

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
ARTESIAN WASTEWATER MANAGEMENT, INC.)
FOR APPROVAL OF A UNIFORM TARIFF) PSC DOCKET NO. 09-116WW
APPLICABLE TO ALL OF ITS WASTEWATER)
SERVICE TERRITORIES)
(FILED MARCH 13, 2009))

ORDER NO. 7549

This 7th Day of April, 2009, the Commission determines and Orders the following:

1. In PSC Order No. 6825 (Jan. 24, 2006), this Commission 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" or the "Company") in the "Stonewater Creek" development. The Stonewater Creek Tariff included an annual customer charge of \$900 (to be billed on a monthly basis at \$75 per month) and a specific connection fee to be charged in that development.

2. In PSC Order 7419 (Aug. 5, 2008), the Commission approved a tariff for AWMI's "Independence Run" service territory, which tariff also included the \$900 annual customer charge and a specific connection fee to be collected from the developer of the property. Between Orders Nos. 6825 and 7419, the Commission approved the \$900 annual customer charge for four other developments served by AWMI, with varying connection fees that are based on projected construction costs for those properties.

3. Based upon a recommendation of Staff, PSC Order No. 7419 also provided that AWWMI submit with its next tariff application a proposed uniform tariff that would be applicable to all of its current territories and future expansions, without the need for incremental approval.¹

4. As directed, on March 13, 2009, AWWMI filed an application (the "Application") for approval of a uniform tariff applicable to all of AWWMI's wastewater service territories. In its Application, AWWMI states that it is ready to add two new service territories, "Windstone"² and "Oakwood Village,"³ to its wastewater system and, therefore, has proposed a uniform tariff (the "Uniform Tariff"), which it attached to its Application. AWWMI states that its Uniform Tariff would be applicable to all of AWWMI's service territories, current and future, including the Windstone and Oakwood Village territories.

5. Like AWWMI's other tariffs, the Uniform Tariff proposes an annual residential charge for service of \$900 to be billed monthly in advance. The Uniform Tariff also provides for separate commercial and industrial service charges for those services.

¹See PSC Order No. 7419, ¶ 2. As noted in Order 7419, note 2, AWWMI's connection fee varied with each new development, based on its capital costs for that development, and AWWMI collects such fee from the developer under a negotiated agreement. Accordingly, AWWMI's uniform tariff should not contain a fixed connection fee for new developments. It may, however, include a connection fee, or "hook-up charge," that would apply to any customer AWWMI connects to an established system in an existing community, where such connection costs were not collected under a developer agreement.

²See PSC Order No. 7206 (June 19, 2007) (granting Certificate of Public Convenience and Necessity to AWWMI to serve this territory).

³See PSC Order No. 7083 (Dec. 5, 2006) (granting Certificate of Public Convenience and Necessity to AWWMI to serve this territory).

6. Based on its initial review of the Uniform Tariff, Staff recommends approval of AWMI's Application pending further investigation, on a temporary basis and, with respect to Windstone and Oakwood Village and any future expansion, with the rates subject to refund. Prior to a final approval of the Uniform Tariff and rates, the Commission will direct AWMI to notify each customer presently connected to its wastewater system in its service territories. If comments or objections are forthcoming, or further information comes to light, the Commission can then determine what additional process, if any, might be appropriate before the Commission undertakes any final decision concerning the proposed changes and rates. Conversely, if no person or entity files objections or comments raising significant issues, and Staff recommends approval, then the Commission might approve the Uniform Tariff and rates as final without further hearings or proceedings.

NOW THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. That, for the reasons set forth in the body of this Order, Artesian Wastewater Management, Inc., is hereby authorized to charge the rates proposed in its March 13, 2009 application and its proposed uniform tariff for wastewater services provided to Windstone and Oakwood Village, as well as future expansions, on a temporary basis and subject to refund.

2. That Artesian Wastewater Management, Inc. shall cause a copy of the Notice attached hereto as Exhibit "A" to be sent, by United States mail, to each customer presently connected to its

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(FILED MARCH 13, 2009))

**Notice of Filing of Application for
Approval of a Uniform Tariff, Applicable to All Current and Future
Service Territories**

Artesian Wastewater Management, Inc. ("AWMI"), has applied to the Delaware Public Service Commission ("PSC") for permission to approve a uniform tariff that would be applicable to AWMI's wastewater services provided to all of its current territories, including the Windstone and Oakwood Village developments, as well as its future expansions.

If AWMI's application is approved, AWMI would be authorized to, among other things, charge its residential customers, including those in the Windstone and Oakwood Village developments, \$900 per year, which charge will be billed at a monthly rate of \$75. Also, AWMI proposes to collect an up-front connection fee from the developer based on its construction costs.

In PSC Order No. 7549 (Apr. 7, 2009), the Public Service Commission ("PSC") allowed the proposed uniform tariff and proposed rates to go into effect on a temporary basis and subject to refund

with respect to the Windstone and Oakwood Village developments, as well as future expansions. The PSC now solicits from any interested person or entity comments or objections to AWMI's proposed uniform tariff and rates, as well as to the other terms and conditions set forth in its proposed uniform tariff. If you wish to file any such comments or objections, you must file such document (10 copies) with the PSC by June 8, 2009. Such comments or objections shall be filed with the PSC at the following address:

Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904
Attn: PSC DOCKET NO. 09-116WW

Only persons or entities filing comments or objections will receive notice of further proceedings in this matter. If no comments or objections raising significant issues are submitted, the PSC may finally approve the proposed uniform tariff and rates proposed by AWMI without further notice or further proceedings.

If you wish to participate in this matter, you should review PSC Order No. 7549 and AWMI's application. Order No. 7549 and AWMI's application are available at the PSC. You may review (and copy) those documents and any supporting material at the PSC's office at the above-listed address. If you want more information, you can contact the PSC at 1-800-282-8574 (Delaware only) or (302) 736-7500 (text telephone also). You can also send inquiries by Internet e-mail to heidi.wagner@state.de.us