



STATE OF DELAWARE

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MEMORANDUM

TO: The Chairman and Members of the Commission

FROM: Joshua Bowman, Public Utility Analyst *JAB*

DATE: August 15, 2018:

SUBJECT: IN THE MATTER OF THE APPLICATION OF ARTESIAN WASTEWATER MANAGEMENT, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE WASTEWATER SERVICES PURSUANT TO 26 DEL. C. § 203D (“SUSSEX COUNTY”)
(FILED JULY 2, 2018) – PSC DOCKET NO. 18-0936

On July 2, 2018, Artesian Wastewater Management, Inc. (“AWMI”) filed an application (“Application”) with the Delaware Public Service Commission (the “Commission”) seeking a Certificate of Public Convenience and Necessity (“CPCN”) to provide wastewater services to 5 parcels of land in Sussex County, Delaware, known as Tax Map Parcel Nos. 234-15.00-37.00, 235-30.00-15.00, 235-30.00-58.05, 235-30.00-58.07, and 334-10.00-23.00, (the “Proposed Service Area”) pursuant to 26 *Del. C.* § 203D(d)(2).

As required by 26 *Del. C.* § 203D and the Commission’s Regulations Governing Certificates of Public Convenience and Necessity for Wastewater Utilities, 26 *Del. Admin. C.* § 6001 (the “Regulations”), the Application contains the following documentation: (1) a copy of the petitions requesting wastewater service signed by the landowners of record for the parcels included in the Proposed Service Area; (2) copies of the United States Postal Service forms verifying that AWMI sent, via certified mail, a Commission approved notice to the landowners of record of the parcels included in the Proposed Service Area; (3) a list with the County tax map parcel identification numbers of the properties and identification of the landowners of record included in the Proposed Service Area; (4) copies of the associated tax maps clearly marking the Proposed Service Area; and (5) a copy of the letter from Sussex County stating no objection to the Application. Staff found no errors or omissions during its review of the Application.

As required by the Regulations, Staff requested written comment from the Division of Water Resources of the Department of Natural Resources and Environmental Control (“DNREC”), the Delaware Office of State Planning Coordination (“OSP”), and the Sussex County Engineering Department (“County”) regarding the Proposed Service.

DNREC replied there are no outstanding issues with Artesian Wastewater Management, Inc. and they have not been unwilling or unable to provide safe, adequate, and reliable wastewater services to its existing customers.

The County received and reviewed the CPCN application and noted that the Proposed Service Area is located within the Tier 3 Area per the updated Sussex County Sewer Tier Map. The County stated that it has reviewed the Application and will not object to AWMI requesting a CPCN for the Proposed Service Area.

The OSP also responded and noted that parcel numbers 235-30.00-15.00, 235-30.00-58.05, and 235-30.00-58.07 included in the Proposed Service Area are located within an Investment Level 3 area according to the Strategies for State Policies and Spending document. Investment Level 3 reflects areas where growth is anticipated by local, county, and state plans in the longer term future, or areas that may have environmental or other constraints to development.

The OSP further stated that the remaining two parcels included in the Proposed Service Area are located within a Level 4 area according to the Strategies for State Policies and Spending document. Level 4 reflects areas where State investments will support agricultural preservation, natural resources protection, and the continuation of the rural nature of these areas. The OSP stated in their response that “**new development activities and suburban development are not supported in Investment Level 4 areas**, and that these areas are comprised of prime agricultural lands and environmentally sensitive wetlands and wildlife habitats, which should be, and in many cases have been preserved.” OSP states that the State has no intention to invest in infrastructure upgrades or additional services for this area unless necessary for the health, safety, and welfare of the existing residents.

In conclusion, the Application filed by AWMI does comply with the statutory and regulatory requirements of 26 *Del. C.* § 203D and 26 *Del. Admin. C.* § 6001. Therefore, consistent with statutory requirements, Staff recommends that the Commission approve the Application.

