

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)
OF ARTESIAN WATER COMPANY, INC.) PSC DOCKET NO. 11-207
FOR A REVISION OF RATES)
(FILED APRIL 11, 2011))

ORDER NO. 8074

AND NOW, to-wit, this 8th day of November, 2011;

WHEREAS, Artesian Water Company, Inc. ("the Company" or "Artesian") having, on April 11, 2011, filed with the Commission a revised rate tariff designed to produce approximately \$10,926,304 in additional annual revenues by increasing its water service rates by approximately 19.45%; and

WHEREAS, the Commission, in PSC Order No. 7964 (May 10, 2011), having reviewed the application for increased rates, and having determined that such proposed rate and tariff changes should, pursuant to the authority granted to the Commission by 26 *Del. C.* § 306(a)(1), be suspended pending full and complete evidentiary hearings into the justness and reasonableness of the proposed new rates and tariff alterations; and

WHEREAS, Artesian having, on June 11, 2011, put into effect temporary rates (subject to refund) to allow the Company to collect, pending a final decision, a revenue increase which does not exceed \$2,500,000, as specifically permitted by 26 *Del. C.* § 306(c) and subject to the conditions accepted in PSC Order No. 7964 (May 10, 2011); and

WHEREAS, on November 11, 2011, seven months will have lapsed from the date of the filing of the Company's rate filing; and

WHEREAS, Artesian having on November 2, 2011, submitted a petition (subsequently amended by filings on November 4 and 7, 2011) to increase by 6.44% its temporary rates, which equals a 11.13% over its approved rates, as now permitted by the provisions of 26 *Del. C.* § 302(b), with such increased rates to be subject to refund and otherwise subject the same conditions as set forth in PSC Order No. 7964 (May 10, 2011); and

WHEREAS, the rates proposed by the petition of November 2, 2011 will result in total additional revenue to Artesian of less than 15% of Artesian's annual gross intrastate operating revenues; thus not exceeding the 15% ceiling set forth in section 306(b); and

WHEREAS, the Commission having reviewed the November 2, 2011 petition of Artesian and the amendments thereto to put increased rates into effect and the supporting information demonstrating that the proposed increase is within the limitations established by 26 *Del. C.* § 306(b) and otherwise complies therewith for the collection of rates and provides for the protection of the parties interested;

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

1. That the Commission finds, pursuant to 26 *Del. C.* § 306(b), that Artesian Water Company, Inc., has the statutory right, after the expiration of seven months from the filing of its rate increase application, to place into effect temporary rates, subject to refund, so long as such temporary rates do not exceed fifteen

percent (15%) of the Company's annual gross intrastate operating revenues.

2. That the proposed temporary rates set forth in the tariff sheets filed by Artesian Water Company, Inc., are designed to produce, on an annual basis, an increase of 11.13% of the gross annual intrastate operating revenues of Artesian Water Company, Inc., and may, therefore, be placed into effect on November 11, 2011, under 26 Del. C. § 306(b).

3. That the Commission grants Artesian's request to waive the requirement of 26 Del. C. § 306(b) of a bond of surety with respect to the temporary rates, conditioned on Artesian's agreement to abide by any Commission refund order.

4. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary and proper.

BY ORDER OF THE COMMISSION:

Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Jeffrey J. Clark
Commissioner

/s/ Dallas Winslow
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary