STATE OF DELAWARE

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MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Joshua Bowman, Public Utility Analyst

DATE: August 1, 2016 JRE

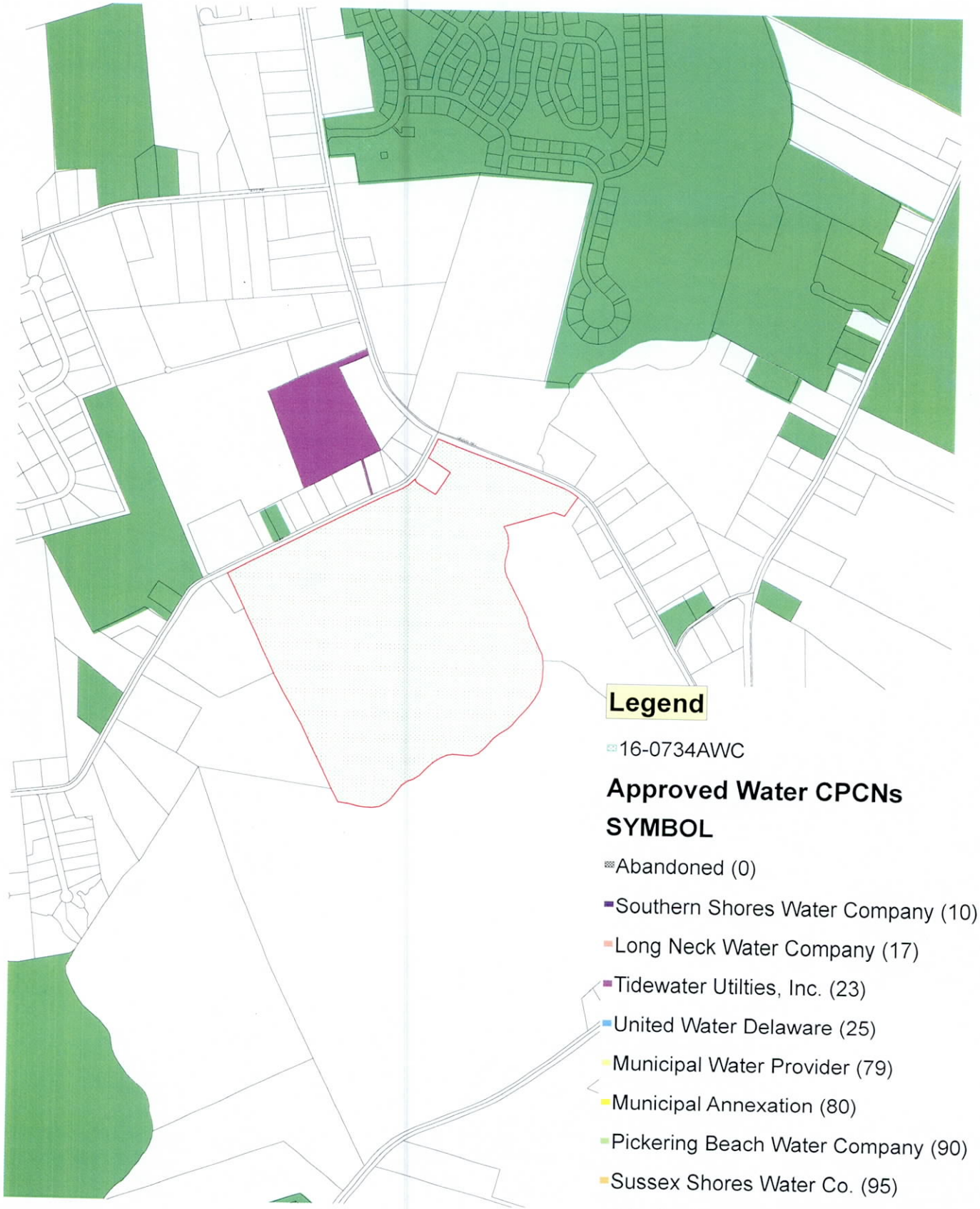
SUBJECT: IN THE MATTER OF THE APPLICATION OF ARTESIAN WATER COMPANY, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICES PURSUANT TO 26 DEL. C. §203C ("PALMER")
(FILED JUNE 27, 2016) – PSC DOCKET NO. 16-0734

On June 27, 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 Sussex County, Delaware, known as Tax Map Parcel No. 235-25.00-6.00 (the "Proposed Service Area") pursuant to 26 *Del. C.* §203C(e)(1)b.2.

As required by 26 *Del. C.* §203C(e)(1)b.2. 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 forms verifying that 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 with 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 map 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).

In addition to the required notification to the landowners of record in the Proposed Service Area, Artesian published a notice in The News Journal and the Delaware State News newspapers on June 30, 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. No errors or omissions were found. 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.

Artesian Water Company, Inc. "Palmer"
Docket No. 16-0734
August 9, 2016