

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

IN THE MATTER OF THE APPLICATION OF )  
ARTESIAN WATER COMPANY, INC., TO )  
REVISE UNDER 75 DEL. LAWS. CH. 142 )  
§ 5 (2005), ITS WATER DISTRIBUTION ) PSC DOCKET NO. 05-416  
RATES TO REFLECT THE INCREASE IN THE )  
ASSESSMENT RATE IMPOSED BY 26 DEL. C. )  
§ 115 AND § 1012(c)(2) )  
(FILED NOVEMBER 30, 2005) )

**ORDER NO. 6789**

This 6<sup>th</sup> day of December, 2005, the Commission determines and Orders the following:

1. As the Commission has explained (in somewhat greater detail) in PSC Orders Nos. 6700 and 6706 (both Aug. 23, 2005), in July 2005, the General Assembly and Governor increased the assessment factor used in calculating the annual assessment that is paid by public utilities and retail electric suppliers. The factor has now moved from 2 mills (.002) to 3 mills (.003).<sup>1</sup>

2. In PSC Order No. 6707 (Aug. 23, 2005), the Commission approved an application filed by Artesian Water Company ("Artesian") to implement a separate line item charge to recover the incremental costs associated with the increase in the annual adjustment factor enacted by 75 Del. Laws ch. 142. The authorized line charge approved was .002982 of the subscriber's monthly charges for regulated water services. This charge was effective for the time period of

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<sup>1</sup>See 75 Del. Laws ch. 142 § 1 (July 12, 2005), changing the assessment factor in 26 Del. C. § 115(d) from 2 mills to 3 mills. The assessment factor is multiplied against the utility's or supplier's prior calendar year gross revenues to determine the monetary assessment due to be paid.

September 1, 2005 through December 31, 2005. The Order also directed Artesian, prior to January 1, 2006, to file a new application to reset the line charge factor or to adjust its other rates to recover its incremental costs associated with the increased assessment factor for the year 2006 and thereafter.

3. On November 30, 2005, Artesian filed a letter application seeking approval to adjust its water rates to recover its incremental costs associated with the increased assessment factor for the year 2006 and thereafter.

4. The Staff recommends that the Commission permit these new water rates to go into effect on January 1, 2006 subject to refund depending on the outcome of the pending rate case, PSC Docket No. 04-42.

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

1. That, pursuant to 75 Del. Laws ch. 142 § 5 (2005), the application filed by Artesian Water Company, Inc., on November 30, 2005, seeking approval to increase its water rates to recover the incremental costs associated with the increase in the annual adjustment factor enacted by 75 Del. Laws ch. 142, is approved subject to refund depending on the outcome of the pending rate case. Artesian Water Company, Inc., is hereby authorized to implement these new rates effective January 1, 2006.

2. That Artesian Water Company, Inc., shall make a compliance filing to incorporate into its Tariff these new water rates set forth in its application filed November 30, 2005 and to delete the section relating to the line charge which expires on December 31, 2005.

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/ Jeffrey J. Clark  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

/s/ Dallas Winslow  
Commissioner

ATTEST:

/s/ Karen J. Nickerson  
Secretary