



STATE OF DELAWARE

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**MEMORANDUM**

**TO:** The Chair and Members of the Commission

**FROM:** Joshua Bowman, Public Utility Analyst

**DATE:** June 1, 2016: *JAE*

**SUBJECT:** IN THE MATTER OF THE APPLICATION OF ARTESIAN WATER COMPANY, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICES PURSUANT TO 26 DEL. C. §203C ("RIDGE REALTY")  
**(FILED APRIL 20, 2016; SUPPLEMENTED APRIL 27, 2016)**  
**PSC DOCKET NO. 16-0574**

On April 20, 2016, Artesian Water Company, Inc. ("Artesian" or the "Company") filed an application ("Application") with the Delaware Public Service Commission (the "Commission") seeking a Certificate of Public Convenience and Necessity ("CPCN") to provide water services to one parcel of land in Kent County, Delaware, known as Tax Map Parcel No. 122.11-01-07.00 (the "Proposed Service Area") pursuant to 26 *Del. C.* §203C(e)(1)b2.

As required by 26 *Del. C.* §203C(e)(1)b2. and the Commission's Regulations Governing Certificates of Public Convenience and Necessity for Water Utilities, 26 *Del. Admin. C.* §2002 (the "Regulations"), the Application contains the following documentation: (1) copies of the petition signed by the landowner of record included in the Proposed Service Area requesting to be included in the Proposed Service Area; (2) copies of the United States Postal Service ("USPS") forms that verified the Company sent, via certified mail, a Commission approved notice to the landowner of record of the parcel included in the Proposed Service Area; (3) a list of the County tax map parcel identification number of the property and identification of the landowner of record included in the Proposed Service Area; and (4) copies of the associated tax maps clearly marking the Proposed Service Area. Additionally, the Application contains Artesian's statement that its expansion of service to the Proposed Service Area will comply with the water pressure requirements of 26 *Del. C.*

§§403(a) and (b) and that Artesian is not barred by any of the restrictions set forth in 26 *Del. C.* §403(c).

After initial review of the application and supporting materials, Staff found there to be a few items that needed clarification. The Application originally misidentified the parcel as being located in Middletown, New Castle County, Kent County, Delaware instead of Front Street in Frederica, Delaware on page 2 of the Application. The Application also included a Certificate of Formation for the landowner's LLC from the Division of Corporations that listed an individual ("Individual") as an Authorized Person. However, Staff needed verification that the Individual who signed on behalf of the LLC was authorized to sign solely on behalf of LLC. Finally, the Company included a print out of the USPS tracking information for the certified mail that was sent to the landowner. However, the print out did not sufficiently show the addressee's name and address.

After notification of these minor issues, the Company, on April 27, 2016, filed: (1) a corrected Application page 2 showing the parcel located in Frederica, Delaware; (2) a copy of the LLC's Operating Agreement verifying the Individual as the sole member of the LLC; and (3) a USPS form confirming that the certified mail was indeed delivered to the landowner of record for the parcel.

In addition to the required notification to all of the landowners of record in the Proposed Service Area, Artesian published a notice in The News Journal on April 23, 2016, and Delaware State News newspaper on April 23, 2016. The notice advised the public of the Application, that the Application may be reviewed at the Commission's office during normal business hours or on the Commission's website, that a hearing on this matter would not be held unless an appropriate request for a hearing was received, and that the property owners may object to or "opt-out" of the Proposed Service Area. To date, no comments regarding the Company or this Application have been received, and no landowners of record included in the Proposed Service Area have objected to the Application or elected to "opt-out" of the Proposed Service Area.

Staff reviewed the Application to ensure compliance with the statutory provisions of 26 *Del. C.* §203C and the Regulations. Any errors or omissions that were found were minor and were immediately addressed and corrected by Artesian. Finally, to determine whether the Commission should deny the requested CPCN as set forth in 26 *Del. C.* §203C(f), Staff solicited comments from the Delaware Department of Natural Resources and Environmental Control, the Office of the State Fire Marshal, and the Office of Drinking Water of the Division of Public Health. All three agencies responded and confirmed they have no issues relating to Artesian's ability to provide safe, adequate, and reliable water services to its existing customers.

In summary, Artesian has submitted the necessary proof required by the provisions of 26 *Del. C.* §§203C(e)(1), 203C(e)(1)b., 203C(e)(3) and the Regulations for issuance of a CPCN. Staff also finds no reason to deny the Company a CPCN under the provisions of 26 *Del. C.* §203C(f). Therefore, Staff recommends that the Commission grant the Application.

