

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE PETITION OF )  
ARTESIAN WATER COMPANY, INC. FOR A )  
REVISION TO RATES ACCESSED PURSUANT ) PSC DOCKET NO. 14-0284  
TO INTERCONNECTION AGREEMENTS )  
(FILED AUGUST 11, 2014) )

ORDER NO. 8645

This 30th day of September, 2014, the Commission determines and orders the following:

**WHEREAS**, on December 20, 2011, the Commission authorized Artesian Water Company, Inc. ("AWC") to charge Artesian Water Maryland, Inc. ("AWMD") a revised interconnection rate in an amount equal to the price AWC pays to the Chester Water Authority ("CWA") for water delivered to AWC at its Route 7 interconnection in Hockessin, Delaware, plus a 10% "transmission fee." See Order No. 8086 (December 20, 2011); and

**WHEREAS**, on February 21, 2013, the Commission authorized AWC to charge the Town of Chesapeake City, Maryland ("Town of Chesapeake") a new interconnection rate, effective March 1, 2013, in an amount equal to the rate that AWC pays to the CWA for water delivered to AWC at its Route 7 interconnection in Hockessin, Delaware, plus a monthly customer service 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. See Order No. 8289 (February 21, 2013); and

**WHEREAS**, on July 14, 2014, CWA notified AWC of a proposed change in the rate billed for water service, specifically an

increase of \$0.01 in the Susquehanna River Basin Charge, effective October 15, 2014. A copy of the CWA letter notice to AWC is attached as Exhibit "A". The proposed increase of the consumption use mitigation fee from \$0.31 to \$0.032 is scheduled to be ratified by the Susquehanna River Basin Commission ("SRBC") on June 5, 2014, via a resolution. A copy of the draft "Regulatory Program Fee Schedule" is attached as Exhibit "B"; and

**WHEREAS**, on August 11, 2014, AWC filed a petition (the "Petition") requesting approval of revised interconnection rates, effective October 15, 2014, for both AWMD and the Town of Chesapeake based on the proposed increase in rates charged to AWC by CWA; and

**WHEREAS**, AWC proposes to increase the interconnection rate for AWMD from \$3.762 per thousand gallons to \$3.773 per thousand gallons. The proposed rate reflects the rate change of \$0.01 per thousand gallons from the CWA plus a 10% transmission fee. A copy of the proposed revised tariff rates for AWMD is attached as Exhibit "C"; and

**WHEREAS**, AWC proposes to increase the interconnection rate for the Town of Chesapeake from \$4.104 per thousand gallons to \$4.116 per thousand gallons. The proposed rate reflects the rate change of \$0.01 plus a 20% transmission fee. A copy of the proposed revised tariff rates for the Town of Chesapeake is attached as Exhibit "D"; and

**WHEREAS**, the Commission Staff ("Staff") reviewed the Petition and supporting documents and has concluded that the new

interconnection rates as set forth in the proposed revised tariffs will be just and reasonable and will not violate the provisions of 26 Del. C. §303(a) if these rate increases are allowed to be implemented. Staff also notes that these rate increases are based on rates to be implemented by CWA and SRBC via signed resolutions dated prior to the date of the filing of the Petition and that neither of these resolutions has been provided to or filed with the Commission; and

**WHEREAS**, nevertheless, Staff recommends approval of the Petition subject to the following three conditions: (i) that the SRBC must first ratify the increase of \$0.01 in the Susquehanna River Basin Charge, effective October 15, 2014, (ii) that CWA must first ratify the increase in rates to be effective October 15, 2014, and (iii) that such Commission approval of the Petition should not be construed as approval for rate-making treatment for future rate cases. Staff states that it will continue to review requests for any changes in the interconnection rates charged to AWMD and the Town of Chesapeake and has noted that AWC should notify the Commission of any material changes in the interconnection rates;

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

1. The Commission hereby authorizes AWC to charge AWMD a new interconnection rate ("AWMD Interconnection Rate"), effective October 15, 2014, in an amount equal to the rate that AWC pays to the CWA for water delivered to AWC at its Route 7 interconnection in Hockessin, Delaware. The proposed rate reflects the rate

change of \$0.01 plus a 10% transmission fee. This AWMD Interconnection Rate, which is listed in the attached Exhibit "C", is \$3.773 per thousand gallons. This authorization is subject to the following three conditions: (i) that the SRBC must have ratified the increase of \$0.01 in the Susquehanna River Basin Charge, effective October 15, 2014, (ii) that CWA must have ratified the increase in rates to be effective October 15, 2014, and (iii) that such Commission approval of the AWMD Interconnection Rate should not be construed as approval for rate-making treatment for future rate cases. AWC must file with the Commission such signed ratification or ratifications within 15 days of the date of this final order.

2. The Commission hereby authorizes AWC to charge the Town of Chesapeake City a new interconnection rate ("Town of Chesapeake Interconnection Rate"), effective October 15, 2014, in an amount equal to the rate that AWC pays to the CWA for water delivered to AWC at its Route 7 interconnection in Hockessin, Delaware. The proposed rate reflects the rate change of \$0.01 plus a 20% transmission fee. The Town of Chesapeake Interconnection Rate, which is listed in the attached Exhibit "D", is \$4.116 per thousand gallons. This authorization is subject to the following three conditions: (i) that the SRBC must have ratified the increase of \$0.01 in the Susquehanna River Basin Charge, effective October 15, 2014, (ii) that CWA must have ratified the increase in rates to be effective October 15, 2014, and (iii) that such Commission approval of the Town of Chesapeake

Interconnection Rate should not be construed as approval for rate-making treatment for future rate cases. AWC must file with the Commission such signed ratification or ratifications within 15 days of the date of this final order.

3. AWC shall update its tariff leafs regarding the new AWMD Interconnection Rate and the new Town of Chesapeake Interconnection Rate and shall file with the Commission a new petition if there are any future increases in the rates that CWA charges to the respective parties.

4. AWC shall notify the Commission of any material modifications or amendments to the existing interconnection agreement between AWC and AWMD and between AWC and the Town of Chesapeake.

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

6. 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/ Joann T. Conaway  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

/s/ Jeffrey J. Clark  
Commissioner

/s/ Harold B. Gray  
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley  
Secretary

**EXHIBIT "A"**

COPY OF LETTER NOTICE DATED JULY 14, 2014, FROM  
CHESTER WATER AUTHORITY TO ARTESIAN WATER COMPANY, INC.  
REGARDING PROPOSED CHANGE IN RATES FOR WATER SERVICE



**Chester Water Authority**

P.O. Box 467 • Chester, PA 19016-0467  
(610) 876-8181 • FAX (610) 876-1657

JUL 16 2014

July 14, 2014  
2522-2014

Attention: Ms. Dian Taylor  
Artesian Water Company, Inc.  
PO Box 15004  
Wilmington, DE 19850

Dear Ms. Taylor:

Chester Water Authority has been notified the Susquehanna River Basin Commission (SRBC) has increased their rates from \$0.31 to \$0.32 per 1,000 gallons of water effective July 1, 2014.

Please be advised effective October 15, 2014, the new rate for water utilities in the Village Green West Area will be \$3.43 per 1,000 gallons of water.

Enclosed for your information is a revised rate schedule reflecting the SRBC rate increase. Please feel free to contact us should you have any questions on our rates or service.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Thomas A. Zetuský Sr.', written over a horizontal line.

Thomas A. Zetuský Sr.  
Director, Business Office

C: RCW

EXHIBIT "B"

COPY OF THE "REGULATORY PROGRAM FEE SCHEDULE"  
EFFECTIVE OCTOBER 15, 2014, TO BE RATIFIED BY THE  
SUSQUEHANNA RIVER BASIN COMMISSION



# SUSQUEHANNA RIVER BASIN COMMISSION

4423 North Front Street • Harrisburg, Pennsylvania 17110-1788

(717) 238-0423 Phone • (717) 238-2436 Fax

www.srbc.net

## REGULATORY PROGRAM FEE SCHEDULE

**Effective July 1, 2014**

**Adopted by Resolution No. 2014-09, June 5, 2014**

1. The Susquehanna River Basin Commission (Commission) requires payment of nonrefundable fees for the review of applications (see tables herein). The following categories of projects require approval by the Commission under the Susquehanna River Basin Compact (the "Compact") and Commission regulations found in 18 CFR Parts 801 and 806.
  - a. Consumptive uses, including all related administrative approvals under 18 CFR §806.22.
  - b. Surface water and groundwater withdrawals, including any related aquifer testing plan evaluations, waiver requests, or aquatic resource surveys.
  - c. Diversions.
  - d. Hydroelectric projects.
  - e. Any other projects requiring the review and approval of the Commission under the Compact that do not involve a request for a quantity of water.
  - f. Other applications required under 18 CFR §806.5.
2. If any project involves more than one of the above categories, a separate fee is required for each category.
3. Fees for Consumptive Use Mitigation and Annual Compliance and Monitoring are also set forth in this schedule.
4. The appropriate fee must be submitted to the Commission with the project application (see Paragraph 13 regarding an installment payment option). Failure to submit payment of the fee or submission of an insufficient fee with the application will result in its return to the project sponsor or, at the discretion of the Commission, an additional billing of the proper fee to the project sponsor. Except as otherwise provided in Paragraph 9, refunds will be made for any portion of a fee payment submitted with the application that exceeds the

*A water management agency serving the Susquehanna River Watershed*

appropriate amount identified on the tables herein. The Commission will not take action on a project application until the appropriate fees are paid.

5. Agencies of the member jurisdictions to the Compact with applicable member jurisdiction-wide authority are exempt from project review fees. Political subdivisions of the member jurisdictions, as defined herein, are subject to these fees.
6. Agricultural water use projects, as defined in 18 CFR §806.3, are exempt from the fees set forth in this schedule.
7. Public water systems owned and operated by a governmental authority, as defined in 18 CFR §806.3, are eligible to pay the discounted fee amounts identified in the "Municipal Fee" category listed on the tables herein.
8. Groundwater remediation systems approved by an agency of a member jurisdiction shall pay a single withdrawal application fee based on the total requested quantity of withdrawal to create a single, localized depression within the groundwater table, regardless of the number of individual recovery wells being used in the system. Such systems shall also pay a single annual compliance and monitoring fee.
9. Fees paid in accordance with this schedule are nonrefundable, except as allowed for in Paragraph 14. Fees are not reduced nor any amount credited to the project sponsor if the Commission's approval authorizes a rate of withdrawal or quantity of water that is less than that requested by the project sponsor, or if application deficiencies cause Commission staff to terminate review of the application during the review process.
10. If submitting paper application forms, project sponsors must complete and submit the enclosed Project Review Fee Worksheet (page 11) with their application payment.
11. When fees calculated in accordance with this schedule are deemed to be insufficient to cover costs associated with applications or compliance, or where technical assistance is otherwise provided at the request of the project sponsor, the project sponsor shall be responsible for all costs associated with actual hours worked by Commission staff, including an allocation of salary, fringe benefits and overhead costs. Projects which may require additional fees include, but are not limited to: withdrawals for power plants, out-of-basin diversions of water, and withdrawals from waterbodies identified under Commission Policy No. 2012-01 as Exceptional Quality or as Aquatic Resource Class 1 or 2. Efforts will be made to notify the project sponsor in advance if additional fees are anticipated.
12. The Commission may, for good cause shown, waive or partially waive any of the fees set forth herein for situations that include, but are not limited to: (a) an incentive for the use of impaired waters in accordance with Commission Resolution No. 2012-01; (b) applications that have previously undergone substantive analysis through member jurisdiction reviews or other previous and/or concurrent Commission reviews; and (c) certain technical considerations that reduce review requirements, such as multiple sources that may be evaluated as a single source (e.g., a wellfield). The Executive Director is authorized to grant fee waivers or partial waivers of \$15,000 or less. Any

requests for waivers or partial waivers for application fees related to projects proposing to use mine degraded water shall be considered in accordance with Commission Policy No. 2009-01. Applicants subject to financial constraints may consider the installment options set forth in Paragraph 13.

13. If the fees for any single application exceed \$25,000, or if the fees for a set of applications exceed \$50,000, project sponsors have the option of making installment payments. This option provides for the payment of up to three consecutive equal annual installments with interest thereon at a rate of prime<sup>1</sup> plus 2 percent, but not less than 5 percent per annum on the unpaid balance. The project sponsor should indicate that it intends to use this option when making application, and must submit an agreement for terms of payment in a form and manner prescribed by the Commission. Municipal<sup>2</sup> project sponsors have the option of making installment payments for fees exceeding \$15,000 in total, and may make payments of up to five equal annual installments with interest thereon at a rate of prime<sup>1</sup> plus 2 percent, but not less than 5 percent per annum on the unpaid balance. The first annual installment is due at the time the application is submitted.
14. The Executive Director is authorized to refund up to 50 percent of the application fee, depending upon staff effort expended, if the project sponsor voluntarily withdraws an administratively incomplete application prior to the commencement of technical review. Project sponsors will be notified electronically when an application is deemed administratively complete and technical review begins.
15. All projects approved by the Commission on or after January 1, 2010, including modification approvals and renewals, shall also be subject to annual compliance and monitoring fees as set forth herein. Fees are due and payable within 30 days from the date of invoice.
16. The fee which is due is based upon the fee schedule in effect on the date that the application is submitted to the Commission.

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<sup>1</sup> Prime refers to the U.S. Prime Rate at the time of the installment payment request.

<sup>2</sup> For purposes of this fee schedule, municipalities are defined as political subdivisions of the member states, which shall include counties, townships, towns, boroughs, villages, cities, authorities, boards or any other organizations or public benefit corporations created by the member jurisdictions and not having jurisdiction-wide authority. When a municipality engages in private enterprise activities unrelated to traditional delivery of potable water to residences and businesses within its prescribed service area, fees associated with such activities will be subject to the standard fees applicable to any private enterprise.

**TABLE 4. ANNUAL COMPLIANCE AND MONITORING FEE<sup>1,2</sup>**

<b>Project Category</b>	<b>Standard Fee</b>	<b>Municipal Fee</b>
Hydroelectric	\$10,325	\$10,325
Diversions and Consumptive Water Use Projects Not Paying the Consumptive Use Mitigation Fee	\$ 2,075	\$ 2,075
Consumptive Use	\$ 1,050 <sup>3</sup>	\$ 1,050 <sup>3</sup>
Groundwater	\$ 1,050 <sup>3</sup>	\$ 1,050 <sup>3</sup>
Surface Water	\$ 1,050 <sup>3</sup>	\$ 1,050 <sup>3</sup>
Approval by Rule	\$ 1,050	\$ 1,050

<sup>1</sup> Annual compliance and monitoring fees apply to each docket approval or Approval by Rule issued by the Commission on or after January 1, 2010, including modifications and renewal of approvals that require Commission action on or after that date. Dockets approving multiple sources, withdrawals, consumptive uses, diversions or combinations thereof are subject to a single fee.

<sup>2</sup> All fees on this table will be invoiced by the Commission on or after July 1 of each year. During the first year, fees will be prorated by quarter on the basis of a fiscal year commencing July 1. Fees are due and payable within 30 days from the date of invoice. No refunds or credits of the annual fee will be given for rescinded projects or approvals unless the rescission request is received on or prior to August 15, in which case the fee will be adjusted to one quarter of the annual fee.

<sup>3</sup> In the case of a facility operating under multiple dockets, the maximum annual compliance and monitoring fee will be limited to \$5,000.

**TABLE 5. CONSUMPTIVE USE MITIGATION FEE**

<b>Project Category</b>	<b>Standard Fee</b>
Consumptive Use Mitigation Fee <sup>1</sup>	\$0.32 per 1,000 gallons consumed

<sup>1</sup> Consumptive use mitigation fees are paid by project sponsors electing to use such payments as their method of compliance with 18 CFR §806.22(b). Such fees are deposited in the Commission's Water Management Fund and shall be used for planning, engineering, design, and construction phases of new projects, or the reformulation of existing reservoirs, or any other project or study initiated by the Commission to address the cumulative impact of consumptive water use or otherwise to support low flow management in the Susquehanna River Basin, as provided for in the Commission's Water Management Fund Policy, Policy No. 95-02, as revised June 8, 2005.

EXHIBIT "C"

PROPOSED REVISED TARIFF RATES FOR  
ARTESIAN WATER OF MARYLAND, INC.  
EFFECTIVE OCTOBER 15, 2014

ARTESIAN WATER COMPANY, INC.  
P.S.C. No. 1 - WATER  
Effective: ~~October 1, 2012~~ October 15, 2014

~~Fifth~~<sup>Sixth</sup> Fourth -Supplemental Sheet  
canceling  
~~Fifth~~-Fourth Supplemental Sheet

This Fourth Supplemental Sheet is applicable to Artesian Water Maryland, Inc. The total charge for metered service consists of the indicated water charge.

| Water Charge: \$3.76~~23~~<sup>773</sup> per thousand gallons I

All bills are due and payable upon presentation.

EXHIBIT "D"

PROPOSED REVISED TARIFF RATES FOR  
THE TOWN OF CHESAPEAKE CITY, MARYLAND,  
EFFECTIVE OCTOBER 15, 2014

ARTESIAN WATER COMPANY, INC.  
Sheet  
P.S.C. No. 1 - WATER  
Effective: ~~July 1, 2013~~ October 15, 2014

~~Second~~ Third-Fifth Supplemental  
canceling  
~~First~~ Second-Fifth Supplemental Sheet

This Fifth Supplemental Sheet is applicable to the Town of Chesapeake City. The total charge for metered service consists of the rate for water volumes supplied, shown below, and a customer charge associated with a 6-inch meter.

Water Charge:

~~\$4.10~~ 44.116 per thousand  
gallons

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All bills are due and payable upon presentation.