

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

IN THE MATTER OF THE APPLICATION OF )  
ARTESIAN WATER COMPANY, INC., FOR AN ) PSC DOCKET NO. 04-42  
INCREASE IN WATER RATES )  
(FILED FEBRUARY 5, 2004) )

**ORDER NO. 6390**

**AND NOW**, to-wit, this 6th day of April, 2004;

**WHEREAS**, Artesian Water Company, Inc. ("the Company"), having, on February 5, 2004, filed with the Commission a revised rate tariff designed to produce approximately \$8,800,000 in additional annual revenue by increasing its water service rates by approximately 24.22%; and

**WHEREAS**, the Commission, in PSC Order No. 6378 (Mar. 16, 2004), having reviewed the application for increased rates, and having determined that such proposed rate and tariff changes should, pursuant to the authority granted to the Commission by 26 Del. C. § 306(a)(1), be suspended pending full and complete evidentiary hearings into the justness and reasonableness of the proposed new rates and tariff alterations; and

**WHEREAS**, the Company having, on March 5, 2004, filed with the Commission a request to place temporary rates under bond and revised tariff leaves carrying an effective date of April 6, 2004, establishing rates as permitted by 26 Del. C. § 306(c) to enable the Company to collect under bond, and subject to refund, a revenue increase which does not exceed the lesser of 15% of the public utility's annual gross intrastate operating revenues or \$2,500,000, whichever is less; and

**WHEREAS**, the Commission having reviewed the petition of Artesian Water Company, Inc., to put rates into effect under bond and the

supporting information demonstrating that the proposed increase is within the limitations established by 26 Del. C. § 306(c) and otherwise complies therewith for the collection of rates under bond;

Now, therefore, **IT IS ORDERED:**

1. That the Commission finds, pursuant to 26 Del. C. § 306(c), that Artesian Water Company, Inc., has the statutory right, on and after the expiration of sixty (60) days from the filing of its rate increase application, to place into effect temporary rates, subject to refund, so long as such temporary rates do not exceed the lesser of fifteen percent (15%) of the Company's annual gross intrastate operating revenues or Two and a Half Million Dollars (\$2,500,000), and provided that the Commission approves as reasonable the amount of the bond and the surety thereon.

2. That the Commission hereby approves as reasonable the hereto attached form of rate refunding bond (Exhibit "A") in the principal amount of One Million, Five Hundred Thousand Dollars (\$1,500,000), and further waives the requirement for a surety on such rate refunding bond to further guarantee the repayment of the interim rates collected pursuant to 26 Del. C. § 306(c). A duly executed rate refunding bond without surety shall be filed prior to April 6, 2004.

3. That the proposed temporary rates set forth above in the tariff filed by Artesian Water Company, Inc., on March 5, 2004, are reasonably designed to produce, on an annual basis, less than Two and a Half Million Dollars (\$2,500,000) and less than fifteen percent (15%) of the gross annual intrastate operating revenues of Artesian Water Company, Inc., and may, therefore, be placed into effect on April 6, 2004, under 26 Del. C. § 306(c), subject to any refund as the Commission may hereafter Order.

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

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae  
Chair

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Vice Chair

/s/ Joann T. Conaway  
Commissioner

/s/ Donald J. Puglisi  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

ATTEST:

/s/ Karen J. Nickerson  
Secretary