

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

IN THE MATTER OF THE PETITION OF)
ARTESIAN WATER COMPANY, INC.,)
FOR IMPLEMENTATION OF A NEW) PSC DOCKET NO. 10-207T
INTERCONNECTION RATE BETWEEN ARTESIAN)
WATER COMPANY, INC. AND ARTESIAN WATER)
MARYLAND, INC.)
(FILED JUNE 4, 2010))

ORDER NO. 7811

This 22ND day of July, 2010, the Commission determines and Orders the following:

1. On December 4, 2009, Artesian Water Company, Inc. ("Artesian") filed a petition with the Commission seeking approval of rate for Artesian to charge its affiliate, Artesian Water Maryland, Inc. ("Artesian Maryland"), for water sold at an interconnection located between the two companies' water distribution systems near Route 40 and Rose Tree Lane, at the Maryland/Delaware state lines.

2. On December 22, 2009, the Commission entered Order No. 7717, approving a rate equal to the amount the Chester Water Authority (the "CWA") charges Artesian for water delivered to Artesian at its Route 7 interconnection in Hockessin, Delaware, plus a 10% transmission fee. Order No. 7717 provided that Artesian notify the Commission of any material modifications or amendments to the Interconnection Agreement between Artesian and the CWA and reserved jurisdiction and authority to enter any further orders in the matter as may be deemed necessary and proper.

3. On June 4, 2010, Artesian filed a Petition to Place Updated Rate Into Effect (the "Update Petition"). According to the Update

Petition, the CWA has notified Artesian that it has increased its rate charged to Artesian at the Route 7 interconnection in Hockessin from 3.04 to 3.39 per 1,000 gallons, effective July 1, 2010. With the 10% previously approved transmission fee, Artesian proposes to increase Artesian Maryland's rate to \$3.729.

4. Staff reviewed the Update Petition and recommends approval. Staff notes that the new rate charged to Artesian Maryland will result in an increase in Artesian's annual revenue of \$7,026, over the current annualized revenue increase from this interconnection of \$61,028 that was approved by Order No. 7717. Staff stated that its review indicates that Artesian will not cause Artesian to earn a rate or return in excess of that allowed by the Commission in Docket No. 08-96 and that the request is consistent with the public interest.

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

1. That the Commission hereby authorizes Artesian Water Company, Inc. to charge Artesian Water Maryland, Inc. an interconnection rate, effective July 1, 2010, in an amount equal to the price Artesian Water Company, Inc. pays to the Chester Water Authority for water delivered to Artesian at its Route 7 interconnection in Hockessin, Delaware, as that rate has been increased by the CWA effective July 1, 2010, plus a 10% transmission fee.

2. That this approval shall not be construed, in any manner, as endorsing any ratemaking treatment for any future rate case.

3. That Artesian Water Company, Inc. shall update its tariff leaf regarding the interconnection rate to reflect any changes to the

