

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE SUBMISSION)
BY ARTESIAN WATER COMPANY, INC.,)
RELATING TO ITS ABILITY TO MEET) PSC DOCKET NO. 05-82
PROJECTED DEMAND IN NORTHERN NEW)
CASTLE COUNTY)
(FILED MARCH 8, 2005))

ORDER NO. 6954

This 20th day of June, the Commission determines and Orders the following:

1. In March, 2005, Artesian Water Company, Inc. ("Artesian") submitted a conservation plan and adequate supply certification. The filing was intended to fulfill Artesian's initial obligations under the Water Supply Self-Sufficiency Act of 2003 ("the Act"). See 26 Del. C. §§ 1402(9), 1404(a) (2004 Supp.). The Commission found the submission premature under the timing prescribed by the Self-Sufficiency Act. However, the Commission decided to use the March filing to revisit the earlier Staff report entitled "Investigation of Water Supply Availability in New Castle County during the Drought of 2002" (Mar. 2004) acknowledged in PSC Order No. 6374 (Mar. 16. 2004). There, Staff (utilizing the services of a consultant) had concluded that Artesian had adequate water sources available to it to meet its projected demand in northern New Castle County at least through the end of 2006. The Commission directed Staff to survey and investigate the information underlying Artesian's more recent March submission to see if there was anything there that might call into question the earlier 2004 conclusion. PSC Order No. 6660 (June 21, 2005).

2. Staff (having utilized the services of a differing consultant) has now filed a supplemental Report revisiting the earlier conclusion related to Artesian's supply through the short term. The Staff (consultant's) Report applies its own criteria, and volume numbers, for both the "demand" and "supply" side of the "adequate supply" equation. Its final conclusion is that Artesian has demonstrated that it has sufficient water supply to meet the average daily and maximum monthly projected demands of its customers through the end of 2006. In light of that, the Commission does not believe this docket needs to go any further. The conclusion in the 2004 Staff report still holds true. Consequently, the Commission will acknowledge the latest supplemental Report and close this 2005 docket.

3. In a response to the Report, Artesian takes issue with Staff's views of the appropriate demand and supply criteria and numbers. It questions whether Staff's reconfigured "projected demand" criteria is consistent with the intent of the Self-Sufficiency Act. And it suggests that Staff was too stringent in its numbers related to the amount of water that can be drawn from Artesian's wellfield sources. The Commission does not believe that it must in this docket resolve, or delve into, this point and counter-point. Under both Staff's and Artesian's numbers (on both sides), the utility has adequate supply available through the relevant 2006 period. From here forward, the Commission will perform the responsibilities given it by the Self-Sufficiency Act. Perhaps - at some point - the issue of what water can be drawn from particular wellfields might become critical; that is, the utility's ability to meet or fall short of demand numbers

might turn on one set of wellfield number assumptions rather than another. But this is not that time. If, and when, the issue is significant or decisive, the Commission can address it. As to the back and forth about projected demand assumptions, determinations of projected demand are now within the bailiwick of the Water Supply Coordinating Council ("the Council"). 26 Del. C. § 1403 (2004 Supp.). In fact, the Council has now made such a determination for the initial (2009) projected year. If, at some later time, the Council thinks it should reexamine what assumptions the Act anticipates for calculating the statutory concept of projected demand during drought of record conditions, the Council can do that. It will be that body's call. The Commission will simply send a copy of Staff's Supplemental Report to the Council for informational purposes.

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

1. That the Report entitled "Assessment of March 8, 2005 Artesian Water Company Filing Under the Delaware Water Supply Self-Sufficiency Act" prepared by Leggette, Brashears & Graham, Inc., and filed by Staff, is hereby acknowledged.

2. That this docket is now closed.

3. That the Secretary shall transmit a copy of the Report referred to in Ordering paragraph 1 to the Water Supply Coordinating Council. It is transmitted simply for informational purposes.

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

/s/ Joann T. Conaway
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary