

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)
OF ARTESIAN WASTEWATER MANAGEMENT,)
INC. FOR AUTHORITY TO IMPLEMENT A) PSC DOCKET NO. 13-27WW
RATE INCREASE PURSUANT TO 26 DEL.)
C. §306)
(FILED JANUARY 18, 2013))

ORDER NO. 8301

AND NOW, this 21st day of February, 2013:

WHEREAS, on January 18, 2013, Artesian Wastewater Management, Inc. ("AWMI") filed with the Delaware Public Service Commission (the "Commission") an application (the "Application") requesting the authority to implement, on and after March 20, 2013, a proposed increase in its monthly flat rate charge for wastewater service from \$75.00/EDU to \$98.00/EDU and to allow changes in AWMI's miscellaneous tariff charges; and

WHEREAS, in the Application, AWMI represents that it is seeking an increase in annual wastewater revenues of \$342,608, which is a 34.8% increase over pro forma annual flat rate wastewater revenues and a 19.8% increase over total wastewater revenues; and

WHEREAS, the Commission determines that pursuant to the authority granted to the Commission by 26 Del. C. §306(a)(1), AWMI's filing shall be suspended pending full and complete evidentiary hearings into the justness and reasonableness of the proposed new rates and tariff sheets and a final decision of the Commission; and

WHEREAS, the Test Year¹ consists of the twelve month period ending September 30, 2012, and the Test Period² consists of the twelve month period ending June 30, 2013; and

WHEREAS, AMWI requests an overall rate of return of 5.16%, including a 10.0% rate of return on equity;

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

1. That the proposed rates and revised tariff sheets filed by Artesian Wastewater Management, Inc. ("AWMI") on January 18, 2013, are hereby suspended pursuant to 26 *Del. C.* §306(a)(1) and shall not be placed into force or effect except pursuant to law or further Order of the Commission, and then only to the extent such law or further Commission Order may permit or allow.

2. That, pursuant to the requirements of 26 *Del. C.* §§102A and 304, AWMI shall give public notice of the filed application requesting approval of an increase in wastewater service rates and revised tariff sheets by causing the notice attached hereto as **Exhibit "A"** to be published in the Delaware State News, The Wave and The Cape Gazette newspapers, in two-column format, outlined in black, on before the following dates:

March 5, 2013	(<u>Delaware State News</u>)
March 5, 2013	(<u>The Cape Gazette</u>)
March 5, 2013	(<u>The Wave</u>)

¹ "Test Year" is defined in 26 *Del. Admin. C.* §1002 Part A-1.2.1.

² "Test Period" is defined in 26 *Del. Admin. C.* §1002 Part A-1.2.2.1.

AWMI shall file proof of such publications with the Commission as soon thereafter as is reasonably practicable but prior to the date set for any evidentiary hearing in this docket.

3. That, pursuant to the terms of 26 *Del. C.* §502 and 29 *Del. C.* ch. 101, Mark Lawrence is designated as the Hearing Examiner for this matter to schedule and conduct, upon due notice, such public comment sessions and evidentiary hearings, as may be necessary, to have a full and complete record concerning the justness and reasonableness of the proposed increased rates and tariff modifications. Thereafter, Hearing Examiner Lawrence shall file with the Commission his recommended findings of fact based upon the evidence, recommended conclusions of law, and recommended decision. Pursuant to 26 *Del. Admin. C.* §1001-2.9, Hearing Examiner Lawrence is specifically delegated the authority to grant or deny petitions seeking leave to intervene and is further delegated the authority, under 26 *Del. C.* §102A, to determine the form and manner of any further public notice in this matter.

4. That, pursuant to 26 *Del. Admin. C.* §1001-2.9, the deadline for petitions to intervene in this docket shall be **April 5, 2013**.

5. AWMI is hereby placed on notice that the costs of the proceeding will be charged to it under the provisions of 26 *Del. C.* §114(b)(1).

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

E X H I B I T "A"

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**PUBLIC NOTICE OF APPLICATION OF
ARTESIAN WASTEWATER MANAGEMENT, INC.
FOR A RATE INCREASE**

TO: ALL CUSTOMERS OF ARTESIAN WASTEWATER MANAGEMENT, INC.:

On January 18, 2013, Artesian Wastewater Management, Inc. ("AWMI") filed an application with the Delaware Public Service Commission ("the Commission") to increase its rates for wastewater services from \$75/EDU to \$98/EDU and for changes to miscellaneous tariff charges. In its application, AWMI seeks an overall increase of \$342,608, which is a 34.8% increase over pro forma annual flat rate wastewater revenues and a 19.8% increase over total wastewater revenues. This amounts to an overall rate of return of 5.16%, including a 10.0% return on equity.

On February 21, 2013, pursuant to 26 Del. C. §306(a)(1), the Commission suspended the effectiveness of the proposed new rates and tariff revisions pending further investigation, public comment sessions, and public evidentiary hearings, which will be held later after further public notice.

The Commission will make its decision on this matter on the basis of the evidence of record taken at public evidentiary hearings. The Commission may approve or reject, in whole or in part, the proposed rate increase and tariff revisions, and may approve a different method for allocating any increase should one be found to be appropriate.

Any person or group wishing to participate formally as a party in this docket (PSC Docket No. 13-27WW), with the right to submit evidence and to be represented by counsel, must file for leave to intervene with the Commission in accordance with 26 *Del. Admin. C.* §1001-2.9. To be timely, all such petitions must be filed with the Commission at 861 Silver Lake Boulevard, Suite 100, Cannon Building, Dover, Delaware 19904 **on or before April 5, 2013**. Petitions received thereafter will not be considered except for good cause shown.

AWMI's customers are invited to review the application and supporting documents to determine how their interests may be affected. You may review the documents during normal business hours in the Commission's Dover office at the address listed above or on the Commission's website at <http://dep.sc.delaware.gov/wastewater.shtml>. You may also review copies of the filing at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801. Please call (302) 577-5077 to arrange for a time to review the documents at that location.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <http://smu.portal.delaware.gov/cgi-bin/mail.php?foia->

[request&subj=DOS](#). There is also a link to the Freedom of Information Act Request Form on the Commission's website at <http://dep.sc.delaware.gov/default.shtml>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 Del. C. ch. 100.

If you have a disability and wish to participate or to review the materials in this matter, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to vincent.ikwuagwu@state.de.us.