4, 3B.5 were prepared and submitted with the MFRs. These schedules address purchased power, chemicals, treatment and lab services, and tank painting respectively. While I am responsible for the schedules and the data, the accounting aspects are the responsibility of Mr. Capko/Ms. Kaplan.

Q. PLEASE DESCRIBE THE INFORMATION IN THESE SCHEDULES.

A. Schedule 3B.2, Purchased Power – Presents the actual purchased-power costs for the 12 months ended September 30, 2026 ("Test Year"), adjusted through June 30, 2027 ("Test Period") to reflect for the projected overall system pumpage through the Test Period.

Schedule 3B.3, Chemicals – Presents actual Test Year costs of chemicals. Test Period costs were calculated by applying the actual Test Year cost per gallon to the projected Test Period system pumpage.

Schedule 3B.4, Treatment & Lab Services – Presents actual Test Year treatment and laboratory services costs. The Test Period projection was calculated by applying the actual Test Year cost per gallon to the projected Test Period system pumpage.

Schedule 3B.5, Tank Painting – Identifies deferred tank painting costs associated with 9 tank paintings as of September 30, 2026. The Test Period expense reflects the amortization of those deferred tank painting costs over the proposed 10-year amortization period.

Q. HOW WERE THE PUMPAGE ESTIMATES USED TO DETERMINE THE POWER, CHEMICAL AND TREATMENT ADJUSTMENTS DEVELOPED?

A. The Test Year reflects actual pumpage for the 12 months ended September 30, 2026. To develop the Test Period pumpage projection, the Company analyzed monthly customer connection and production data for the most recent six-year period. For each month, total production was divided by the corresponding number of customer connections to determine historical water usage per connection.

The Company then projected the number of customer connections for the Test Period based on its ongoing monitoring of growth within its service areas. The projected number of connections was multiplied by historical pumpage per connection to derive the Test Period pumpage. These projected pumpage levels were subsequently used to calculate Test Period operating expenses that vary with water production, including power, chemical, and treatment costs.

Q. DO YOU BELIEVE THE EXPENSES JUST DISCUSSED ARE PRUDENT AND NECESSARY?

A. Yes. All of these expenses are prudent and necessary for Tidewater to provide safe and adequate service to its customers.

Q. HAS TIDEWATER SPONSORED PROPOSED NON-RATE CHANGES TO THE TIDEWATER WATER COMPANY TARIFF FOR WATER SERVICE ("TARIFF")?

A. Yes. The Company proposes to revise or add the following Tariff sections:

- Sections I 3.3 has been revised to clarify that the customer is responsible installing and maintaining the required backflow prevention device. This requirement is consistent with the Company's Cross Connection Control Plan.
- Section I 3.5 has been revised to clarify that each living unit of newly constructed multifamily residential buildings shall be individually metered; unless the Company approves an alternative arrangement.
- Section 3.7 has been revised to clarify the Company's obligation to establish, implement, maintain and enforce a Cross Connection Control Program in accordance with state laws, rules, regulations, and requirements of the State Of Delaware, Division of Public Health and other regulatory agencies having jurisdiction.
- Section 4.7 has been added to clarify that an unauthorized reconnection of water service constitutes theft of service and may result in criminal charges. The provision also states that, when service has been physically disconnected, the customer must pay the Company's actual reconnection cost. This way, other customers are not burdened with costs which should be paid by the offending customer.

- Section II 9, Contributions in Aid Of Construction, has been revised to refer to IRS regulations which reflect by reference that the income tax liability gross up factor is currently no longer in effect.

A marked copy of the Tariff reflecting these proposed revisions and additions has been submitted with the Company's application as MFR 8.2.

Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

A. Yes it does.

EXHIBIT A

Bruce E. Patrick, PE, MBA

754 Pear Tree Lane
Harrington, Delaware 19952
302-398-3721

SUMMARY OF QUALIFICATIONS

I currently hold the position President and General Manager at Tidewater Utilities, Inc. and its affiliates Southern Shores Water Company, LLC and White Marsh Environmental Systems, Inc. In this position, I am involved in strategic oversight responsibilities including in the areas of Tidewater's regulated business, capital projects, business opportunities and stakeholder relationships. In addition, I am responsible for the overall management of the day to day operations and maintenance of the water and wastewater systems, as well as the water quality/regulatory issues and capital planning and construction.

I previously held the positions of Executive Vice President and General Manager and Vice President of Engineering within the same companies mentioned above, where I was responsible for operations and maintenance, capital improvements planning, budgeting, engineering, and construction.

I have also held the position of Kent County Public Works Director (County Engineer), in which I was responsible for the overall planning, budgeting, engineering, construction and operation and maintenance of the County's regional wastewater facilities. These positions, as well as, my regulatory experience as the Director of Technical Environmental Health Services with the Division of Public Health, and my position as an Environmental Program Manager with the Department of Natural Resources and Environmental Control have required multiple duties in the environmental, regulatory, engineering, and management fields. I am a registered Professional Engineer and have a Master's Degree in Business Administration, which has allowed me to further mesh my technical and administrative/management skills.

EDUCATION

University of Delaware *1987-1991*
Newark, Delaware
Bachelor of Civil Engineering Degree

Delaware State University *1993-1996*
Dover, Delaware *(Part time Basis)*
Master of Business Administration Degree

PROFESSIONAL EXPERIENCE

President, Tidewater Utilities, Inc. (and its affiliates), Dover, Delaware.

- Responsible for strategic oversight of the regulated business, capital projects, business opportunities and stakeholder relationships
- Responsible for the overall management of the day to day operations and maintenance as well as water quality/regulatory issues, capital planning and construction.
- Responsible for the preparation and oversight of the operating budgets for the Tidewater companies.
- Responsible for regulatory compliance issues including monitoring and reporting regulatory requirements.

Executive Vice President and General Manager, Tidewater Utilities, Inc. (and its affiliates), Dover, Delaware.

- Responsible for operations and maintenance of the various water/wastewater facilities and associated appurtenances, involving the coordination of the various sections within the Operations Department.
- Responsible for the preparation and oversight of the operating budgets for the Tidewater companies.
- Responsible for regulatory compliance issues including monitoring and reporting regulatory requirements.
- Responsible for capital program implementation (budgeting, planning, design, permitting, construction).

- Establish Goals and provide administration and direction for the Operations Department (Distribution and Collection, Production/Treatment Water and Wastewater, Maintenance, Water Quality and Engineering).

Vice President of Engineering, Tidewater Utilities, Inc. (and its affiliates), Dover, Delaware.

- Manage Capital Improvements program, including planning and budgeting, for Five Year Capital Program.
- Manage current fiscal year capital budget including the engineering/design, permitting and construction of approximately $12-15 million annually in improvements, ensuring timely and within budget completions.
- Responsible for the oversight of water service agreements, ensuring that the company grows into new un-served areas, while providing quality service at an economical rate.
- Prepare state/federal loan applications for funding assistance.
- Responsible for obtaining necessary easements and handling of other land/property management issues.
- Manage wastewater projects for the company's subsidiary *Whitemarsh Environmental Systems, Inc* and affiliate *Tidewater Environmental Services, Inc*.

Director, Technical Environmental Health Services, Division of Public Health, Dover, Delaware.

- Manage the Office of Plan Review, Permitting and Enforcement and the Office of Radiation Control.
- Responsible for plan review, permitting and enforcement for public drinking water systems, public food establishments, public pools, recreational camps and several other public health programs.
- Manage a technical staff consisting of engineers, scientists and technicians, as well as a clerical support staff.
- Represent the Division of Public health on several Technical Advisory Committees.
- Provide technical assistance to several programs including The Office of Drinking Water, The Office of Health Facilities Licensing and The Office of Community Environmental Health.
- Act as a liaison and/or provide support to the Board of Plumbing Examiners and the Authority on Radiation Protection.
- Administer the Employee Right to Know Program.
- Administer or provide support to funding programs including the Drinking Water State Revolving Fund and the Fluoride Grant Program.

Public Works Director/County Engineer, Kent County Levy Court, Dover, Delaware.

- Responsible for management and engineering work involving the budgeting, planning, design, scheduling, construction, and operation and maintenance for the County's regional wastewater system.
- Prepared and managed a $10 Million annual budget and approved expenditures in compliance with approved budget.
- Responsible for managing a Federally mandated Industrial Pretreatment Program.
- Prepared designs/specifications and bid packages for various wastewater projects.
- Participated in public hearings and meetings and made recommendations regarding the County's wastewater system and other public works projects, to the elected body.
- Prepared grant and loan applications from various agencies in order to obtain funding assistance for projects.
- Responsible for creating and managing new sewer, garbage and street lighting districts.
- Managed a staff of approximately sixty-five (65) people including engineers, scientists, technicians, clericals, operators and other field personnel.

Environmental Program Manager, Department of Natural Resources and Environmental Control, Large Wastewater Systems Branch, Dover, Delaware.

- Managed, coordinated and planned projects for multiple regulatory permitting and compliance programs (Land Treatment/Spray Irrigation, Large On-Site Wastewater Systems and the Underground Injection Control Program).
- Managed a group of technical professionals including engineers, scientists and technicians.

- Assisted in drafting regulations and guidance documents.
- Prepared enforcement documents (Notices of Violations, Conciliation orders, etc.) in order to bring facilities into compliance in an appropriate and timely fashion.
- Reviewed Plans and specifications including alternative technologies for on-site wastewater systems.
- Prepared and analyzed budget proposals, including project funding and projecting user rates.
- Experience in resolving disputes between contractors, co-workers, and the regulated community.
- Experience with computers and multiple software packages including databases, spreadsheets, and statistical analysis packages.
- Participated in public hearings and provided regulatory testimony.

Consulting/Design Engineer, Davis, Bowen and Friedel, Inc., Salisbury, Maryland.

- Performed field studies and developed water and wastewater designs and budgets accordingly.
- Compiled technical reports and performed presentations for various projects.
- Prepared and analyzed cost estimates and budgets for various authorities and projects, including projected user rates.
- Prepared federal grant applications for project funding assistance.
- Monitored construction of projects for compliance with plans, specifications and regulations.
- Assisted in writing and proofing project specifications.
- Prepared operation and maintenance manuals for various designs.

RECOGNITION'S

Department of Natural Resources and Environmental Control

1. Secretary's Certificate of Merit for Meritorious Service to the People and Environment of the State of Delaware.
2. Division of Water Resources - 1996 Outstanding Employee Award - Administrative Management Field.
3. Certificate of Recognition for Coordinating and Providing Technical Expertise on the Proposed Ellendale Sanitary Sewer District.

REFERENCES AVAILABLE UPON REQUEST