

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE PETITION OF)
ARTESIAN WATER COMPANY, INC.)
FOR APPROVAL OF INTERCONNECTION) PSC DOCKET NO. 13-20T
AGREEMENT WITH TOWN OF CHESAPEAKE)
CITY, MARYLAND)
(FILED JANUARY 15, 2013))

ORDER NO. 8289

This 21st day of February, 2013, the Commission determines and Orders the following:

WHEREAS, on January 15, 2013, Artesian Water Company, Inc. ("AWC") filed a petition ("Petition") with the Commission seeking an order authorizing the establishment of a new interconnection rate ("Interconnection Rate") between AWC and its affiliate, Town of Chesapeake City, Maryland ("Chesapeake City"), for water sold at an interconnection located along Chesapeake City Road, south of Glasgow, Delaware; and

WHEREAS, AWC proposes to establish an Interconnection Rate of \$4.092 per thousand gallons for Chesapeake City. This requested rate will be based on the rate that Chester Water Authority ("CWA") charges AWC for water delivered to AWC at its Route 7 Interconnection in Hockessin, Delaware (currently equal to \$3.41 per thousand gallons), plus a monthly customer charge which is equal to AWC's current customer service charge associated with a 6-inch meter as specified in AWC's approved Delaware water tariff; and

WHEREAS, a propose tariff setting forth the Interconnection Rate is attached as **Exhibit "A"**; and

WHEREAS, AWC asserts that this increase is not projected to cause it to earn a return in excess of that allowed by the Commission in its last rate case (PSC Docket No. 11-207); and

WHEREAS, AWC's Petition also requested a waiver of the 60-days' notice requirement by 26 Del. C. §304(a). As reasons for the requested waiver, AWC stated that Chesapeake City's current internal water supply is unreliable, and the proposed interconnection service is intended to fulfill all of their water service demands; and

WHEREAS, the Commission Staff reviewed the Petition and supporting documents and has concluded that the new Interconnection Rate is consistent with the public interest. Accordingly, Staff recommends approval of the Petition subject to the condition that such approval should not be construed as approval for rate-making treatment for future rate cases. Staff states that it will continue to review requests for a change in the Interconnection Rate charged to Chesapeake City and has noted that AWC should notify the Commission of any material changes in the Interconnection Rate;

**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. ("AWC") to charge Town of Chesapeake City, Maryland ("Chesapeake City"), a new interconnection rate ("Interconnection Rate"), effective March 1, 2013, in an amount equal to the rate

that AWC pays to the Chester Water Authority ("CWA") for water delivered to AWC at its Route 7 interconnection in Hockessin, Delaware (currently equal to \$3.41 per thousand gallons), plus a monthly customer charge which is equal to AWC's current customer service charge associated with a 6-inch meter as specified in AWC's approved Delaware water tariff. This Interconnection Rate, which is listed in the attached Exhibit "A", is \$4.092 per thousand gallons.

2. That the Commission hereby finds that the unreliability of the Town of Chesapeake City's current water supply constitutes good cause to waive the 60-days' notice required by 26 *Del. C.* §304(a).

3. That AWC shall update its tariff leaf regarding the new Interconnection Rate and shall file with the Commission a new petition if there are any future increases in the rate that CWA charges to AWC.

4. That AWC shall notify the Commission of any material modifications or amendments to the Interconnection Agreement between Artesian and CWA or to the Interconnection Agreement AWC and Town of Chesapeake City, Maryland.

5. That Artesian is hereby notified that it will be assessed the costs of this proceeding pursuant to 26 *Del. C.* §114(b).

6. 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/ Dallas Winslow
Chair

/s/ Jaymes B. Lester
Commissioner

/s/ Jeffrey J. Clark
Commissioner

Commissioner

Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary

EXHIBIT "A"

TARIFF OF ARTESIAN WATER COMPANY, INC.