

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

IN THE MATTER OF THE APPLICATION OF )  
ARTESIAN WASTEWATER MANAGEMENT, INC. )  
FOR APPROVAL OF RATES TO GOVERN THE )  
PROVISION OF WASTEWATER SERVICES TO ) PSC DOCKET NO. 05-280WW  
THE DEVELOPMENT OF INDIAN RIVER )  
PHASE 3, SUSSEX COUNTY, DELAWARE )  
(FILED AUGUST 1, 2005) )

**ORDER NO. 7189**

This 22<sup>nd</sup> day of May, 2007, the Commission determines and Orders the following:

1. In PSC Order No. 6825 (Jan. 24, 2006), this Commission finally approved an initial Tariff to govern the rates and terms and conditions for the provision of wastewater public utility services by Artesian Wastewater Management, Inc. ("AWMI"). The Tariff therein approved includes an annual customer charge and a specific connection fee applicable to connections made by AWMI in its "Stonewater Creek" service territory. By the terms of the Order, the approved Tariff was limited to service in that particular service territory.

2. During the deliberations in Order No. 6825, AWMI represented that it contemplated providing its wastewater services in other certificated service territories within a short period of time. AWMI represented that it intended to charge the tariffed annual customer fee in ten different developments.

3. Staff reports that the expansion of services into the Beaver Creek development will not affect the reasonableness of the tariffed annual customer fee. The developer is paying a \$4,950 front-

end connection fee as each lot is connected to the system and the "contribution in-aid-of construction" portion of that fee will be used to offset rate base. AWMI will be using a graduated, decreasing revenue scale and will initially treat, for both accounting and ratemaking purposes, the \$3,000 per lot connection fees as "operating revenue." Each year the front-end connection fee will be increased by a consumer price index factor and the portion allocated to "contribution in-aid-of construction" will be increased.

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

1. That, for the reasons set forth in the body of this Order, the Tariff previously approved in PSC Order No. 6825 (Jan. 24, 2006), including the rates described therein (except for the connection fee applicable to Stonewater Creek development) shall govern the wastewater public utility services provided by Artesian Wastewater Management, Inc. in the Beaver Creek development portion of the service territory granted by PSC Order No. 6717 (Sept. 6, 2005). Such Tariff shall be effective for services in the Beaver Creek development as of the date of this Order.

2. That, except as modified by this Order, all the other directives in PSC Order No. 6825 (Jan. 24, 2006) shall remain applicable.

3. 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