BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF ARTESIAN WATER COMPANY, INC. FOR AUTHORITY TO INCREASE RATES AND CHARGES FOR WATER SERVICE (Filed April 11, 2014)	* * * * *	PSC Docket No. 14-132

PETITION TO PLACE REVISED TEMPORARY RATES INTO EFFECT

ARTESIAN WATER COMPANY, INC. ("AWC" or "Company"), pursuant to Section 306, Title 26 of the Delaware State Code, hereby petitions the Delaware Public Service Commission ("Commission") for an appropriate Order authorizing the collection of an increase in its temporary rates, effective November 13, 2014, and in support thereof respectfully represents that:

1. AWC is a Delaware corporation providing water service to approximately 80,000 customers in each county across the state of Delaware.

2. On April 11, 2014, AWC filed an Application with the Commission to increase rates 15.91 percent to collect $9,983,823 in additional annual water service revenues.

3. On May 13, 2014, the Commission issued Order No. 8558 suspending AWC's Application for an increase in water rates pending an investigation into the justness and reasonableness of the proposed rates. The Commission also granted AWC the authority to implement temporary rates effective consistent with § 306(c), Title 26 of the Delaware Code effective June 10, 2014.

4. The approved Initial Temporary Rates reflect an increase of 3.98 percent and were designed to recover an additional $2,500,000 in annual water service revenues. The Initial Temporary Rates were expected to recover an additional $1,025,222 during the pendency of the

Commission's investigation into the justness and reasonableness of AWC's proposed rates.

5. On June 30, 2014, AWC filed Supplemental Testimony updating its Application to increase rates 15.71 percent to collect $9,859,005 in annual water service revenues.

6. AWC requests authority pursuant to § 306(b), Title 26 of the Delaware Code to implement Revised Temporary Rates effective November 13, 2014.

7. Section 306(b), Title 26 of the Delaware Code allows a public utility to request authority to implement Revised Temporary Rates to recover not more than 15 percent of current intrastate revenue if the investigation into the justness and reasonableness of a public utility's application has not been completed within 7 months.

8. The Revised Temporary Rates proposed by this Application are designed to increase rates to recover an additional $7,000,000 in annual water service revenue or $4,500,000 in additional revenues above the initial level of $2,500,000 set to be recovered from Temporary Rates. The Revised Temporary Rates reflect an overall increase of 10.96 percent, which is 7.04 percent above the 3.92 percent Temporary Rates that became effective on June 10, 2014. Netting the impact of the previously approved 3.92% Temporary Rates indicates the Revised Temporary Rates will yield incremental revenues of $4,415,520 which equates to a net overall increase of 7.04 percent. A proof sheet showing the development of revenue to be recovered from the implementation of Revised Temporary Rates as set forth in Exhibit A.

9. The proposal to recover $7,000,000 in additional annual water service revenues from the Revised Temporary Rates will not cause the Company to earn at a rate that is above the 7.91 percent authorized rate of return established in Docket No. 11-207, as shown in Exhibit A.

10. AWC requests relief from providing a surety bond with the implementation of

the Revised Temporary Rates. AWC is strong financially and has access to sufficient financial resources to provide a refund, if so ordered by the Commission. Indeed, AWC has a Line of Credit of $40,000,000 with Citizens Bank, and a Line of Credit of $20,000,000 with CoBank. AWC agrees to abide by any Commission order that would necessitate a refund of amounts collected through the assessment of temporary rates. The Commission, by Order No. 8558, waived the requirement for a surety bond when Temporary Rates were implemented in this proceeding.

11. Clean and marked-up versions of tariff pages that outline the rates that AWC will assess in conjunction with this Application are set forth in Exhibit B.

12. Based on the adopted procedural schedule, the Commission may be expected to issue a final order with respect to the AWC's Proposed Rates in the first quarter of 2015. The Temporary Rates are expected, to provide AWC total additional revenues from the period beginning June 10, 2014 through March 31, 2015 of approximately $2,497,063.

WHEREFORE, Petitioner respectfully requests the Commission to issue an appropriate order permitting the Temporary Rates to become effective as of November 13, 2014.

ARTESIAN WATER COMPANY, INC.

By: _____
Chief Financial Officer

STATE OF DELAWARE :

: ss

COUNTY OF NEW CASTLE :

DAVID B. SPACHT, being duly sworn, deposes and says he is the Chief Financial Officer of Artesian Water Company, Inc.; that the execution and filing of this Petition has been duly authorized; and the statements made herein are true and correct to the best of his knowledge, information, and belief.

DAVID B. SPACHT

Subscribed and sworn to

Before me this 22nd day

of October 2014.

Robin E. Thompson

Notary Public

My Commission Expires:

10 April 2016

ROBIN E. THOMPSON
NOTARY PUBLIC
STATE OF DELAWARE
MY COMMISSION EXPIRES APRIL 10, 2016

EXHIBIT A

Artesian Water Company, Inc.
Pro Forma Revenues Under Present Rates
Impact of Additional Revenues From Temporary Rates

EXHIBIT A

	Pro Forma Revenue at Current Rates	Adjustments	Pro Forma Revenue at Temp Rates
Total Water Sales	62,752,316	6,876,054	69,628,370
Other Operating Revenues	1,545,173		1,545,173
Total Operating Revenues	64,297,489	6,876,054	71,173,543
Operating Revenues	64,297,489	6,876,054	71,173,543
Total Operating Expenses	47,171,293	42,907	47,214,200
Utility Operating Income Before Income Taxes	17,126,196	6,833,148	23,959,344
Income Taxes			
Federal Income Taxes	2,955,835	2,121,146	5,076,981
State Income Taxes	828,418	594,484	1,422,902
Deferred Income Taxes	710,044		710,044
Total Income Taxes	4,494,297	2,715,630	7,209,927
Utility Operating Income Net of Tax	12,631,899	4,117,518	16,749,417
Pro Forma Rate Base	221,767,586		221,767,586
Rate of Return	5.70%		7.55%

ARTESIAN WATER COMPANY, INC.
2nd STAGE TEMPORARY RATES
PROOF OF REVENUE

Description	Bills/Usage	Present Rates	Present Revenue	1st Temporary Rates	1st Temporary Revenue	Percent Increase	2nd Temporary Rates	2nd Temporary Revenue	Percent Increase
Customer Charge:									
Monthly									
5/8" or 1/2"	915,096	$ 13.22	$ 12,097,569	$ 13.75	$ 12,582,570	4.01%	$ 14.69	$ 13,447,046	11.15%
3/4"	7,788	15.86	123,518	16.49	128,424	3.97%	17.63	137,296	11.15%
1"	8,940	21.15	189,081	21.99	196,591	3.97%	23.51	210,173	11.15%
1-1/2"	5,976	42.29	252,725	43.97	262,765	3.97%	47.01	280,916	11.15%
2"	11,100	55.51	616,161	57.72	640,692	3.98%	61.70	684,893	11.15%
3"	1,764	84.59	149,217	87.96	155,161	3.98%	94.03	165,862	11.15%
4"	804	121.59	97,758	126.43	101,650	3.98%	135.15	108,663	11.15%
6"	852	211.47	180,172	219.89	187,346	3.98%	235.06	200,271	11.15%
8"	1,584	317.20	502,445	329.84	522,467	3.98%	352.58	558,492	11.15%
10"	96	502.23	48,214	522.24	50,135	3.98%	558.25	53,592	11.15%
Total Revenues from Customer Charges			$ 14,256,860		$ 14,827,800			$ 15,847,205	
Water Charge:									
All Other									
First 500 T.G.	1,773,283	$ 5.887	$ 10,439,317	$ 6.122	$ 10,856,036	3.99%	$ 6.544	$ 11,603,814	11.15%
Over 500 T.G.	376,740	6.776	2,552,790	7.046	2,654,513	3.98%	$7.532	2,837,556	11.16%
Total			$ 12,992,107		$ 13,510,549			$ 14,441,370	
Residential									
First 2 T.G.	1,689,176	$ 6.565	$ 11,089,440	$ 6.827	$ 11,532,005	3.99%	$ 7.297	$ 12,326,461	11.15%
Next 5 T.G.	1,866,109	7.098	13,245,642	7.381	13,773,751	3.99%	7.890	14,723,185	11.15%
Over 7 T.G.	247,294	8.277	2,046,852	8.607	2,126,459	3.99%	9.200	2,275,178	11.15%
Total			26,381,935		27,434,215			29,324,824	
CCH Rate	103,477	$ 3.887	$ 402,215	$ 4.042	$ 418,254	3.99%	$ 4.321	$ 447,082	11.15%
Wholesale									
All Usage Rate 1 (Middletown)	226,344	2.125	$ 480,981	$ 2.210	$ 500,220	4.00%	$ 2.362	$ 534,634	11.15%
All Usage Rate 2 (DCC)	156,131	2.243	350,202	2.332	364,097	3.97%	2.493	389,267	11.15%
All Usage Rate 3 (New Castle)	6,710	3.100	20,801	3.100	20,801	0.00%	3.446	23,121	11.15%
All Usage Rate 4 (AWC to AWCMD)	259,700	3.762	976,991	3.762	976,991	0.00%	3.762	976,991	0.00%
All Usage Rate 5 (Chesapeake City)	29,173	4.104	119,726	4.104	119,726	0.00%	4.104	119,726	0.00%
All Usage Rate 6 (Clayton)	7,209	2.000	14,418	2.000	14,418	0.00%	2.000	14,418	0.00%
Total			$ 1,963,119		$ 1,996,254			$ 2,058,158	
Total Revenues from Consumption			$ 41,739,378		$ 43,359,272	3.88%		$ 46,271,433	10.86%
Total Sales Revenues from General Customers			$ 55,996,236		$ 58,187,072	3.91%		$ 62,118,638	10.93%
Public Fire Protection Charge									
5/8" or 1/2"	907,044	$ 4.00	$ 3,628,176	$ 4.16	$ 3,773,303	4.00%	4.45	$ 4,032,697	11.15%
3/4"	7,488	5.98	44,778	6.22	46,575	4.01%	6.65	49,773	11.15%
1"	8,196	10.00	81,960	10.40	85,238	4.00%	11.12	91,103	11.15%
1-1/2"	5,784	19.94	115,333	20.73	119,902	3.96%	22.16	128,198	11.15%
2"	10,308	31.99	329,753	33.26	342,844	3.97%	35.56	366,537	11.15%
3"	1,692	60.02	101,554	62.41	105,598	3.98%	66.72	112,882	11.15%
4"	684	100.04	68,427	104.03	71,157	3.99%	111.20	76,060	11.15%
6"	648	200.39	129,853	208.37	135,024	3.98%	222.74	144,338	11.15%
8"	1,044	319.71	333,777	332.45	347,078	3.98%	355.37	371,010	11.15%
10"	36	511.38	18,410	531.75	19,143	3.98%	568.42	20,463	11.15%
Total Public Fire Charge			$ 4,852,021		$ 5,045,862			$ 5,393,261	
Private Fire Protection Charge									
1 1/2"	300	$ 19.28	$ 5,784	$ 20.05	$ 6,015	3.99%	21.43	$ 6,429	11.15%
2"	1,296	40.95	53,071	42.58	55,184	3.98%	45.52	58,991	11.15%
4"	1,932	106.69	206,125	110.94	214,336	3.98%	118.59	229,118	11.15%
6"	3,828	227.47	870,755	236.53	905,437	3.98%	252.84	967,887	11.15%
8"	1,920	378.70	727,104	393.79	756,077	3.98%	420.94	808,212	11.15%
10"	60	565.73	33,944	588.27	35,296	3.98%	626.84	37,730	11.15%
12"	12	618.19	7,418	642.82	7,714	3.98%	687.15	8,246	11.15%
Total Private Fire Charge			$ 1,904,202		$ 1,980,058			$ 2,116,614	
Total Fire Protection Revenues			$ 6,756,222		$ 7,025,920			$ 7,509,875	
Total Revenue From Sales			$ 62,752,459		$ 65,212,993			$ 69,628,513	
Miscellaneous Revenues			$ 1,545,173		$ 1,545,173			1,545,173	
Total Revenues			$ 64,297,632		$ 66,758,166			$ 71,173,686	

Annualized from Temp Rates	$ 2,500,000	$ 2,460,534		10.96%	$ 6,876,054 Total Rev
Annualized Percentage Increase	$ 62,752,459			3.92%	2,460,534 1st Temp
Annualized Percentage Increase	3.98%			7.04%	$ 4,415,520 2nd Temp
Projected Revenue to be Collected		$ 1,025,222			$ 1,471,840
	$ 7,000,000				
	$ 62,752,459				
	11.15%				$ 2,497,063 Est Rev

EXHIBIT B

PART 1

ARTESIAN WATER COMPANY, INC.

TARIFF

LIST OF CHANGES

This tariff updates the following pages:

Implements Temporary Rates for water service in accordance with Delaware PSC Order No. XXXX.

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METERED SERVICE

These Rules and Rates are applicable throughout the territory served by the Company for all metered service, with the exception of the rates charged to customers of the Boothhurst development located within the City of New Castle and to portions of Middletown served by Artesian. Under an Agreement between the Company and the Board of Water and Light of the City of New Castle (the "Board") dated December 31, 1997, rates are initially determined by the Board and reviewed by the Public Service Commission, but cannot exceed the rate charged by the Company to similar classes of customers. The same provisions are included under an agreement between the Company and the Town of Middletown dated February 2, 1998. The current rates are shown at the First and Second Supplemental Sheet to this Tariff. Under that Agreement, the Board and Middletown will exercise the same degree of skill and care and apply the same standards, policies and procedures that the Company applies in performing the same functions for its other customers.

The total charge for metered service consists of the sum of the Customer Charge, and to the extent applicable, the Water Charge and Fire Protection Charge, as each is specified below.

Method of Billing:

Customers will be billed monthly. Customer Charges and Fire Protection Charges will be billed in advance. Water Charges will be billed in arrears.

Billings covering other than the normal billing period will be calculated by prorating the full period charges on a daily basis.

The Company will not mail checks for refunds totaling less than $10.00 to customers who have left Artesian's service territory. Those refunds are available upon request from the former customer. The refund will also be credited to that customer's new account if the former customer re-establishes a service with the Company within five years from the date of the original refund generation. If left unclaimed those funds due former customers will be escheated to the State of Delaware according to applicable state law.

Payment Terms:

All bills are due and payable upon presentation. See section titled "Bills and Payment" for additional information.

Late Payment Penalty:

A late payment penalty will be applied to any outstanding balance which remains outstanding 25 days after the bill date, until payment is received in full. The monthly penalty will be at a rate equal to one-twelfth of the sum of prime rate plus 5%, and the prime rate will be updated quarterly.

Customer Charge:

This is a monthly service fee for providing the customer with water service and recovers expenses not directly associated with water production or delivery, such as meter reading, billing, payment remittance and other costs. The charge is the same in each billing period, is billed in advance, and is based on the size of the meter through which service is furnished.

Monthly Charge

Monthly customer charges by meter size are as follows:

Size of Meter	
5/8"	$ 14.69
3/4"	$ 17.63
1"	$ 23.51
1-1/2"	$ 47.01
2"	$ 61.70
3"	$ 94.03
4"	$135.15
6"	$235.06
8"	$352.58
10"	$558.25

Water Charge

The charge, at a rate per thousand gallons of water registered by the meter, is as follows:

Residential	
0 - 2,000 gallons.....	$7.297
2,001 – 7,000 gallons.....	$7.890
Over 7,000 gallons.....	$9.200
CCH	
Rate.....	$4.321
All Other	
0 - 500,000 gallons.....	$6.544
Over 500,000 gallons.....	$7.532

For purposes of the Water Charge, a residential customer service is defined as:

(a) a single family dwelling

(b) multi-unit structures consisting of four or less units of which at least one serves as a dwelling

(c) four or less separate structures on one property, of which at least one such structure serves as a dwelling and all of which are served through a single meter.

For purposes of the Water Charge, pursuant to prior PSC orders, Christiana Care Hospital is served under a separate exclusive rate classification. Christiana Care Hospital is the only customer eligible for this rate classification.

Public Fire Hydrant Ready to Serve Charge:

A charge for customers who are provided with public fire protection by means of fire hydrants. The charge is the same each billing period, is billed in advance, and is based on the size of the meter used to calculate the customer charge. Upon request of a municipality, Fire Hydrant Ready to Serve Charges may be billed to a municipality in total for all property owners within the municipality where Public Fire Protection is provided in lieu of the following individual customer billing charges:

Monthly Fire Hydrant Ready to Serve Charge

Size of Meter	
5/8"	$ 4.45
3/4"	$ 6.65
1"	$ 11.12
1-1/2"	$ 22.16
2"	$ 35.56
3"	$ 66.72
4"	$111.20
6"	$222.74
8"	$355.37
10"	$568.42

Private Fire Protection Charge:

A charge for customers who are provided with private fire protection through a sprinkler system or a private fire hydrant. The charge will be billed monthly in advance as follows:

1-1/2"detector check.....	$ 21.43
2" detector check.....	$ 45.52
4" detector check.....	$ 118.59
6" detector check.....	$ 252.84
8" detector check.....	$ 420.94
10" detector check.....	$ 628.84
12" detector check.....	$ 687.15
Charge per private hydrant.....	$ 252.84

Charges for water registered on bypass meters installed on lines providing private fire protection will be billed monthly in arrears. All water registered on bypass meters will be billed at the rate of $ 9.200 per 1,000 gallons.

Distribution System Improvement Charge

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply to all charges rendered on or after June 10, 2014.

This charge will be recomputed semi-annually, using the elements prescribed by Section 314 of Title 26 of the Delaware Code.

SPECIAL SERVICES

The following Rules and Rates are applicable throughout the territory served by the Company for the following specified services.

Payment Terms:

All bills are due and payable upon presentation. See section titled "Bills and Payment" for additional information.

Temporary or Infrequent Water Use:

Temporary or infrequent water use will be billed monthly.

The minimum charge for a temporary service connection for construction or other purposes is the same as the Customer Charge for a meter of the size installed on the temporary service connection. The minimum charge covers the same period as the Customer Charge on which it is based, either one month or one quarter, and is rebilled if the temporary service connection remains in use after such period has elapsed.

The minimum charge is paid in advance and does not include any allowance for water usage. All water as registered by meters installed on temporary service connections is billed at the rate of $9.200 per 1,000 gallons. No proration of the minimum charge will be made for temporary service connections that remain in use for less than the period covered by such charge. Where a temporary service connection requires use from hydrant, there is a $15.00 hook-up charge.

Service Appointments:

If a scheduled appointment is not kept by the customer, all rescheduled and subsequent appointments not kept by the customer will result in a $50.00 charge to the customer's account.

Consolidated Billing:

Under consolidated billing an eligible customer receives one combined bill that outlines charges for services rendered from the Company and Artesian Wastewater Management, Inc. ("AWMI"). An eligible customer, in this instance, is defined as a water customer that receives wastewater service from AWMI. When the Company provides consolidated billing that combines charges for water and wastewater service, payments will be applied in the following sequence:

(a) Any existing arrearages for either water or wastewater service;

(b) Arrears by vintage priority for water or wastewater service. A water service arrearage has a higher priority than wastewater service arrearage of the same vintage;

(c) Current charges for water service;

(d) Current charges for wastewater service.

Turn-On And Shut-Off Charges

Violation of Company Rules

When water service has been discontinued because of a violation of the Company's rules, such as for the nonpayment of a bill, the Customer will be responsible for the costs to disconnect and reconnect water service. The total charge will be $100.00, representing a disconnection fee of $50.00 and a reconnection fee of $50.00, payable in advance of restoring water service during the Company's regular working hours. When it is necessary to reconnect service at a time other than the Company's regular working hours, the reconnection charge is $140.00 for a total of $190.00, also payable in advance. If the customer blocks the Company's attempt to gain access to the curb stop to shut off service, the customer will be liable for the $50.00 shut-off charge for each attempt that the Company makes and such charges must be paid in advance of restoration of water service.

When requested by a customer, water will be shut off during the Company's regular working hours for a charge of $50.00 and at other times for a charge of $140.00. Service that has been shut off at the customer's request will be turned back on during the Company's regular working hours for a charge of $50.00 and at other times for a charge of $140.00. Service connection for a new customer will be by appointment only, with no charge to the customer. If it is necessary to connect service without an appointment, a charge of $50.00 will apply if during the Company's regular working hours and $140.00 if not during the Company's regular working hours.

Request for delinquent reconnections will not be performed between 8:00 p.m. and 8:00 a.m.

The Company's regular working hours for turn-on and shut-off are from 8:00 a.m. to 6:30 p.m., Monday through Friday, excluding holidays.

Unauthorized Use of Service

When a customer is found to be using or receiving unauthorized water volumes through manipulation, bypass or unauthorized use of the meter, service at location will be discontinued. To restore service, a customer will be required to pay a reconnection charge based on the size of the meter at the location as set forth on page 6b. A customer repeatedly found to be using or receiving unauthorized water volumes may be required to pay for costs necessary to retrofit the system (e.g. externalizing the meter). Unauthorized Use of Service may also be prosecuted as a criminal offense pursuant to 11 Del. C. §§ 841 and 845.

Meter Size	Charge
1/2"	$ 500
5/8"	$ 500
3/4"	$ 750
1"	$ 1,250
1 1/2"	$ 2,500
2"	$ 4,000
3"	$ 8,000
4"	$ 12,500
6"	$ 25,000
8"	$ 40,000
10"	$ 57,500

ARTESIAN WATER COMPANY, INC.

RULES AND REGULATIONS

RULES AND REGULATIONS

APPLICATION FOR SERVICE

Definition of "Customer":

1. The word "customer" as used hereinafter means any person, partnership, firm, association, corporation or governmental agency being supplied with water service by the Company. The "customer" shall be either the record title owner of the property receiving water service or the occupant, as the case shall be. In the case of multiple unit properties served by master meters, such as shopping centers, apartment buildings and condominiums, the customer is the property owner. For the purposes of the Customer Charge, the Public Fire Hydrant Ready to Serve Charge, the Private Fire Protection Charge, and the Distribution System Improvement Charge, an owner or occupant remains a "customer" and continues to be liable for charges until such time as service is discontinued or terminated. A customer is liable for all charges incurred prior to termination.

Application for a New Service Connection:

2. A new service connection will be made and water service furnished upon receipt by the Company of an application signed by the property owner, the owner's authorized agent, or a tenant. Any application made by an agent of the property owner shall identify the record title owner of the property for which water service is being sought and shall be accompanied by proof of the agent's authority to act for the property owner. An Application for Service by a tenant shall be accompanied by a signed copy of a lease. If the applicant for service is a legal entity and not a natural person, the Company may require that it be provided with the name, place of residence, and telephone number of each person who is an officer, partner, or owner of such legal entity. Applications for service must be approved by the Company before a connection is made or water furnished. Charges for new service installation shall be determined at the time of application.

Service Deposit:

3. If in the sole judgment of the Company the service installation represents a speculative venture or excessive time may elapse between the actual installation and use of the service by the customer, a refundable deposit to cover the Company's investment may be required.

Billings and Changes in Ownership:

4. Unless otherwise agreed to by the Company, bills will be sent to the customer receiving water service.

A request for service shall be made upon any change in the ownership of a property receiving water service from the Company or in the tenancy of a property for which a tenant is responsible for payment. Upon such change in ownership or tenancy the Company shall have the right upon 10 days' notice to discontinue water service until such request has been made and approved by the Company. If water service has been discontinued by the Company at the request of the person or entity responsible for payment, a new request for service must be received and approved by the Company before service is restored.

When the customer is a tenant and water service has been discontinued for non-payment or at the request of the tenant, the customer account will be transferred to the owner of the property and the Company will so notify said owner unless within fifteen days after the discontinuance either (i) service is properly restored at the request of the original tenant, or (ii) the Company has received and accepted an application from a new tenant pursuant to these Rules and Regulations.

Seasonal Reconnection Charge:

Whenever a Customer's water service is shut-off by the Company at the Customer's request and the account placed on inactive status, and such account is reactivated by the same Customer no less than thirty (30) days and no more than twelve (12) months from the date of the shut-off, a Seasonal Reconnection Charge equal to the following shall be paid by the Customer: (a) the Customer's otherwise applicable monthly Customer Charge times the number of months the account was inactive; plus (b) the Turn-On Charge.

Security Deposit:

5. Security deposits will only be required in the following instances:

(a) For any existing customer who (1) has had service discontinued for nonpayment of bills, (2) has rendered two bad checks in the preceding 12 months, (3) has been delinquent in payment of bills twice in the preceding 12 months, (4) has tampered with a meter or other equipment of the Company, or (5) has filed for bankruptcy, in which event the post petition account will be billed a security deposit unless otherwise instructed by the bankruptcy court.

(b) For any new customer who (1) is the tenant of a property for which he or she is responsible for payment of water bills, (2) has been delinquent during the preceding 12 months in paying water bills at a former address, (3) is found to be using false identification when use of a correct name would reveal poor records of payment, or (4) is seasonal or temporary.

When the customer is the owner of residential property receiving water service, security deposits will not exceed the maximum estimated bill for two consecutive billing periods or $100, whichever is less, unless it is due from an existing customer who (1) has had service disconnected two times within the preceding 12 months, (2) has been found to be tampering with the Company's meter or equipment, (3) has used water for unauthorized purposes, or (4) is other than a residential customer and has been delinquent in paying their water bills, in which event the entire estimated charge for two billing periods or the average billed amount outstanding over the previous year, whichever is greater, will be collected. For a residential property occupied by a tenant who is responsible for paying the water bills, the security deposit will be $100 for a monthly billed customer and must be paid in full before water service is turned on.

Payment of a requested security deposit is a requirement for continued service, and failure to pay in full may result in discontinuation of service. If payment of a security deposit creates an undue hardship, the Company may allow payment of the deposit to be made over a reasonable period of time.

For a non-residential property occupied by a tenant responsible for paying water billed the security deposit is the entire estimated charge for two billing periods and must be paid in full before water service is turned on.

Interest on Deposit:

6. Simple interest will accrue at the rate of the average of the percent yields of the 1-year Treasury constant maturities for September, October and November of the preceding year on security deposits held six months or longer. Accrued interest shall be credited annually to the customer's deposit account. When the customer is the owner of the property receiving water service, deposits will be refunded with accrued interest when the customer has paid the water bills as due and has had no delinquencies within the preceding 12 months. Security deposits, plus interest in accordance with the procedure as outlined in this paragraph, shall be refunded to the customer originally making the deposit. For properties occupied by tenants who are responsible for paying the water bills, deposits will be refunded upon termination of the tenancy.

A security deposit shall not be considered as payment on account during the time the customer is receiving water service. Customer shall pay bills for water service as rendered in accordance with the Rules and Rates of the Company.

MAIN AND SERVICE CONNECTIONS

Company Mains and Service Lines:

7. The Company shall in its sole judgment determine the size and type of mains to be installed either off-site or on-site for any structure or development. The Company shall make all connections to its mains and furnish, install and maintain all service lines from the main to and including the curb valve. The Company shall install, own, and determine the size and type of service line which runs from the main to the curb valve. Fire service lines and domestic service lines will be separate and independent lines from the main to the curb valve and in to the customer's internal plumbing facilities. Fire service lines will not be used to provide domestic water service.

Property Owner Service Line:

8. The Property Owner Service Line, which is furnished and installed by the owner, is that pipe from the curb valve to the structure. All service lines must have an approved valve installed on each side of the meter. All service lines from the curb valve to the structure must be installed in a straight line at least 42 inches below the surface of the ground. New customers will be notified at the time of their application if water pressure is greater than 100 pounds per square inch (psi). In such cases, customers shall install, at their own expense, a pressure-reducing valve. If the Company causes a change in its water pressure so that the water pressure to the customer is greater than 100 psi, the Company shall, at its expense, install a pressure-reducing valve on the customer's service line. The Company may require that customers, at their expense, install, at a location determined by the Company, a Company approved backflow prevention device when, in the opinion of the Company, the customer's service connection may cause contamination or degradation of the water in the Company's water distribution system. All underground irrigation systems shall include an approved backflow prevention device to be owned and maintained by the customer. It is the responsibility of the customer to properly maintain any backflow prevention device. The Company may require annual inspection and testing of the backflow prevention device by a licensed plumber qualified to test such devices if in the opinion of the Company it is

necessary to protect the Company's water distribution system and customers. The Company reserves the right to inspect backflow prevention devices. During an inspection the Company will require records of annual operation and maintenance inspection completed by a licensed plumber. If the customer has not had an inspection test or cannot produce the documentation, then the customer will be given a two-week notice to provide the proper documentation or their water service may be terminated until appropriate records are provided. During an inspection of the backflow prevention device, if it is found to not be properly installed, not in good working order, or that it has been circumvented by plumbing changes, then the customer's water service may be terminated immediately. The water will remain off until corrective actions have been made and proper documentation provided. All backflow prevention devices shall conform with the most stringent standards (in the opinion of the Company) required by any of the following organizations (if applicable): Underwriters Laboratory Inc.; Factory Mutual Laboratories; Office of Drinking Water of the Division of Public Health; Delaware Public Service Commission; and local government plumbing codes. With regard to multi-level (high rise) structures, it is recommended in some instances that customers, at their expense, install a booster pump to supply suitable water pressure to the upper levels of the structure.

Cross Connections:

9. Cross connections between a private water supply and a potable water supply shall be prohibited per County, State and the International plumbing code section 608.6.1.

Separate Trench:

10. No service line shall be installed in the same trench with a sewer pipe, drain or any other facility of another public service company, nor within three feet of any open excavation, foundation, vault or other structure.

Renewal of Service Line:

11. Where renewal of service line from water main to curb valve is found to be necessary, the Company, at its cost, will renew said service in the same location. If the property owner, or customer, for his or her own convenience, desires the renewal service line to be at some other location and pays all costs of such relocation in excess of the cost of renewing the service line at the existing location and costs of cutting off and disconnecting the old service line, the Company will renew the service line at the location desired. After abandonment of a water service line by an original property owner, a new owner must obtain the approval of the Company before incorporating the old service into new construction.

Maintenance by Customer:

12. All connections, service lines and fixtures furnished by the owner or customer shall be maintained by the owner or customer in good order and repair. Meters and equipment furnished and owned by the Company shall be protected by the customer. Any leak in the service or any other pipe or fixture in or on the customer's property shall be promptly repaired by the customer at the customer's expense. Customer shall ensure that access to the Company's curb stop is unobstructed. If the Customer obstructs access to the Company's curb stop, the Customer shall be charged any costs incurred by the Company to access the curb stop.

The Company shall in no event be responsible for maintaining any portion of the service line owned by the customer, or for any damage, casualty or loss resulting from or caused by water escaping from lines or fixtures on customer's property.

Service for Singularly-Owned Property:

13. A property consists of a tract of land with one or more structures owned by the same party. Each property may be supplied by one or more services. Each service shall have an individual meter. Should a property owned by one party be subdivided after the Company commences serving the property, each subdivided property shall be required to have an individual service, curb valve and meter at Owner's expense. Failure to provide individual service, curb valve and meter may result in discontinuance of service.

Single Service Line with Two or More Customers:

15. Where two or more customers have been supplied through a single service line, any violation of the Rules and Rates of the Company, by either or any of said customers, shall be deemed a violation by all, who shall be jointly and severally liable for any loss to the Company resulting therefrom. In the event any such violation is not corrected after reasonable notice, the Company may take such action as can be taken for a single customer, except that such action will not be taken until an innocent customer has been given a reasonable opportunity to attach his pipe to a separately-controlled, individual service connection.

Swimming Pools:

16. Residential swimming pools may be filled from house services. Larger community pools may be supplied with a separate water service and meter, such meter to be installed in a meter pit or heated building. Separate water service for swimming pools will be billed monthly or quarterly according to size of meter.

Contributions In Aid of Construction ("CIAC"):

17. In accordance with Sections 3.8 through 3.8.9 of the Public Service Commission's Minimum Standards Governing Service Provided by Public Water Companies, PSC Order Number 6873, the Company shall require CIAC when a request for service will require the installation of pipe and/or associated utility plant ("Facilities Extension"). The amount of CIAC will be calculated in accordance with Section 3.8.2.

The following schedule determines the charge per meter size:

5/8" meter	-	$1,500
3/4" meter	-	$1,515
1" meter	-	$1,560
1 1/2" meter	-	$1,620
2" meter	-	$1,785
3" meter	-	$3,000
4" meter	-	$3,450
6" meter	-	$4,500
8" meter	-	$5,700

This sheet intentionally left blank.

DISCONTINUANCE OF SERVICE

By Owner:

18. An owner must give the Company three (3) business days notice in order to discontinue (shut off) service. All agreements covering service for water shall continue in force until such notice is given. In the event the premises are in the possession of a tenant and such fact is known to the Company, such shut-off shall not be made until the Company has given three days' written notice to the tenant of the owner's order to discontinue service.

By Company:

19. The Company shall not be liable for any damage to property or for any inconvenience, loss or casualty suffered by the residents of the property due to discontinuance of service. Service may be discontinued for any of the reasons cited below and not restored until the cause for discontinuance has been fully corrected to the satisfaction of the Company.

Discontinuance Without Notice:

20. Service may be discontinued without notice only in the following events:

(a) When there is an unavoidable interruption in the source of supply or other emergency.

(b) Tampering with the meter or equipment owned or furnished by the Company.

(c) Unauthorized use of service or resale of water.

(d) Willful waste of water through improper or imperfect pipes, fixtures, or other causes.

(e) When a property has been vacated without prior notice to the Company.

Discontinuance With Notice:

21. Service may be discontinued with notice in the following events:

(a) Violation or noncompliance with Company Rules and Rates or violation of a governmental regulation governing water service.

(b) Failure of the customer to fulfill his contractual obligations for service or facilities.

(c) Refusal of the customer to permit Company representatives access to the property to inspect, read, repair or remove the meter and equipment.

(d) Failure to pay any bills or required deposit.

(e) Refusal of the customer to permit the Company to obtain an actual meter reading after a maximum of three consecutive estimated readings.

(f) Refusal of the customer to allow installation of meter and/or remote meter-reading device on the building exterior, or at a location that is both convenient and accessible to the Company.

(g) Failure of the customer to pay fees levied for Unauthorized Use of Service as set forth on pages 6a and 6b.

Reasons for Nondiscontinuance:

22. Service will not be discontinued for any of the reasons listed in paragraphs 20 and 21 (except under emergency or hazardous conditions) when life sustaining medical equipment is known to be in use or when a medical emergency exists at the premises, or if a bona fide dispute concerning a service bill exists. A Certification of Medical Need form is available to help comply with Title 26 of the Delaware Code related to public utilities and terminations of service. Any false statement made on the form is punishable as a Class A Misdemeanor under 11 Del. C. § 1233.

Due to Emergency:

23. In the event of a breakdown, emergency or other unavoidable cause, the Company shall have the right to temporarily discontinue the water supply in order to make necessary repairs, connections, and the like. The Company shall not be liable for any damage, loss, casualty or inconvenience suffered by the customer, or for any claim against it for interruption of service, lessening of the supply, inadequate pressure, quality of water or other causes beyond its reasonable control. When water service is to be temporarily interrupted, adequate notice will be given, whenever practicable, to all customers affected, stating the probable duration of the interruption.

Second Party Notification:

24. Customers may designate in writing a second party to receive bills and notice of disconnection of service prior to discontinuation of service for nonpayment, provided the named second party has agreed in writing to accept such notice. In such cases the Company will not discontinue service less than ten days after giving verbal or written notice to the second party of its intent to discontinue service. The person accepting second party status does not incur any obligation whatsoever to the Company.

Reserve Supply:

25. The Company shall have the right to reserve a sufficient supply of water to provide for fire and other emergencies and may restrict or regulate the quantity of water used by the customer whenever, in the Company's opinion, the public welfare may so require.

Conservation Regulations:

This section is intentionally left blank.

Turn-on or Shut-off Without Authority:

26. The customer shall not turn the water on or off at any corporation valve or curb valve, disconnect or remove the meter, or permit its disconnection or removal, without the prior consent of the Company.

Restoration of Discontinued Service:

27. Service will be restored when the conditions for which service was discontinued have been corrected to the satisfaction of the Company and upon payment of all proper charges or amounts provided in the Company's then-applicable rate schedule.

METERS

Furnished by Company:

28. All meters will be furnished by and remain the property of the Company. The Company shall determine the size of all customer meters.

Location:

29. All meters will be installed in accordance with Company specifications in a Company approved location that is at all times accessible for reading and repair. In the event a remote meter-reading device is installed on the building exterior, it shall be 3-5 feet above finished grade and at a location that is both convenient and accessible for reading and repair. In cases where the Company determines it is not practical to place a meter within a building, the customer shall install, own and maintain a meter pit in accordance with Company specifications on the property in a location to be determined by the Company. The Company will attempt, in mutual cooperation with the property owner, to locate the meter to the satisfaction of the property owner. Meters 1-1/2" or larger shall be installed with a bypass. After plumbing has been completed and tested, meter bars shall be removed, and water shut off at the curb valve until the meter is installed. A meter must be installed before the water is turned on. Meter bars are not permitted.

Valves Required:

30. The customer shall furnish and install a Company approved locking valve on a bypass.

Responsibility for Damage:

31. Normal maintenance and repair of meters will be provided by the Company. Any damage caused by freezing or hot water shall be the responsibility of the customer. Damage resulting from external causes due to customer negligence or tampering shall be the responsibility of the customer.

Cost of Reinstallation:

32. The charge to the customer for removal, repair and reinstallation of a meter damaged because of freezing, hot water, tampering, or customer negligence shall be based on labor and material costs.

Meter Malfunction:

33. The customer shall notify the Company of damage to or malfunction of the meter as soon as it becomes apparent.

Registration:

34. The consumption recorded by the meter shall be conclusive for both the customer and the Company except when the meter has been found to be registering inaccurately or has ceased to register. In such cases, a consumption estimate may be based on the customer's prior usage or a meter test.

When a remote meter-reading device has been installed and a discrepancy occurs between the registration on the remote meter-reading device and that on the interior meter, the registration on the interior meter will prevail.

Meter Test:

35. Upon request by a customer, a test of the accuracy of the meter registration will be made. The customer or a representative may be present when the meter is tested. If the customer's account is current, Artesian will bill the meter test fee to the customer's account. If the customer's account is not current, then the meter test fee must be paid in advance of the meter test. Should the meter test as over-registering as per the specified guidelines by the American Water Works Association (AWWA) limits, as required by the Delaware Public Service Commission, then the fee will be credited to the customer's account. Meter testing will be billed in accordance with the following fee schedule. A written report of the results of the test shall be provided to the customer.

Unpaid bills will result in finance charges and eventual shut off in accordance with Rule 46.

Fee Schedule - Customer-Requested Meter Test

Meter Size	Fee
5/8"	$ 50
3/4"	$ 50
1"	$ 50
1-1/2"	$100
2"	$100
3"	$150
4"	$150
6"	$150
8"	$200
10"	$200

Error in Registration:

36. If, due to the results of a meter test, the meter is found not to be accurate within specified AWWA limits, as required by the Delaware Public Service Commission, customer billings will be corrected accordingly, commencing from the date the error developed. If that period of time cannot be determined, the error shall be assumed to have existed for three years or a period equal to one half the time since the meter was last tested, whichever is less. No billing corrections less than $5 shall be made. A billing overcharge shall be either refunded or credited to the customer's account at the customer's election.

Periodic Meter Test:

37. In order to assure the accuracy of meters in service, periodic tests shall be made by the Company at the earlier of the yearly intervals or maximum thruput set forth below:

Meter Size	Interval Years	Maximum Thruput, Million Gallons		
		Displacement	Compound	Turbine
5/8"	15	1.8	--	--
3/4"	15	2.6	--	--
1"	10	4.4	--	--
1-1/2"	10	9.0	--	10.0
2"	3	14.0	28.0	28.0
3"	3	26.0	56.0	60.0
4"	3	--	88.0	100.0
6"	1	--	175.0	200.0
8"	1	--	280.0	300.0
10"	1	--	400.0	500.0
12"	1	--	--	800.0

PUBLIC FIRE PROTECTION SERVICE

Hydrant Location:

38. The Company will install fire hydrants at its cost, if a written contract has been signed with an incorporated town, municipality or new development or a petition has been signed by at least 70% of the residents of an un-incorporated area who agree to pay the Company's fire service charge Hydrants will only be installed if the size of the existing main and distribution system and available pressure are sufficient to give proper fire service under normal and ordinary conditions, and providing installation costs are not prohibitive. After installation, the system must be capable of providing average domestic water service demand and, in addition, supply a flow to the hydrant in excess of 500 gpm at a 20 psi residual pressure for a period of at least two (2) hours.

Hydrant Flow Test:

39. Upon request, a hydrant flow test will be performed. The requestor may be present when the test is conducted. The fee to perform a hydrant flow test is $300. Alternatively, if the Company has conducted a test of the hydrant within the past six months, that report can be provided to the requestor in lieu of a new flow test. The fee for the report from a previous test is $35.

Allowable Use:

40. No person, except as authorized by the Company in writing, shall take water from any public or private fire hydrant except for the use of a fire company in case of fire. No public fire hydrant shall be used for sprinkling streets, flushing sewers or gutters or for any other than fire purposes except with prior approval of the Company.

Change of Location:

41. Upon request to relocate a fire hydrant, the Company will make such relocation at the cost of the party making the request provided an approved new location is found.

RESPONSIBILITY FOR SERVICE

42. It is agreed by the parties receiving public fire service, or any other service, that the Company does not assume any liability as an insurer of property or persons. While the Company will make every reasonable effort to maintain service, the Company does not guarantee any special service, pressure, capacity or facility other than permitted by the ordinary and changing operating conditions of the Company, as exist from day to day. It is agreed by the parties receiving service that the Company shall be free and exempt from any and all claims for injury to any persons or damage to any property by reason of fire, water, or failure to supply water pressure or capacity.

The Company is not liable in damages in a civil action to any person for injury, death or loss to person or property that allegedly arise from the person's consumption of water supplied by the Company if the water supplied by the Company complied with primary maximum contaminant levels set by the State of Delaware's Office of Drinking Water and the United States Environmental Protection Agency.

BILLS AND PAYMENT

Place of Payment:

43. Bills may be paid by mail or in person at the Company's office. A locked deposit box, located at the Company's office, is available after normal business hours, on weekends, and on holidays. In addition, other payment arrangements are provided on our website.

Bills Rendered And Due:

44. Regular meter readings will be made for each billing period and bills will be rendered as soon as practicable after reading the meters. All bills are due and payable upon presentation.

Customer Refunds:

45. The Company will not mail checks for refunds totaling less than $10.00 to customers who have left Artesian's service territory. Those refunds are available upon request from the former customer. The refund will also be credited to that customer's new account if the former customer re-establishes a service with the Company within five years from the date of the original refund generation. If left unclaimed those funds due former customers will be escheated to the State of Delaware according to applicable state law.

Delinquent Bills:

46. Bills remaining unpaid for a period of 25 days from the effective billing date shall be classified as delinquent, and if not paid within 14 days thereafter, service may be discontinued. Should service be discontinued, it will not be restored until unpaid bills, deposits and charges, including the shut-off and turn-on charges, are paid or satisfactory arrangements are made with the Company for payment. In addition, a late payment penalty will be applied to any outstanding balance which remains outstanding 25 days after the bill date, until payment is received in full. The monthly penalty will be at a rate equal to one-twelfth of prime plus 5%, and the prime rate will be updated quarterly. If a customer's account is referred to an attorney or collection agency for collection, in addition to the amount due for water service and late charges, the customer shall be responsible for the payment of the Company's reasonable attorney's fees and all other costs and expenses of collection.

Returned Payments:

47. When a water bill is paid by check, electronic debit, credit card or other means that the Company may offer, and the payment is not honored by a financial institution and is subsequently returned to the Company, a fee of $30.00 will be applied to the customer's account to cover bank fees and other expenses that may arise from the returned payment, including administrative costs of the Company.

GENERAL

Complaints:

48. Any complaint regarding the character of the service furnished, reading of meters or bills rendered must be made to the Company in writing. A record of such complaint will be kept by the Company, giving the name and address of the complainant, date of occurrence, nature of the complaint, disposition and findings.

General:

49. Pipes, meters and fixtures shall be subject to inspection, at reasonable hours, by properly identified employees of the Company. No plumber, owner or other unauthorized person shall turn the water on or off at any corporation valve or curb valve or disconnect or remove the meter without the consent of the Company. No agent or employee of the Company has the authority to bind the Company by any promise, agreement or representation not provided for in these rules.

The Company reserves the right, subject to the approval of the Delaware Public Service Commission, to change, take from or add to the foregoing Rules and Rates.

New Castle County Business Office

664 Churchmans Road

Newark, Delaware 19702

Phone (302) 453-6900 Fax (302) 453-6957

Mailing Address

P. O. Box 15004

Wilmington, Delaware 19850-5004

Sussex County Business Office

14701 Coastal Highway

Milton, Delaware 19968

Phone: (302) 645-7751 Fax: (302) 645-8233

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www.artesianwater.com

ARTESIAN WATER COMPANY, INC.
P.S.C. No. 1 - WATER
Effective: May 1, 2012

Third -First Supplemental Sheet
Canceling
Second – First Supplemental Sheet

This First Supplemental Sheet is applicable to customers in the Boothhurst development located within the City of New Castle. The total charge for metered service consists of the sum of the Customer Charge, and to the extent applicable, the Water Charge. Monthly Customer Charges will be billed in advance. Water Charges will be billed in arrears.

Monthly Customer Charge for Domestic Service

The monthly charge for customers served is based on meter size

Size of Meter	Customer Charge
5/8" X 3/4"	$7.75
1"	$9.50

Monthly Customer Charge for Public Fire Protection

The monthly charge for customers is based on the size of the service line

Size of Service Line	Customer Charge
5/8" X 3/4"	$1.25
1"	$6.65

Monthly Customer Charge for Private Fire Protection

The monthly charge for customers is based on the size of the service line

Size of Service Line	Customer Charge
5/8" X 3/4"	$5.43
1"	$6.65

Water Charges (October-June)

Water Charges	Cents Per Gallon
Non-City	.0067

Water Charges (July-September)

Water Charges	Cents Per Gallon
Residential	.0067 for water use under 4,000 gallons/per month
	.00735 for water use over 4,000 gallons/per month

All bills are due and payable upon presentation.

Restoration Charge:

When water service has been discontinued for the non-payment of a bill, there will be a charge of $40.00 payable in advance, for turning the water back on during regular working hours. When it is necessary to turn water back on during other than regular working hours, the charge is $60.00, also payable in advance.

This Second Supplemental Sheet is applicable to customers in the city of Middletown located within the County of New Castle. The total charge for metered service consists of the water charge.

Water Charge:	$2.362 per thousand

All bills are due and payable upon presentation.

This Third Supplemental Sheet is applicable to the Delaware Correctional Center. Due to the unique nature of the agreement between the State of Delaware and Artesian, the rates are as follows:

Water Charge:	$2.493 per thousand gallons

All bills are due and payable upon presentation.

This Fourth Supplemental Sheet is applicable to Artesian Water Maryland, Inc. The total charge for metered service consists of the water charge.

Water Charge:	$3.773 per thousand gallons

All bills are due and payable upon presentation.

This Fifth Supplemental Sheet is applicable to the Town of Chesapeake City. The total charge for metered service consists of the rate for water volumes supplied, shown below, and a customer charge associated with a 6-inch meter.

Water Charge:	$4.116 per thousand gallons

All bills are due and payable upon presentation.

EXHIBIT B

PART 2

ARTESIAN WATER COMPANY, INC.

TARIFF

LIST OF CHANGES

This tariff updates the following pages:

Implements Temporary Rates for water service in accordance with Delaware PSC Order No. ~~8558~~XXXX.

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METERED SERVICE

These Rules and Rates are applicable throughout the territory served by the Company for all metered service, with the exception of the rates charged to customers of the Boothhurst development located within the City of New Castle and to portions of Middletown served by Artesian. Under an Agreement between the Company and the Board of Water and Light of the City of New Castle (the "Board") dated December 31, 1997, rates are initially determined by the Board and reviewed by the Public Service Commission, but cannot exceed the rate charged by the Company to similar classes of customers. The same provisions are included under an agreement between the Company and the Town of Middletown dated February 2, 1998. The current rates are shown at the First and Second Supplemental Sheet to this Tariff. Under that Agreement, the Board and Middletown will exercise the same degree of skill and care and apply the same standards, policies and procedures that the Company applies in performing the same functions for its other customers.

The total charge for metered service consists of the sum of the Customer Charge, and to the extent applicable, the Water Charge and Fire Protection Charge, as each is specified below.

Method of Billing:

Customers will be billed monthly. Customer Charges and Fire Protection Charges will be billed in advance. Water Charges will be billed in arrears.

Billings covering other than the normal billing period will be calculated by prorating the full period charges on a daily basis.

The Company will not mail checks for refunds totaling less than $10.00 to customers who have left Artesian's service territory. Those refunds are available upon request from the former customer. The refund will also be credited to that customer's new account if the former customer re-establishes a service with the Company within five years from the date of the original refund generation. If left unclaimed those funds due former customers will be escheated to the State of Delaware according to applicable state law.

Payment Terms:

All bills are due and payable upon presentation. See section titled "Bills and Payment" for additional information.

Late Payment Penalty:

A late payment penalty will be applied to any outstanding balance which remains outstanding 25 days after the bill date, until payment is received in full. The monthly penalty will be at a rate equal to one-twelfth of the sum of prime rate plus 5%, and the prime rate will be updated quarterly.

Customer Charge:

This is a monthly service fee for providing the customer with water service and recovers expenses not directly associated with water production or delivery, such as meter reading, billing, payment remittance and other costs. The charge is the same in each billing period, is billed in advance, and is based on the size of the meter through which service is furnished.

Monthly Charge

Monthly customer charges by meter size are as follows:

Size of Meter		
5/8"	$ ~~13.75~~14.69	I
3/4"	$ ~~16.49~~17.63	I
1"	$ ~~21.99~~23.51	I
1-1/2"	$ ~~43.97~~47.01	I
2"	$ ~~57.72~~61.70	I
3"	$ ~~87.96~~94.03	I
4"	$~~126.43~~135.15	I
6"	$~~219.89~~235.06	I
8"	$~~329.84~~352.58	I
10"	$~~522.24~~558.25	I

Water Charge

The charge, at a rate per thousand gallons of water registered by the meter, is as follows:

Residential		
0 - 2,000 gallons.....	~~$6.827~~7.297	I
2,001 – 7,000 gallons.....	~~$7.381~~7.890	I
Over 7,000 gallons.....	~~$8.607~~9.200	I
CCH		
Rate.....	~~$4.042~~4.321	I
All Other		
0 - 500,000 gallons.....	~~$6.122~~6.544	I
Over 500,000 gallons.....	~~$7.046~~7.532	I

For purposes of the Water Charge, a residential customer service is defined as:

(a) a single family dwelling

(b) multi-unit structures consisting of four or less units of which at least one serves as a dwelling

(c) four or less separate structures on one property, of which at least one such structure serves as a dwelling and all of which are served through a single meter.

For purposes of the Water Charge, pursuant to prior PSC orders, Christiana Care Hospital is served under a separate exclusive rate classification. Christiana Care Hospital is the only customer eligible for this rate classification.

Public Fire Hydrant Ready to Serve Charge:

A charge for customers who are provided with public fire protection by means of fire hydrants. The charge is the same each billing period, is billed in advance, and is based on the size of the meter used to calculate the customer charge. Upon request of a municipality, Fire Hydrant Ready to Serve Charges may be billed to a municipality in total for all property owners within the municipality where Public Fire Protection is provided in lieu of the following individual customer billing charges:

Monthly Fire Hydrant Ready to Serve Charge

Size of Meter		
5/8"	$ ~~4.16~~4.45	I
3/4"	$ ~~6.22~~6.65	I
1"	$ ~~10.40~~11.12	I
1-1/2"	$ ~~20.73~~22.16	I
2"	$ ~~33.26~~35.56	I
3"	$ ~~62.41~~66.72	I
4"	$~~104.03~~111.20	I
6"	$~~208.37~~222.74	I
8"	$~~332.45~~355.37	I
10"	$~~531.75~~568.42	I

Private Fire Protection Charge:

A charge for customers who are provided with private fire protection through a sprinkler system or a private fire hydrant. The charge will be billed monthly in advance as follows:

1-1/2"detector check.....	$	~~20.05~~21.43 I
2" detector check.....	$	~~42.58~~45.52 I
4" detector check.....	$	~~110.94~~118.59 I
6" detector check.....	$	~~236.53~~252.84 I
8" detector check.....	$	~~393.79~~420.94 I
10" detector check.....	$	~~588.27~~628.84 I
12" detector check.....	$	~~642.82~~687.15 I
Charge per private hydrant.....	$	~~236.53~~252.84 I

Charges for water registered on bypass meters installed on lines providing private fire protection will be billed monthly in arrears. All water registered on bypass meters will be billed at the rate of $ ~~8.607~~9.200 per 1,000 gallons. I

Distribution System Improvement Charge

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply to all charges rendered on or after June 10, 2014.

This charge will be recomputed semi-annually, using the elements prescribed by Section 314 of Title 26 of the Delaware Code.

SPECIAL SERVICES

The following Rules and Rates are applicable throughout the territory served by the Company for the following specified services.

Payment Terms:

All bills are due and payable upon presentation. See section titled "Bills and Payment" for additional information.

Temporary or Infrequent Water Use:

Temporary or infrequent water use will be billed monthly.

The minimum charge for a temporary service connection for construction or other purposes is the same as the Customer Charge for a meter of the size installed on the temporary service connection. The minimum charge covers the same period as the Customer Charge on which it is based, either one month or one quarter, and is rebilled if the temporary service connection remains in use after such period has elapsed.

The minimum charge is paid in advance and does not include any allowance for water usage. All water as registered by meters installed on temporary service connections is billed at the rate of $8.6079.200 per 1,000 gallons. No proration of the minimum charge will be made for temporary service connections that remain in use for less than the period covered by such charge. Where a temporary service connection requires use from hydrant, there is a $15.00 hook-up charge.

Service Appointments:

If a scheduled appointment is not kept by the customer, all rescheduled and subsequent appointments not kept by the customer will result in a $50.00 charge to the customer's account.

Consolidated Billing:

Under consolidated billing an eligible customer receives one combined bill that outlines charges for services rendered from the Company and Artesian Wastewater Management, Inc. ("AWMI"). An eligible customer, in this instance, is defined as a water customer that receives wastewater service from AWMI. When the Company provides consolidated billing that combines charges for water and wastewater service, payments will be applied in the following sequence:

(a) Any existing arrearages for either water or wastewater service;

(b) Arrears by vintage priority for water or wastewater service. A water service arrearage has a higher priority than wastewater service arrearage of the same vintage;

(c) Current charges for water service;

(d) Current charges for wastewater service.

Turn-On And Shut-Off Charges

Violation of Company Rules

When water service has been discontinued because of a violation of the Company's rules, such as for the nonpayment of a bill, the Customer will be responsible for the costs to disconnect and reconnect water service. The total charge will be $100.00, representing a disconnection fee of $50.00 and a reconnection fee of $50.00, payable in advance of restoring water service during the Company's regular working hours. When it is necessary to reconnect service at a time other than the Company's regular working hours, the reconnection charge is $140.00 for a total of $190.00, also payable in advance. If the customer blocks the Company's attempt to gain access to the curb stop to shut off service, the customer will be liable for the $50.00 shut-off charge for each attempt that the Company makes and such charges must be paid in advance of restoration of water service.

When requested by a customer, water will be shut off during the Company's regular working hours for a charge of $50.00 and at other times for a charge of $140.00. Service that has been shut off at the customer's request will be turned back on during the Company's regular working hours for a charge of $50.00 and at other times for a charge of $140.00. Service connection for a new customer will be by appointment only, with no charge to the customer. If it is necessary to connect service without an appointment, a charge of $50.00 will apply if during the Company's regular working hours and $140.00 if not during the Company's regular working hours.

Request for delinquent reconnections will not be performed between 8:00 p.m. and 8:00 a.m.

The Company's regular working hours for turn-on and shut-off are from 8:00 a.m. to 6:30 p.m., Monday through Friday, excluding holidays.

Unauthorized Use of Service

When a customer is found to be using or receiving unauthorized water volumes through manipulation, bypass or unauthorized use of the meter, service at location will be discontinued. To restore service, a customer will be required to pay a reconnection charge based on the size of the meter at the location as set forth on page 6b. A customer repeatedly found to be using or receiving unauthorized water volumes may be required to pay for costs necessary to retrofit the system (e.g. externalizing the meter). Unauthorized Use of Service may also be prosecuted as a criminal offense pursuant to 11 Del. C. §§ 841 and 845.

Meter Size	Charge
1/2"	$ 500
5/8"	$ 500
3/4"	$ 750
1"	$ 1,250
1 1/2"	$ 2,500
2"	$ 4,000
3"	$ 8,000
4"	$ 12,500
6"	$ 25,000
8"	$ 40,000
10"	$ 57,500

ARTESIAN WATER COMPANY, INC.

RULES AND REGULATIONS

RULES AND REGULATIONS

APPLICATION FOR SERVICE

Definition of "Customer":

1. The word "customer" as used hereinafter means any person, partnership, firm, association, corporation or governmental agency being supplied with water service by the Company. The "customer" shall be either the record title owner of the property receiving water service or the occupant, as the case shall be. In the case of multiple unit properties served by master meters, such as shopping centers, apartment buildings and condominiums, the customer is the property owner. For the purposes of the Customer Charge, the Public Fire Hydrant Ready to Serve Charge, the Private Fire Protection Charge, and the Distribution System Improvement Charge, an owner or occupant remains a "customer" and continues to be liable for charges until such time as service is discontinued or terminated. A customer is liable for all charges incurred prior to termination.

Application for a New Service Connection:

2. A new service connection will be made and water service furnished upon receipt by the Company of an application signed by the property owner, the owner's authorized agent, or a tenant. Any application made by an agent of the property owner shall identify the record title owner of the property for which water service is being sought and shall be accompanied by proof of the agent's authority to act for the property owner. An Application for Service by a tenant shall be accompanied by a signed copy of a lease. If the applicant for service is a legal entity and not a natural person, the Company may require that it be provided with the name, place of residence, and telephone number of each person who is an officer, partner, or owner of such legal entity. Applications for service must be approved by the Company before a connection is made or water furnished. Charges for new service installation shall be determined at the time of application.

Service Deposit:

3. If in the sole judgment of the Company the service installation represents a speculative venture or excessive time may elapse between the actual installation and use of the service by the customer, a refundable deposit to cover the Company's investment may be required.

Billings and Changes in Ownership:

4. Unless otherwise agreed to by the Company, bills will be sent to the customer receiving water service.

A request for service shall be made upon any change in the ownership of a property receiving water service from the Company or in the tenancy of a property for which a tenant is responsible for payment. Upon such change in ownership or tenancy the Company shall have the right upon 10 days' notice to discontinue water service until such request has been made and approved by the Company. If water service has been discontinued by the Company at the request of the person or entity responsible for payment, a new request for service must be received and approved by the Company before service is restored.

When the customer is a tenant and water service has been discontinued for non-payment or at the request of the tenant, the customer account will be transferred to the owner of the property and the Company will so notify said owner unless within fifteen days after the discontinuance either (i) service is properly restored at the request of the original tenant, or (ii) the Company has received and accepted an application from a new tenant pursuant to these Rules and Regulations.

Seasonal Reconnection Charge:

Whenever a Customer's water service is shut-off by the Company at the Customer's request and the account placed on inactive status, and such account is reactivated by the same Customer no less than thirty (30) days and no more than twelve (12) months from the date of the shut-off, a Seasonal Reconnection Charge equal to the following shall be paid by the Customer: (a) the Customer's otherwise applicable monthly Customer Charge times the number of months the account was inactive; plus (b) the Turn-On Charge.

Security Deposit:

5. Security deposits will only be required in the following instances:

   (a) For any existing customer who (1) has had service discontinued for nonpayment of bills, (2) has rendered two bad checks in the preceding 12 months, (3) has been delinquent in payment of bills twice in the preceding 12 months, (4) has tampered with a meter or other equipment of the Company, or (5) has filed for bankruptcy, in which event the post petition account will be billed a security deposit unless otherwise instructed by the bankruptcy court.

   (b) For any new customer who (1) is the tenant of a property for which he or she is responsible for payment of water bills, (2) has been delinquent during the preceding 12 months in paying water bills at a former address, (3) is found to be using false identification when use of a correct name would reveal poor records of payment, or (4) is seasonal or temporary.

When the customer is the owner of residential property receiving water service, security deposits will not exceed the maximum estimated bill for two consecutive billing periods or $100, whichever is less, unless it is due from an existing customer who (1) has had service disconnected two times within the preceding 12 months, (2) has been found to be tampering with the Company's meter or equipment, (3) has used water for unauthorized purposes, or (4) is other than a residential customer and has been delinquent in paying their water bills, in which event the entire estimated charge for two billing periods or the average billed amount outstanding over the previous year, whichever is greater, will be collected. For a residential property occupied by a tenant who is responsible for paying the water bills, the security deposit will be $100 for a monthly billed customer and must be paid in full before water service is turned on.

Payment of a requested security deposit is a requirement for continued service, and failure to pay in full may result in discontinuation of service. If payment of a security deposit creates an undue hardship, the Company may allow payment of the deposit to be made over a reasonable period of time.

For a non-residential property occupied by a tenant responsible for paying water billed the security deposit is the entire estimated charge for two billing periods and must be paid in full before water service is turned on.

Interest on Deposit:

6. Simple interest will accrue at the rate of the average of the percent yields of the 1-year Treasury constant maturities for September, October and November of the preceding year on security deposits held six months or longer. Accrued interest shall be credited annually to the customer's deposit account. When the customer is the owner of the property receiving water service, deposits will be refunded with accrued interest when the customer has paid the water bills as due and has had no delinquencies within the preceding 12 months. Security deposits, plus interest in accordance with the procedure as outlined in this paragraph, shall be refunded to the customer originally making the deposit. For properties occupied by tenants who are responsible for paying the water bills, deposits will be refunded upon termination of the tenancy.

A security deposit shall not be considered as payment on account during the time the customer is receiving water service. Customer shall pay bills for water service as rendered in accordance with the Rules and Rates of the Company.

MAIN AND SERVICE CONNECTIONS

Company Mains and Service Lines:

7. The Company shall in its sole judgment determine the size and type of mains to be installed either off-site or on-site for any structure or development. The Company shall make all connections to its mains and furnish, install and maintain all service lines from the main to and including the curb valve. The Company shall install, own, and determine the size and type of service line which runs from the main to the curb valve. Fire service lines and domestic service lines will be separate and independent lines from the main to the curb valve and in to the customer's internal plumbing facilities. Fire service lines will not be used to provide domestic water service.

Property Owner Service Line:

8. The Property Owner Service Line, which is furnished and installed by the owner, is that pipe from the curb valve to the structure. All service lines must have an approved valve installed on each side of the meter. All service lines from the curb valve to the structure must be installed in a straight line at least 42 inches below the surface of the ground. New customers will be notified at the time of their application if water pressure is greater than 100 pounds per square inch (psi). In such cases, customers shall install, at their own expense, a pressure-reducing valve. If the Company causes a change in its water pressure so that the water pressure to the customer is greater than 100 psi, the Company shall, at its expense, install a pressure-reducing valve on the customer's service line. The Company may require that customers, at their expense, install, at a location determined by the Company, a Company approved backflow prevention device when, in the opinion of the Company, the customer's service connection may cause contamination or degradation of the water in the Company's water distribution system. All underground irrigation systems shall include an approved backflow prevention device to be owned and maintained by the customer. It is the responsibility of the customer to properly maintain any backflow prevention device. The Company may require annual inspection and testing of the backflow prevention device by a licensed plumber qualified to test such devices if in the opinion of the Company it is

necessary to protect the Company's water distribution system and customers. The Company reserves the right to inspect backflow prevention devices. During an inspection the Company will require records of annual operation and maintenance inspection completed by a licensed plumber. If the customer has not had an inspection test or cannot produce the documentation, then the customer will be given a two-week notice to provide the proper documentation or their water service may be terminated until appropriate records are provided. During an inspection of the backflow prevention device, if it is found to not be properly installed, not in good working order, or that it has been circumvented by plumbing changes, then the customer's water service may be terminated immediately. The water will remain off until corrective actions have been made and proper documentation provided. All backflow prevention devices shall conform with the most stringent standards (in the opinion of the Company) required by any of the following organizations (if applicable): Underwriters Laboratory Inc.; Factory Mutual Laboratories; Office of Drinking Water of the Division of Public Health; Delaware Public Service Commission; and local government plumbing codes. With regard to multi-level (high rise) structures, it is recommended in some instances that customers, at their expense, install a booster pump to supply suitable water pressure to the upper levels of the structure.

Cross Connections:

9. Cross connections between a private water supply and a potable water supply shall be prohibited per County, State and the International plumbing code section 608.6.1.

Separate Trench:

10. No service line shall be installed in the same trench with a sewer pipe, drain or any other facility of another public service company, nor within three feet of any open excavation, foundation, vault or other structure.

Renewal of Service Line:

11. Where renewal of service line from water main to curb valve is found to be necessary, the Company, at its cost, will renew said service in the same location. If the property owner, or customer, for his or her own convenience, desires the renewal service line to be at some other location and pays all costs of such relocation in excess of the cost of renewing the service line at the existing location and costs of cutting off and disconnecting the old service line, the Company will renew the service line at the location desired. After abandonment of a water service line by an original property owner, a new owner must obtain the approval of the Company before incorporating the old service into new construction.

Maintenance by Customer:

12. All connections, service lines and fixtures furnished by the owner or customer shall be maintained by the owner or customer in good order and repair. Meters and equipment furnished and owned by the Company shall be protected by the customer. Any leak in the service or any other pipe or fixture in or on the customer's property shall be promptly repaired by the customer at the customer's expense. Customer shall ensure that access to the Company's curb stop is unobstructed. If the Customer obstructs access to the Company's curb stop, the Customer shall be charged any costs incurred by the Company to access the curb stop.

The Company shall in no event be responsible for maintaining any portion of the service line owned by the customer, or for any damage, casualty or loss resulting from or caused by water escaping from lines or fixtures on customer's property.

Service for Singularly-Owned Property:

13. A property consists of a tract of land with one or more structures owned by the same party. Each property may be supplied by one or more services. Each service shall have an individual meter. Should a property owned by one party be subdivided after the Company commences serving the property, each subdivided property shall be required to have an individual service, curb valve and meter at Owner's expense. Failure to provide individual service, curb valve and meter may result in discontinuance of service.

Single Service Line with Two or More Customers:

15. Where two or more customers have been supplied through a single service line, any violation of the Rules and Rates of the Company, by either or any of said customers, shall be deemed a violation by all, who shall be jointly and severally liable for any loss to the Company resulting therefrom. In the event any such violation is not corrected after reasonable notice, the Company may take such action as can be taken for a single customer, except that such action will not be taken until an innocent customer has been given a reasonable opportunity to attach his pipe to a separately-controlled, individual service connection.

Swimming Pools:

16. Residential swimming pools may be filled from house services. Larger community pools may be supplied with a separate water service and meter, such meter to be installed in a meter pit or heated building. Separate water service for swimming pools will be billed monthly or quarterly according to size of meter.

Contributions In Aid of Construction ("CIAC"):

17. In accordance with Sections 3.8 through 3.8.9 of the Public Service Commission's Minimum Standards Governing Service Provided by Public Water Companies, PSC Order Number 6873, the Company shall require CIAC when a request for service will require the installation of pipe and/or associated utility plant ("Facilities Extension"). The amount of CIAC will be calculated in accordance with Section 3.8.2.

The following schedule determines the charge per meter size:

5/8" meter	-	$1,500
3/4" meter	-	$1,515
1" meter	-	$1,560
1 1/2" meter	-	$1,620
2" meter	-	$1,785
3" meter	-	$3,000
4" meter	-	$3,450
6" meter	-	$4,500
8" meter	-	$5,700

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DISCONTINUANCE OF SERVICE

By Owner:

18. An owner must give the Company three (3) business days notice in order to discontinue (shut off) service. All agreements covering service for water shall continue in force until such notice is given. In the event the premises are in the possession of a tenant and such fact is known to the Company, such shut-off shall not be made until the Company has given three days' written notice to the tenant of the owner's order to discontinue service.

By Company:

19. The Company shall not be liable for any damage to property or for any inconvenience, loss or casualty suffered by the residents of the property due to discontinuance of service. Service may be discontinued for any of the reasons cited below and not restored until the cause for discontinuance has been fully corrected to the satisfaction of the Company.

Discontinuance Without Notice:

20. Service may be discontinued without notice only in the following events:

(a) When there is an unavoidable interruption in the source of supply or other emergency.

(b) Tampering with the meter or equipment owned or furnished by the Company.

(c) Unauthorized use of service or resale of water.

(d) Willful waste of water through improper or imperfect pipes, fixtures, or other causes.

(e) When a property has been vacated without prior notice to the Company.

Discontinuance With Notice:

21. Service may be discontinued with notice in the following events:

(a) Violation or noncompliance with Company Rules and Rates or violation of a governmental regulation governing water service.

(b) Failure of the customer to fulfill his contractual obligations for service or facilities.

(c) Refusal of the customer to permit Company representatives access to the property to inspect, read, repair or remove the meter and equipment.

(d) Failure to pay any bills or required deposit.

(e) Refusal of the customer to permit the Company to obtain an actual meter reading after a maximum of three consecutive estimated readings.

(f) Refusal of the customer to allow installation of meter and/or remote meter-reading device on the building exterior, or at a location that is both convenient and accessible to the Company.

(g) Failure of the customer to pay fees levied for Unauthorized Use of Service as set forth on pages 6a and 6b.

Reasons for Nondiscontinuance:

22. Service will not be discontinued for any of the reasons listed in paragraphs 20 and 21 (except under emergency or hazardous conditions) when life sustaining medical equipment is known to be in use or when a medical emergency exists at the premises, or if a bona fide dispute concerning a service bill exists. A Certification of Medical Need form is available to help comply with Title 26 of the Delaware Code related to public utilities and terminations of service. Any false statement made on the form is punishable as a Class A Misdemeanor under 11 Del. C. § 1233.

Due to Emergency:

23. In the event of a breakdown, emergency or other unavoidable cause, the Company shall have the right to temporarily discontinue the water supply in order to make necessary repairs, connections, and the like. The Company shall not be liable for any damage, loss, casualty or inconvenience suffered by the customer, or for any claim against it for interruption of service, lessening of the supply, inadequate pressure, quality of water or other causes beyond its reasonable control. When water service is to be temporarily interrupted, adequate notice will be given, whenever practicable, to all customers affected, stating the probable duration of the interruption.

Second Party Notification:

24. Customers may designate in writing a second party to receive bills and notice of disconnection of service prior to discontinuation of service for nonpayment, provided the named second party has agreed in writing to accept such notice. In such cases the Company will not discontinue service less than ten days after giving verbal or written notice to the second party of its intent to discontinue service. The person accepting second party status does not incur any obligation whatsoever to the Company.

Reserve Supply:

25. The Company shall have the right to reserve a sufficient supply of water to provide for fire and other emergencies and may restrict or regulate the quantity of water used by the customer whenever, in the Company's opinion, the public welfare may so require.

Conservation Regulations:

This section is intentionally left blank.

Turn-on or Shut-off Without Authority:

26. The customer shall not turn the water on or off at any corporation valve or curb valve, disconnect or remove the meter, or permit its disconnection or removal, without the prior consent of the Company.

Restoration of Discontinued Service:

27. Service will be restored when the conditions for which service was discontinued have been corrected to the satisfaction of the Company and upon payment of all proper charges or amounts provided in the Company's then-applicable rate schedule.

METERS

Furnished by Company:

28. All meters will be furnished by and remain the property of the Company. The Company shall determine the size of all customer meters.

Location:

29. All meters will be installed in accordance with Company specifications in a Company approved location that is at all times accessible for reading and repair. In the event a remote meter-reading device is installed on the building exterior, it shall be 3-5 feet above finished grade and at a location that is both convenient and accessible for reading and repair. In cases where the Company determines it is not practical to place a meter within a building, the customer shall install, own and maintain a meter pit in accordance with Company specifications on the property in a location to be determined by the Company. The Company will attempt, in mutual cooperation with the property owner, to locate the meter to the satisfaction of the property owner. Meters 1-1/2" or larger shall be installed with a bypass. After plumbing has been completed and tested, meter bars shall be removed, and water shut off at the curb valve until the meter is installed. A meter must be installed before the water is turned on. Meter bars are not permitted.

Valves Required:

30. The customer shall furnish and install a Company approved locking valve on a bypass.

Responsibility for Damage:

31. Normal maintenance and repair of meters will be provided by the Company. Any damage caused by freezing or hot water shall be the responsibility of the customer. Damage resulting from external causes due to customer negligence or tampering shall be the responsibility of the customer.

Cost of Reinstallation:

32. The charge to the customer for removal, repair and reinstallation of a meter damaged because of freezing, hot water, tampering, or customer negligence shall be based on labor and material costs.

Meter Malfunction:

33. The customer shall notify the Company of damage to or malfunction of the meter as soon as it becomes apparent.

Registration:

34. The consumption recorded by the meter shall be conclusive for both the customer and the Company except when the meter has been found to be registering inaccurately or has ceased to register. In such cases, a consumption estimate may be based on the customer's prior usage or a meter test.

When a remote meter-reading device has been installed and a discrepancy occurs between the registration on the remote meter-reading device and that on the interior meter, the registration on the interior meter will prevail.

Meter Test:

35. Upon request by a customer, a test of the accuracy of the meter registration will be made. The customer or a representative may be present when the meter is tested. If the customer's account is current, Artesian will bill the meter test fee to the customer's account. If the customer's account is not current, then the meter test fee must be paid in advance of the meter test. Should the meter test as over-registering as per the specified guidelines by the American Water Works Association (AWWA) limits, as required by the Delaware Public Service Commission, then the fee will be credited to the customer's account. Meter testing will be billed in accordance with the following fee schedule. A written report of the results of the test shall be provided to the customer.

Unpaid bills will result in finance charges and eventual shut off in accordance with Rule 46.

Fee Schedule - Customer-Requested Meter Test

Meter Size	Fee
5/8"	$ 50
3/4"	$ 50
1"	$ 50
1-1/2"	$100
2"	$100
3"	$150
4"	$150
6"	$150
8"	$200
10"	$200

Error in Registration:

36. If, due to the results of a meter test, the meter is found not to be accurate within specified AWWA limits, as required by the Delaware Public Service Commission, customer billings will be corrected accordingly, commencing from the date the error developed. If that period of time cannot be determined, the error shall be assumed to have existed for three years or a period equal to one half the time since the meter was last tested, whichever is less. No billing corrections less than $5 shall be made. A billing overcharge shall be either refunded or credited to the customer's account at the customer's election.

Periodic Meter Test:

37. In order to assure the accuracy of meters in service, periodic tests shall be made by the Company at the earlier of the yearly intervals or maximum thruput set forth below:

Meter Size	Interval Years	Maximum Thruput, Million Gallons		
		Displacement	Compound	Turbine
5/8"	15	1.8	--	--
3/4"	15	2.6	--	--
1"	10	4.4	--	--
1-1/2"	10	9.0	--	10.0
2"	3	14.0	28.0	28.0
3"	3	26.0	56.0	60.0
4"	3	--	88.0	100.0
6"	1	--	175.0	200.0
8"	1	--	280.0	300.0
10"	1	--	400.0	500.0
12"	1	--	--	800.0

PUBLIC FIRE PROTECTION SERVICE

Hydrant Location:

38. The Company will install fire hydrants at its cost, if a written contract has been signed with an incorporated town, municipality or new development or a petition has been signed by at least 70% of the residents of an un-incorporated area who agree to pay the Company's fire service charge Hydrants will only be installed if the size of the existing main and distribution system and available pressure are sufficient to give proper fire service under normal and ordinary conditions, and providing installation costs are not prohibitive. After installation, the system must be capable of providing average domestic water service demand and, in addition, supply a flow to the hydrant in excess of 500 gpm at a 20 psi residual pressure for a period of at least two (2) hours.

Hydrant Flow Test:

39. Upon request, a hydrant flow test will be performed. The requestor may be present when the test is conducted. The fee to perform a hydrant flow test is $300. Alternatively, if the Company has conducted a test of the hydrant within the past six months, that report can be provided to the requestor in lieu of a new flow test. The fee for the report from a previous test is $35.

Allowable Use:

40. No person, except as authorized by the Company in writing, shall take water from any public or private fire hydrant except for the use of a fire company in case of fire. No public fire hydrant shall be used for sprinkling streets, flushing sewers or gutters or for any other than fire purposes except with prior approval of the Company.

Change of Location:

41. Upon request to relocate a fire hydrant, the Company will make such relocation at the cost of the party making the request provided an approved new location is found.

RESPONSIBILITY FOR SERVICE

42. It is agreed by the parties receiving public fire service, or any other service, that the Company does not assume any liability as an insurer of property or persons. While the Company will make every reasonable effort to maintain service, the Company does not guarantee any special service, pressure, capacity or facility other than permitted by the ordinary and changing operating conditions of the Company, as exist from day to day. It is agreed by the parties receiving service that the Company shall be free and exempt from any and all claims for injury to any persons or damage to any property by reason of fire, water, or failure to supply water pressure or capacity.

The Company is not liable in damages in a civil action to any person for injury, death or loss to person or property that allegedly arise from the person's consumption of water supplied by the Company if the water supplied by the Company complied with primary maximum contaminant levels set by the State of Delaware's Office of Drinking Water and the United States Environmental Protection Agency.

BILLS AND PAYMENT

Place of Payment:

43. Bills may be paid by mail or in person at the Company's office. A locked deposit box, located at the Company's office, is available after normal business hours, on weekends, and on holidays. In addition, other payment arrangements are provided on our website.

Bills Rendered And Due:

44. Regular meter readings will be made for each billing period and bills will be rendered as soon as practicable after reading the meters. All bills are due and payable upon presentation.

Customer Refunds:

45. The Company will not mail checks for refunds totaling less than $10.00 to customers who have left Artesian's service territory. Those refunds are available upon request from the former customer. The refund will also be credited to that customer's new account if the former customer re-establishes a service with the Company within five years from the date of the original refund generation. If left unclaimed those funds due former customers will be escheated to the State of Delaware according to applicable state law.

Delinquent Bills:

46. Bills remaining unpaid for a period of 25 days from the effective billing date shall be classified as delinquent, and if not paid within 14 days thereafter, service may be discontinued. Should service be discontinued, it will not be restored until unpaid bills, deposits and charges, including the shut-off and turn-on charges, are paid or satisfactory arrangements are made with the Company for payment. In addition, a late payment penalty will be applied to any outstanding balance which remains outstanding 25 days after the bill date, until payment is received in full. The monthly penalty will be at a rate equal to one-twelfth of prime plus 5%, and the prime rate will be updated quarterly. If a customer's account is referred to an attorney or collection agency for collection, in addition to the amount due for water service and late charges, the customer shall be responsible for the payment of the Company's reasonable attorney's fees and all other costs and expenses of collection.

Returned Payments:

47. When a water bill is paid by check, electronic debit, credit card or other means that the Company may offer, and the payment is not honored by a financial institution and is subsequently returned to the Company, a fee of $30.00 will be applied to the customer's account to cover bank fees and other expenses that may arise from the returned payment, including administrative costs of the Company.

GENERAL

Complaints:

48. Any complaint regarding the character of the service furnished, reading of meters or bills rendered must be made to the Company in writing. A record of such complaint will be kept by the Company, giving the name and address of the complainant, date of occurrence, nature of the complaint, disposition and findings.

General:

49. Pipes, meters and fixtures shall be subject to inspection, at reasonable hours, by properly identified employees of the Company. No plumber, owner or other unauthorized person shall turn the water on or off at any corporation valve or curb valve or disconnect or remove the meter without the consent of the Company. No agent or employee of the Company has the authority to bind the Company by any promise, agreement or representation not provided for in these rules.

The Company reserves the right, subject to the approval of the Delaware Public Service Commission, to change, take from or add to the foregoing Rules and Rates.

New Castle County Business Office

664 Churchmans Road

Newark, Delaware 19702

Phone (302) 453-6900 Fax (302) 453-6957

Mailing Address

P. O. Box 15004

Wilmington, Delaware 19850-5004

Sussex County Business Office

14701 Coastal Highway

Milton, Delaware 19968

Phone: (302) 645-7751 Fax: (302) 645-8233

e-mail: artesian@artesianwater.com

www.artesianwater.com

ARTESIAN WATER COMPANY, INC.
P.S.C. No. 1 - WATER
Effective: May 1, 2012

Third -First Supplemental Sheet
Canceling
Second – First Supplemental Sheet

This First Supplemental Sheet is applicable to customers in the Boothhurst development located within the City of New Castle. The total charge for metered service consists of the sum of the Customer Charge, and to the extent applicable, the Water Charge. Monthly Customer Charges will be billed in advance. Water Charges will be billed in arrears.

Monthly Customer Charge for Domestic Service

The monthly charge for customers served is based on meter size

Size of Meter	Customer Charge
5/8" X 3/4"	$7.75
1"	$9.50

Monthly Customer Charge for Public Fire Protection

The monthly charge for customers is based on the size of the service line

Size of Service Line	Customer Charge
5/8" X 3/4"	$1.25
1"	$6.65

Monthly Customer Charge for Private Fire Protection

The monthly charge for customers is based on the size of the service line

Size of Service Line	Customer Charge
5/8" X 3/4"	$5.43
1"	$6.65

Water Charges (October-June)

Water Charges	Cents Per Gallon
Non-City	.0067

Water Charges (July-September)

Water Charges	Cents Per Gallon
Residential	.0067 for water use under 4,000 gallons/per month
	.00735 for water use over 4,000 gallons/per month

All bills are due and payable upon presentation.

Restoration Charge:

When water service has been discontinued for the non-payment of a bill, there will be a charge of $40.00 payable in advance, for turning the water back on during regular working hours. When it is necessary to turn water back on during other than regular working hours, the charge is $60.00, also payable in advance.

ARTESIAN WATER COMPANY, INC.
P.S.C. No. 1 - WATER
Effective: ~~June~~ November ~~10~~13, 2014

~~Tenth~~ Eleventh -Second Supplemental Sheet
Canceling
~~Ninth~~ Tenth – Second Supplemental Sheet

This Second Supplemental Sheet is applicable to customers in the city of Middletown located within the County of New Castle. The total charge for metered service consists of the water charge.

Water Charge: ~~$2.210~~2.362 per thousand

All bills are due and payable upon presentation.

This Third Supplemental Sheet is applicable to the Delaware Correctional Center. Due to the unique nature of the agreement between the State of Delaware and Artesian, the rates are as follows:

Water Charge:	~~$2.332~~2.493 per thousand gallons	I

All bills are due and payable upon presentation.

This Fourth Supplemental Sheet is applicable to Artesian Water Maryland, Inc. The total charge for metered service consists of the water charge.

Water Charge:	$3.773 per thousand gallons

All bills are due and payable upon presentation.

ARTESIAN WATER COMPANY, INC.
P.S.C. No. 1 - WATER
Effective: October 14, 2014

Second-Fifth Supplemental Sheet
Canceling
First-Fifth Supplemental Sheet

This Fifth Supplemental Sheet is applicable to the Town of Chesapeake City. The total charge for metered service consists of the rate for water volumes supplied, shown below, and a customer charge associated with a 6-inch meter.

Water Charge:	$4.116 per thousand gallons

All bills are due and payable upon presentation.