

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. 08-96
INCREASE IN WATER RATES)
(FILED APRIL 22, 2008))

ORDER NO. 7384

AND NOW, to-wit, this 6th day of May, 2008;

WHEREAS, Artesian Water Company, Inc. ("Artesian" or "the Company"), having, on April 22, 2008, filed with the Public Service Commission ("the Commission") an application with proposed revised tariffs designed to produce an annual increase of approximately 28.8% in the Company's revenues or approximately \$14,232,000 in additional revenues; and

WHEREAS, the Commission having determined that pursuant to the authority granted to the Commission by 26 Del. C. § 306(a)(1), the filing by Artesian shall be suspended pending full and complete evidentiary hearings into the justness and reasonableness of the proposed new rates, tariffs, and rule revisions; now, therefore,

IT IS ORDERED:

1. That the rates, tariffs, and rule revisions filed by Artesian Water Company, Inc., with the Delaware Public Service Commission on April 22, 2008, are hereby suspended pursuant to 26 Del. C. § 306(a)(1) and shall not be placed into force or effect except pursuant to further Order of the Commission or pursuant to law, and then only to the extent such further Commission Order or such law may permit or allow.

2. That, pursuant to the requirements of 26 Del. C. §§ 102A and 304, Artesian Water Company, Inc., shall give public notice of the

application for increased rates by causing the publication of the notice attached hereto as Exhibit "A" in The News Journal and Delaware State News newspapers, in two-column format, outlined in black, on the following dates:

Wednesday, May 14, 2008 (The News Journal)

Thursday, May 15, 2008 (Delaware State News).

Proof of such publication shall be filed with the Commission as soon thereafter as is reasonably practicable but prior to the date set for any evidentiary hearing in this docket.

3. That Ruth A. Price is designated as Hearing Examiner for this matter pursuant to the terms of 26 Del. C. § 502 and 29 Del. C. ch. 101 to schedule and conduct such evidentiary hearings as may be necessary to have a full and complete evidentiary record concerning the justness and reasonableness of the proposed increased rates and to thereafter file a report and recommendations with the Commission. Dates and times for serving and responding to discovery shall be included in the procedural schedule. Hearing Examiner Price is specifically delegated the authority to grant or deny petitions seeking leave to intervene. In addition, Hearing Examiner Price is delegated the authority, under 26 Del. C. § 102A, to determine the form and manner of any further public notice concerning this docket. James McC. Geddes, Esquire, is designated Rate Counsel for this matter. The Applicant is hereby placed on notice that the cost of the proceeding will be charged to it under the provisions of 26 Del. C. § 114(b)(1).

4. That the Commission reserves the jurisdiction and authority to enter such other or 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/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary

E X H I B I T "A"

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P U B L I C N O T I C E

**TO: ALL CUSTOMERS OF ARTESIAN WATER COMPANY, INC.,
AND OTHER INTERESTED PERSONS**

On April 22, 2008, Artesian Water Company, Inc. ("Artesian" or "the Company") filed with the Delaware Public Service Commission ("the Commission") an application for an increase in its water service rates. The new proposed rates and charges are designed to produce additional annual revenues to the Company of approximately \$14.2 million. This is a proposed increase in annual revenue of approximately 28.8%. A customer with a 5/8" water meter using 15,000 gallons of water per quarter would see their bill increase from \$120.38 to \$153.89 if the full increase is authorized.

Any person wishing to participate as a party in this docket (PSC Docket No. 08-96) should file for leave to intervene with the Commission in accordance with Rule 11 of the Commission Rules of Practice and Procedure. Such petitions should be filed on or before Wednesday, **June 4, 2008** at the Commission's office located at:

Delaware Public Service Commission
 861 Silver Lake Boulevard
 Cannon Building
 Suite 100
 Dover, Delaware 19904
 (Attn: PSC Dckt. No. 08-96)

Petitions filed thereafter will not be considered except for good cause shown.

The following is a comparison of Artesian's present rates and those proposed in the application:

WATER CHARGE

Rate Per 1,000 Gallons

RESIDENTIAL:

Old Rates:

First Block	First 5,000 Gals.	\$5.124
Second Block	Next 15,000 Gals.	\$5.541
Third Block	Over 20,000 Gals.	\$6.460

New Proposed Rates:

	<u>Quarterly</u>	<u>Monthly</u>	
First Block	First 3,000 Gals.	First 1,000 Gals.	\$6.513
Second Block	Next 12,000 Gals.	Next 4,000 Gals.	\$7.043
Third Block	Over 15,000 Gals.	Over 5,000 Gals.	\$8.211

ALL OTHER:

Old Rates:

First Block	First 500,000 Gals.	\$4.674
Second Block	Over 500,000 Gals.	\$5.380

New Proposed Rates:

	<u>Quarterly</u>	<u>Monthly</u>	
First Block	First 1,500,000 Gals.	First 500,000 Gals.	\$5.945
Second Block	Over 1,500,000 Gals.	Over 500,000 Gals.	\$6.845

Old Rate:

All water registered on bypass meters shall be billed at the rate of \$6.460 per 1,000 gallons.

New Proposed Rate:

All water registered on bypass meters shall be billed at the rate of \$8.211 per 1,000 gallons.

MINIMUM CUSTOMER CHARGE:

Quarterly

<u>Meter Size</u>	<u>Old Rate</u>
5/8"	\$30.15
3/4"	\$36.15
1"	\$48.21

Monthly

<u>Meter Size</u>	<u>Old Rate</u>
1-1/2"	\$ 32.13
2"	\$ 42.17
3"	\$ 64.27
4"	\$ 92.39
6"	\$160.68
8"	\$241.02
10"	\$381.62

FOR CUSTOMERS IN NEW CASTLE COUNTY ABOVE THE C&D CANAL ONLY:

Quarterly

<u>Meter Size</u>	<u>New Proposed Rate</u>
5/8"	\$39.00
3/4"	\$46.80
1"	\$62.40

Monthly

<u>Meter Size</u>	<u>New Proposed Rate</u>
1-1/2"	\$ 41.60
2"	\$ 54.60
3"	\$ 83.20
4"	\$119.60
6"	\$208.00
8"	\$312.00
10"	\$494.00

FOR CUSTOMERS IN ALL THREE COUNTIES BELOW THE C&D CANAL:

MONTHLY ONLY

<u>Meter Size</u>	<u>New Proposed Rate</u>
5/8"	\$ 13.00
3/4"	\$ 15.60
1"	\$ 20.80
1-1/2"	\$ 41.60
2"	\$ 54.60
3"	\$ 83.20
4"	\$119.60
6"	\$208.00
8"	\$312.00
10"	\$494.00

PUBLIC FIRE HYDRANT READY TO SERVE CHARGE:

Quarterly

<u>Meter Size</u>	<u>Old Rate</u>
5/8"	\$ 9.20
3/4"	\$13.76
1"	\$22.98

Monthly

<u>Meter Size</u>	<u>Old Rate</u>
1-1/2"	\$ 15.29
2"	\$ 24.51
3"	\$ 46.01
4"	\$ 76.73
6"	\$153.51
8"	\$245.05
10"	\$392.18

FOR CUSTOMERS IN NEW CASTLE COUNTY ABOVE THE C&D CANAL ONLY:

Quarterly

<u>Meter Size</u>	<u>New Proposed Rate</u>
5/8"	\$10.83
3/4"	\$16.26
1"	\$27.09

Monthly

<u>Meter Size</u>	<u>New Proposed Rate</u>
1-1/2"	\$ 18.05
2"	\$ 28.88
3"	\$ 54.15
4"	\$ 90.25
6"	\$180.50
8"	\$288.80
10"	\$451.25

FOR CUSTOMERS IN ALL THREE COUNTIES BELOW THE C&D CANAL:

MONTHLY ONLY

<u>Meter Size</u>	<u>New Proposed Rate</u>
5/8"	\$ 3.61
3/4"	\$ 5.42
1"	\$ 9.03
1-1/2"	\$ 18.05
2"	\$ 28.88
3"	\$ 54.15
4"	\$ 90.25
6"	\$180.50
8"	\$288.80
10"	\$451.25

PRIVATE FIRE PROTECTION:

Quarterly

<u>Detector Check</u>	<u>Old Rate</u>
1-1/2"	\$ 46.82
2"	\$ 90.51
4"	\$ 252.78
6"	\$ 539.17
8"	\$ 897.70
10"	\$1,328.39
12"	\$1,453.01
Charge Per Private Hydrant	\$ 539.17

Any water usage at \$6.46 per 1,000 gallons.

FOR CUSTOMERS IN NEW CASTLE COUNTY ABOVE THE C&D CANAL ONLY:

Quarterly

<u>Detector Check</u>	<u>New Proposed Rate</u>
1-1/2"	\$ 59.94
2"	\$ 115.86
4"	\$ 323.55
6"	\$ 690.15
8"	\$1,149.06
10"	\$1,700.34
12"	\$1,859.85
Charge Per Private Hydrant	\$ 690.15

Any water usage at \$8.211 per 1,000 gallons.

FOR CUSTOMERS IN ALL THREE COUNTIES BELOW THE C&D CANAL:

MONTHLY ONLY

<u>Detector Check</u>	<u>New Proposed Rate</u>
1-1/2"	\$ 19.98
2"	\$ 38.62
4"	\$ 107.85
6"	\$ 230.05
8"	\$ 383.02
10"	\$ 566.78
12"	\$ 619.95
Charge Per Private Hydrant	\$ 230.05

Any water usage at \$8.211 per 1,000 gallons.

ALL OTHERS:

General Motors/Christiana Care Hospital

Old Rates:

GM/CCH Rate Per 1,000 Gallons \$ 3.135

New Proposed Rates:

GM/CCH Rate Per 1,000 Gallons \$ 4.073

during normal business hours in the Commission's Dover office at the address listed above or on the Commission's website at <http://www.state.de.us/delpsc/water.shtml>. Copies may also be reviewed, by appointment, at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801. Please call (302) 577-5077 to arrange for a time to review the documents at such location.

Any individual with disabilities who wishes to participate in, or to review these proceedings, should contact the Commission to discuss any auxiliary aids or services needed to facilitate such review or participation. Such contact may be in person, by writing, by telephone, or otherwise. For inquiries, the Commission's toll free telephone number (in Delaware) is 1-800-282-8574. Any person with questions may also contact the Commission Staff at (302) 736-7500. Inquiries can also be sent by Internet e-mail to jack.schreyer@state.de.us.