ARTESIAN WATER COMPANY, INC.

TARIFF

LIST OF CHANGES

This tariff updates the following pages:

New Rates for Water Service
Revisions to Rules and Regulations
Updated Tariff Language

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METERED SERVICE

These Rules and Rates are applicable throughout the territory served by the Company for all metered service, with the exception of the rates charged to customers of the Boothhurst development located within the City of New Castle, portions of Middletown, Paradise Estates, the Delaware Correctional Center, Artesian Water Maryland, and the Town of Chesapeake City. Boothhurst rates are initially determined by the City of New Castle Municipal Services Commission and approved by the Public Service Commission, but cannot exceed the rate charged by the Company to similar classes of customers. These rates are identified in Supplemental pages appended to the tariff.

The total charge for water service consists of the sum of a Customer Charge, and to the extent applicable, Water Charge for metered water volumes and a Fire Protection Charge, as each is specified below.

Method of Billing:

Customers will be billed monthly. Customer Charges and Fire Protection Charges will be billed in advance. Water Charges will be billed in arrears.

Billings covering other than the normal billing period will be calculated by prorating the full period charges on a daily basis.

The Company will not mail checks for refunds totaling less than $10.00 to customers who have left Artesian's service territory. Those refunds are available upon request from the former customer. The refund will also be credited to that customer's new account if the former customer re-establishes a service with the Company within five years from the date of the original refund generation. If left unclaimed those funds due former customers will be escheated to the State of Delaware according to applicable state law.

Payment Terms:

All bills are due and payable upon presentation. See section titled "Bills and Payment" for additional information.

Late Payment Penalty:

A late payment penalty will be applied to any outstanding balance which remains outstanding 25 days after the bill date, until payment is received in full. The monthly penalty will be at a rate equal to one-twelfth of the sum of prime rate plus 5%, and the prime rate will be updated quarterly.

Customer Charge:

This is a monthly service fee for providing the customer with water service and recovers expenses not directly associated with water production or delivery, such as meter reading, billing, payment remittance and other costs. The charge is the same in each billing period, is billed in advance, and is based on the size of the meter through which service is furnished.

Monthly Charge

Monthly customer charges by meter size are as follows:

Size of Meter	
5/8"	$ 14.51
3/4"	$ 17.42
1"	$ 23.22
1-1/2"	$ 46.44
2"	$ 60.96
3"	$ 92.89
4"	$133.52
6"	$232.21
8"	$348.32
10"	$551.51

Water Charge

The charge, at a rate per thousand gallons of water registered by the meter, is as follows:

Residential	
0 - 2,000 gallons.....	$7.793
2,001 – 7,000 gallons.....	$8.425
Over 7,000 gallons.....	$9.825
CCH	
Rate.....	$4.598
All Other	
0 - 500,000 gallons.....	$6.988
Over 500,000 gallons.....	$8.043

For purposes of the Water Charge, a residential customer service is defined as:

(a) a single family dwelling

(b) multi-unit structures consisting of four or less units of which at least one serves as a dwelling

(c) four or less separate structures on one property, of which at least one such structure serves as a dwelling and all of which are served through a single meter.

For purposes of the Water Charge, pursuant to prior PSC orders, Christiana Care Hospital (CCH) is served under a separate exclusive rate classification. Christiana Care Hospital is the only customer eligible for this rate classification.

Public Fire Hydrant Ready to Serve Charge:

A charge for customers who are provided with public fire protection by means of fire hydrants. The charge is the same each billing period, is billed in advance, and is based on the size of the meter used to calculate the customer charge. Upon request of a municipality, Fire Hydrant Ready to Serve Charges may be billed to a municipality in total for all property owners within the municipality where Public Fire Protection is provided in lieu of the following individual customer billing charges:

Monthly Fire Hydrant Ready to Serve Charge

Size of Meter	
5/8"	$ 4.71
3/4"	$ 7.03
1"	$ 11.76
1-1/2"	$ 23.43
2"	$ 37.59
3"	$ 70.55
4"	$ 117.59
6"	$ 235.74
8"	$ 376.03
10"	$ 601.53

Private Fire Protection Charge:

A charge for customers who are provided with private fire protection through a sprinkler system or a private fire hydrant. The charge will be billed monthly in advance as follows:

1-1/2"detector check.....	$ 21.11
2" detector check.....	$ 44.43
4" detector check.....	$ 114.36
6" detector check.....	$ 248.31
8" detector check.....	$ 415.05
10" detector check.....	$ 626.43
12" detector check.....	$ 737.27
Private Hydrant.....	$ 248.31

The private hydrant charge is assessed monthly per hydrant for each private hydrant. Charges for water registered on bypass meters installed on lines providing private fire protection will be billed monthly in arrears. All water registered on bypass meters will be billed at the rate of $9.825 per 1,000 gallons.

Distribution System Improvement Charge

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply to all charges rendered on or after June XX , 2014.

This charge will be recomputed semi-annually, using the elements prescribed by Section 314 of Title 26 of the Delaware Code.

SPECIAL SERVICES

The following Rules and Rates are applicable throughout the territory served by the Company for the following specified services.

Payment Terms:

All bills are due and payable upon presentation. See section titled "Bills and Payment" for additional information. Unpaid bills will result in finance charges and eventual shut off of service in accordance with Rule 46.

Temporary or Infrequent Water Use:

Temporary or infrequent water use will be billed monthly.

The minimum charge for a temporary service connection for construction or other purposes is the same as the Customer Charge for a meter of the size installed on the temporary service connection. The minimum charge covers the same period as the Customer Charge on which it is based, one month, and is rebilled if the temporary service connection remains in use after such period has elapsed.

The minimum charge is paid in advance and does not include any allowance for water usage. All water as registered by meters installed on temporary service connections is billed at the rate of $9.825 per 1,000 gallons. No proration of the minimum charge will be made for temporary service connections that remain in use for less than the period covered by such charge. Where a temporary service connection requires use from hydrant, there is a $15.00 hook-up charge.

Service Appointments:

If a scheduled appointment is not kept by the customer, all rescheduled and subsequent appointments not kept by the customer will result in a $50.00 charge to the customer's account.

Consolidated Billing:

Under consolidated billing an eligible customer receives one combined bill that outlines charges for services rendered from the Company and Artesian Wastewater Management, Inc. ("AWMI"). An eligible customer, in this instance, is defined as a water customer that receives wastewater service from AWMI. When the Company provides consolidated billing that combines charges for water and wastewater service, payments will be applied in the following sequence:

(a) Any existing arrearages for either water or wastewater service;

(b) Arrears by vintage priority for water or wastewater service. A water service arrearage has a higher priority than wastewater service arrearage of the same vintage;

(c) Current charges for water service;

(d) Current charges for wastewater service.

Charges for Disconnection and Reconnection of Servicee

When water service has been discontinued because of a violation of the Company's rules, such as for the nonpayment of a bill, the Customer will be responsible for the costs to disconnect and reconnect water service. The total charge will be $100.00, representing a disconnection fee of $50.00 and a reconnection fee of $50.00, payable in advance of restoring water service during the Company's regular working hours. If the customer blocks the Company's attempt to gain access to the curb stop to shut off service, the customer will be liable for the $50.00 shut-off charge for each attempt that the Company makes to shut off service and such charges must be paid in advance of restoration of water service.

The Company performs reconnections of water service only during regular work hours. The Company must receive confirmation of payment for all fees and any delinquent account balances, if any, before it schedules reconnection of water service or otherwise schedules a service call. The Company will give priority to regular appointments when a confirmed payment is made prior to 3:00 p.m. Confirmed payments received after 3:00 p.m. will be scheduled for the Company's next regular work day. Emergency service appointments, which are at the sole discretion of the Company, are available at a charge of $140. Emergency service is defined as any service call performed outside of the Company's regular work hours of 8:00 a.m. and 5:00 p.m. Monday through Friday, excluding Company Holidays.

When requested by a customer, water will be shut off during the Company's regular working hours for a charge of $50.00. Service that has been shut off at the customer's request will be turned back on during the Company's regular working hours for a charge of $50.00.

Unauthorized Use of Service

When a customer is found to be using or receiving unauthorized water volumes through manipulation, bypass or unauthorized use of the meter, service at location will be discontinued. To restore service, a customer will be required to pay a reconnection charge based on the size of the meter at the location as set forth on page 6b. A customer repeatedly found to be using or receiving unauthorized water volumes may be required to pay for costs necessary to retrofit the system (e.g. externalizing the meter). Unauthorized Use of Service may also be prosecuted as a criminal offense pursuant to 11 Del. C. §§ 841 and 845.

Meter Size		Charge
1/2"	$	500
5/8"	$	500
3/4"	$	750
1"	$	1,250
1 1/2"	$	2,500
2"	$	4,000
3"	$	8,000
4"	$	12,500
6"	$	25,000
8"	$	40,000
10"	$	57,500

ARTESIAN WATER COMPANY, INC.

RULES AND REGULATIONS

RULES AND REGULATIONS

APPLICATION FOR SERVICE

Definition of "Customer":

1. The word "customer" as used hereinafter means any person, partnership, firm, association, corporation or governmental agency being supplied with water service by the Company. The "customer" shall be either the record title owner of the property receiving water service or the occupant, as the case shall be. In the case of multiple unit properties served by master meters, such as shopping centers, apartment buildings and condominiums, the customer is the property owner. For the purposes of the Customer Charge, the Public Fire Hydrant Ready to Serve Charge, the Private Fire Protection Charge, and the Distribution System Improvement Charge, an owner or occupant remains a "customer" and continues to be liable for charges until such time as service is discontinued or terminated. A customer is liable for all charges incurred prior to termination.

Application for Service:

2. A new service connection will be made and water service furnished upon receipt by the Company of an application signed by the property owner or the owner's authorized agent. Any application made by an agent of the property owner shall identify the record title owner of the property for which water service is being sought and shall be accompanied by proof of the agent's authority to act for the property owner. An Application for Service by a tenant shall be accompanied by a signed copy of a lease and a valid government-issued form of photo identification.If the applicant for service is a legal entity and not a natural person, the Company may require that it be provided with the name, place of residence, and telephone number of each person who is an officer, partner, or owner of such legal entity. Applications for service must be approved by the Company before a connection is made or water furnished. Charges or deposits for a new service installation shall be determined at the time of application and paid prior to initiation of service.

Service Deposit:

3. If in the sole judgment of the Company the service installation represents a speculative venture or excessive time may elapse between the actual installation and use of the service by the customer, a refundable deposit to cover the Company's investment may be required. Service deposits are forfeited if the Company finds evidence of the use of a meter bar. All deposits received in recognition of construction projects with the Company will terminate if not fully refunded within 20 years.

Billings and Changes in Ownership:

4. Unless otherwise confirmed in writing with the Company, bills will be sent to the customer receiving water service.

A request for service shall be made upon any change in the ownership of a property receiving water service from the Company or in the tenancy of a property for which a tenant is responsible for payment. Upon such change in ownership or tenancy the Company shall have the right upon 10 days' notice to discontinue water service until such request has been made and approved by the Company. If water service has been discontinued by the Company at the request of the person or entity responsible for payment, a new request for service must be received and approved by the Company before service is restored.

When the customer is a tenant and water service has been discontinued for non-payment or at the request of the tenant, the customer's account will be transferred to the owner of the property. The owner of the property will be responsible for ready to serve charges consisting of the Monthly Customer Charge and Charges for Fire Protection unless within fifteen days after the discontinuance either (i) service is properly restored at the request of the original tenant, or (ii) the Company has received and accepted an application from a new tenant pursuant to these Rules and Regulations.

Seasonal Reconnection Charge:

Whenever a Customer's water service is shut-off by the Company at the Customer's request and the account is placed on an inactive status, and such account is reactivated by the same Customer no less than thirty (30) days and no more than twelve (12) months from the date of the shut-off, a Seasonal Reconnection Charge equal to the following shall be paid by the Customer: (a) the Customer's otherwise applicable monthly Customer Charge and Fire Protection Charge times the number of months the account was inactive; plus (b) the Turn-On Charge. If the Company does not receive full payment for service for the period of inactivity at the conclusion of the inactive period, the Company will restore the account to active status and institute collections procedures, which may include the curtailment of service at the curb stop and appropriate legal remedies. The customer will be responsible for any and all costs incurred to sever service and fees necessary to collect amounts owed. This provision is only intended to temporarily defer charges otherwise owed to the Company on a monthly basis for the provision of water service.

Security Deposit:

5. Security deposits will only be required in the following instances:

   (a) For any existing customer who (1) has had service discontinued for nonpayment of bills, (2) has been delinquent in making timely payments at least twice in the preceding 12 months, (3) has been delinquent in payment of bills twice in the preceding 12 months, (4) has tampered with a meter or other equipment of the Company, or (5) has filed for bankruptcy, in which event the post petition account will be billed a security deposit unless otherwise instructed by the bankruptcy court.

(b) For any new customer who (1) is the tenant of a property for which he or she is responsible for payment of water bills, (2) has been delinquent during the preceding 12 months in paying water bills at a former address, (3) is found to be using false identification when use of a correct name would reveal poor records of payment, or (4) is seasonal or temporary.

When the customer is the owner of residential property receiving water service, security deposits will not exceed the maximum estimated bill for two consecutive billing periods or $100, whichever is less, unless it is due from an existing customer who (1) has had service disconnected two times within the preceding 12 months, (2) has been found to be tampering with the Company's meter or equipment, (3) has used water for unauthorized purposes, or (4) is other than a residential customer and has been delinquent in paying their water bills, in which event the entire estimated charge for two billing periods or the average billed amount outstanding over the previous year, whichever is greater, will be collected. For a residential property occupied by a tenant who is responsible for paying the water bills, the security deposit will be $200 for a monthly billed customer and must be paid in full before water service is turned on.

Payment of a requested security deposit is a requirement for continued service, and failure to pay in full may result in discontinuation of service. If payment of a security deposit creates an undue hardship, the Company may allow payment of the deposit to be made over a reasonable period of time.

For a non-residential property occupied by a tenant responsible for paying water billed the security deposit is the entire estimated charge for two billing periods and must be paid in full before water service is turned on.

The Company will apply a customer's security deposit to the final account balance. Any security deposit amount in excess of the final account balance will be refunded in accordance with the Tariff.

Interest on Deposit:

6. Simple interest will accrue at the rate of the average of the percent yields of the 1-year Treasury constant maturities for September, October and November of the preceding year on security deposits held six months or longer. Accrued interest shall be credited annually to the customer's deposit account. When the customer is the owner of the property receiving water service, deposits will be refunded with accrued interest when the customer has paid the water bills as due and has had no delinquencies within the preceding 12 months. Security deposits, plus interest in accordance with the procedure as outlined in this paragraph, shall be refunded to the customer originally making the deposit. For properties occupied by tenants who are responsible for paying the water bills, deposits will be refunded upon termination of the tenancy.

A security deposit shall not be considered as payment on account during the time the customer is receiving water service. Customer shall pay bills for water service as rendered in accordance with the Rules and Rates of the Company.

MAIN AND SERVICE CONNECTIONS

Company Mains and Service Lines:

7. The Company shall in its sole judgment determine the size and type of mains to be installed either off-site or on-site for any structure or development. The Company shall make all connections to its mains and furnish, install and maintain all service lines from the main to and including the curb valve. The Company shall install, own, and determine the size and type of service line which runs from the main to the curb valve. Fire service lines and domestic service lines will be separate and independent lines in to the customer's internal plumbing facilities.

Property Owner Service Line:

8. The Property Owner Service Line, which is furnished and installed by the owner, is that pipe from the curb valve to the structure. All service lines must have an approved valve installed on each side of the meter. All service lines from the curb valve to the structure must be installed in a straight line at least 42 inches below the surface of the ground. New customers will be notified at the time of their application if water pressure is greater than 100 pounds per square inch (psi). In such cases, customers shall install, at their own expense, a pressure-reducing valve. If the Company causes a change in its water pressure so that the water pressure to the customer is greater than 100 psi, the Company shall, at its expense, install a pressure-reducing valve on the customer's service line. The Company may require that customers, at their expense, install, at a location determined by the Company, a Company approved backflow prevention device when, in the opinion of the Company, the customer's service connection may cause contamination or degradation of the water in the Company's water distribution system. All underground irrigation systems shall include an approved backflow prevention device to be owned and maintained by the customer. It is the responsibility of the customer to properly maintain any backflow prevention device. The Company may require annual inspection and testing of the backflow prevention device by a licensed plumber qualified to test such devices if in the opinion of the Company it is

necessary to protect the Company's water distribution system and customers. The Company reserves the right to inspect backflow prevention devices. During an inspection the Company will require records of annual operation and maintenance inspection completed by a licensed plumber. If the customer has not had an inspection test or cannot produce the documentation, then the customer will be given a two-week notice to provide the proper documentation or their water service may be terminated until appropriate records are provided. During an inspection of the backflow prevention device, if it is found to not be properly installed, not in good working order, or that it has been circumvented by plumbing changes, then the customer's water service may be terminated immediately. The water will remain off until corrective actions have been made and proper documentation provided. All backflow prevention devices shall conform with the most stringent standards (in the opinion of the Company) required by any of the following organizations (if applicable): Underwriters Laboratory Inc.; Factory Mutual Laboratories; Office of Drinking Water of the Division of Public Health; Delaware Public Service Commission; and local government plumbing codes. With regard to multi-level (high rise) structures, it is recommended in some instances that customers, at their expense, install a booster pump to supply suitable water pressure to the upper levels of the structure.

Cross Connections:

9. Cross connections between a private water supply and a potable water supply shall be prohibited per County, State and the International plumbing code section 608.6.1. A customer that requests disconnection from the Company's system is responsible for all costs associated with severing the connection from the premise to the Company's system and the removal of the meter. The Company has the right to inspect the property of a customer with a non-potable well to verify that no cross-connection with Company supply can occur. A customer that requests reconnection after being severed from the Company's system will be responsible for all costs incurred to effect a connection.

Separate Trench:

10. No service line shall be installed in the same trench with a sewer pipe, drain or any other facility of another public service company, nor within three feet of any open excavation, foundation, vault or other structure.

Renewal of Service Line:

11. Where renewal of service line from water main to curb valve is found to be necessary, the Company, at its cost, will renew said service in the same location, and may at its option install a meter pit. The meter pit shall become the responsibility of the customer. If the property owner, or customer, for his or her own convenience, desires the renewal service line to be at some other location and pays all costs of such relocation in excess of the cost of renewing the service line at the existing location and costs of cutting off and disconnecting the old service line, the Company will renew the service line at the location desired. After abandonment of a water service line by an original property owner, a new owner must obtain the approval of the Company before incorporating the old service into new construction.

Maintenance by Customer:

12. All connections, service lines and fixtures furnished by the owner or customer shall be maintained by the owner or customer in good order and repair. Meters and equipment furnished and owned by the Company shall be protected by the customer. Any leak in the service or any other pipe or fixture in or on the customer's property shall be promptly repaired by the customer at the customer's expense. Customer shall ensure that access to the Company's curb stop is unobstructed. If the Customer obstructs access to the Company's curb stop, the Customer shall be charged any costs incurred by the Company to access the curb stop.

The Company shall in no event be responsible for maintaining any portion of the service line owned by the customer, or for any damage, casualty or loss resulting from or caused by water escaping from lines or fixtures on customer's property.

Service for Singularly-Owned Property:

13. A property consists of a tract of land with one or more structures owned by the same party. Each property may be supplied by one or more services. Each service shall have an individual meter. Should a property owned by one party be subdivided after the Company commences serving the property, each subdivided property shall be required to have an individual service, curb valve and meter at Owner's expense. Failure to provide individual service, curb valve and meter may result in discontinuance of service.

Single Service Line with Two or More Customers:

14. Where two or more customers have been supplied through a single service line, any violation of the Rules and Rates of the Company, by either or any of said customers, shall be deemed a violation by all, who shall be jointly and severally liable for any loss to the Company resulting therefrom. In the event any such violation is not corrected after reasonable notice, the Company may take such action as can be taken for a single customer, except that such action will not be taken until an innocent customer has been given a reasonable opportunity to attach his pipe to a separately-controlled, individual service connection.

Swimming Pools:

15. Residential swimming pools may be filled from house services. Larger community pools may be supplied with a separate water service and meter, such meter to be installed in a meter pit or heated building. Separate water service for swimming pools will be billed monthly or quarterly according to size of meter.

Contributions In Aid of Construction ("CIAC"):

16. In accordance with Sections 3.8 through 3.8.9 of the Public Service Commission's Minimum Standards Governing Service Provided by Public Water Companies, PSC Order Number 6873, the Company shall require CIAC when a request for service will require the installation of pipe and/or associated utility plant ("Facilities Extension"). The amount of CIAC will be calculated in accordance with Section 3.8.2.

The following schedule determines the charge per meter size:

5/8" meter	-	$ 1,500
3/4" meter	-	$ 1,515
1" meter	-	$ 1,560
1 1/2" meter	-	$ 1,620
2" meter	-	$ 1,785
3" meter	-	$ 3,000
4" meter	-	$ 3,450
6" meter	-	$ 4,500
8" meter	-	$ 5,700

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DISCONTINUANCE OF SERVICE

By Owner:

17. A customer must give the Company three (3) business days notice in order to discontinue (shut off) service. All agreements covering service for water shall continue in force until such notice is given. In the event the premises are in the possession of a tenant and such fact is known to the Company, such shut-off shall not be made until the Company has given three days' written notice to the tenant of the customer's order to discontinue service. When the customer is a tenant in possession of the property, the Company is not required to discontinue service at the request of the property owner.

By Company:

18. The Company shall not be liable to owner or occupants for any damage to property or for any inconvenience, loss or casualty suffered by the residents of the property due to discontinuance of service. Service may be discontinued for any of the reasons cited below and not restored until the cause for discontinuance has been fully corrected to the satisfaction of the Company.

Discontinuance Without Notice:

19. Service may be discontinued without notice only in the following events:

(a) When there is an unavoidable interruption in the source of supply or other emergency.

(b) Tampering with the meter or equipment owned or furnished by the Company.

(c) Unauthorized use of service or resale of water.

(d) Willful waste of water through improper or imperfect pipes, fixtures, or other causes.

(e) When a property has been vacated without prior notice to the Company.

Discontinuance With Notice:

20. Service may be discontinued with notice in the following events:

(a) Violation or noncompliance with Company Rules and Rates or violation of a governmental regulation governing water service.

(b) Failure of the customer to fulfill his contractual obligations for service or facilities.

(c) Refusal of the customer to permit Company representatives access to the property to inspect, read, repair or remove the meter and equipment.

(d) Failure to pay any bills or required deposit.

(e) Refusal of the customer to permit the Company to obtain an actual meter reading after three consecutive estimated readings.

(f) Refusal of the customer to allow installation of meter and/or remote meter-reading device on the building exterior, or at a location that is both convenient and accessible to the Company.

(g) Failure of the customer to pay fees levied for Unauthorized Use of Service as set forth on pages 6a and 6b.

Reasons for Nondiscontinuance:

21. Service will not be discontinued for any of the reasons listed in paragraphs 20 and 21 (except under emergency or hazardous conditions) when life sustaining medical equipment is known to be in use or when a medical emergency exists at the premises, or if a bona fide dispute concerning a service bill exists. A Certification of Medical Need form is available to help comply with Title 26 of the Delaware Code related to public utilities and terminations of service. Any false statement made on the form is punishable as a Class A Misdemeanor under 11 Del. C. § 1233.

Due to Emergency:

22. In the event of a breakdown, emergency or other unavoidable cause, the Company shall have the right to temporarily discontinue the water supply in order to make necessary repairs, connections, and the like. The Company shall not be liable for any damage, loss, casualty or inconvenience suffered by the owner or occupants , or for any claim against it for interruption of service, lessening of the supply, inadequate pressure, quality of water or other causes beyond its reasonable control. When water service is to be temporarily interrupted, adequate notice will be given, whenever practicable, to all customers affected, stating the probable duration of the interruption.

Second Party Notification:

23. Customers may designate in writing a second party to receive bills and notice of disconnection of service prior to discontinuation of service for nonpayment, provided the named second party has agreed in writing to accept such notice. In such cases the Company will not discontinue service less than ten days after giving verbal or written notice to the second party of its intent to discontinue service. The person accepting second party status does not incur any obligation whatsoever to the Company.

Reserve Supply:

24. The Company shall have the right to reserve a sufficient supply of water to provide for fire and other emergencies and may restrict or regulate the quantity of water used by the customer whenever, in the Company's opinion, the public welfare may so require.

Conservation Regulations:

This section is intentionally left blank.

Turn-on or Shut-off Without Authority:

25. The customer shall not attempt to re-establish or curtail service by turning the water on or off at any corporation valve or curb valve, disconnect or remove the meter, or permit its disconnection or removal, without the prior consent of the Company. Tampering with Company equipment is a violation of the customer's terms for service with the Company and will subject the customer to additional fees and the possibility of prosecution.

Restoration of Discontinued Service:

26. Service will be restored when the conditions for which service was discontinued have been corrected to the satisfaction of the Company and upon payment of all proper charges or amounts provided in the Company's then-applicable rate schedule.

METERS

Furnished by Company:

27. All meters will be furnished by and remain the property of the Company. The Company shall determine the size of all customer meters.

Location:

28. At the Company's sole discretion, meters may be installed in a meter pit or vault provided by the customer in accordance with Company specifications in a Company approved location that is at all times accessible for reading and repair. In cases where the Company determines it is not practical to place a meter within a meter pit or customer-supplied vault, the Company at the customer's expense shall install, own and maintain an internal meter set in accordance with Company specifications on the property in a location to be determined by the Company. In the event a remote meter reading device is installed on the building exterior, it shall be 3-5 feet above the finished grade and at a location that is both convenient and accessible for reading and repair. The Company will attempt, in mutual cooperation with the property owner, to locate the meter to the satisfaction of the property owner. Meters 1-1/2" or larger shall be installed with a bypass. A meter must be installed before the water is turned on. Meter bars are not permitted. Meter pits shall conform to standards in use by the Company for service at the location. The ownership and maintenance of meter pits are transferred to and remain the responsibility of the Customer.

Valves Required:

29. The customer shall furnish and install a Company approved locking valve on a bypass.

Responsibility for Damage:

30. Normal maintenance and repair of meters will be provided by the Company. Any damage caused by freezing or hot water shall be the responsibility of the customer. Damage resulting from external causes due to customer negligence or tampering shall be the responsibility of the customer.

Cost of Reinstallation:

31. The charge to the customer for removal, repair and reinstallation of a meter damaged because of freezing, hot water, tampering, or customer negligence shall be based on labor and material costs.

Meter Malfunction:

32. The customer shall notify the Company of damage to or malfunction of the meter as soon as it becomes apparent.

Registration:

33. The consumption recorded by the meter shall be conclusive for both the customer and the Company except when the meter has been found to be registering inaccurately or has ceased to register. In such cases, a consumption estimate may be based on the customer's prior usage or a meter test. In the event that usage for the customer is not known, the Company may utilize an estimate of the customer's consumption based on average consumption from the same period in the previous year, based on average consumption from the immediately prior billing period, or an estimate based on detail from similar accounts.

When a remote meter-reading device has been installed and a discrepancy occurs between the registration on the remote meter-reading device and that on the interior meter, the registration on the interior meter will prevail.

Meter Test:

34. Upon request by a customer, a test of the accuracy of the meter registration will be made. The customer or a representative may be present when the meter is tested. If the customer's account is current, Artesian will bill the meter test fee to the customer's account. If the customer's account is not current, then the meter test fee must be paid in advance of the meter test. Should the meter test as over-registering as per the specified guidelines by the American Water Works Association (AWWA) limits, as required by the Delaware Public Service Commission, then the fee will be credited to the customer's account. Meter testing will be billed in accordance with the following fee schedule. A written report of the results of the test shall be provided to the customer.

Fee Schedule - Customer-Requested Meter Test

Meter Size	Fee
5/8".....	$ 50
3/4".....	$ 50
1".....	$ 50
1-1/2".....	$100
2".....	$100
3".....	$150
4".....	$150
6".....	$150
8".....	$200
10".....	$200

Error in Registration:

35. If, due to the results of a meter test, the meter is found not to be accurate within specified AWWA limits, as required by the Delaware Public Service Commission, customer billings will be corrected accordingly, commencing from the date the error developed. If that period of time cannot be determined, the error shall be assumed to have existed for three years or a period equal to one half the time since the meter was last tested, whichever is less. No billing corrections less than $5 shall be made. A billing overcharge shall be either refunded or credited to the customer's account at the customer's election.

Periodic Meter Test:

36. In order to assure the accuracy of meters in service, periodic tests shall be made by the Company at the earlier of the yearly intervals or maximum throughput set forth below:

	Interval	Maximum Throughput, Million Gallons		
Meter Size	Years	Displacement	Compound	Turbine
5/8"	15	1.8	--	--
3/4"	15	2.6	--	--
1"	10	4.4	--	--
1-1/2"	10	9.0	--	10.0
2"	3	14.0	28.0	28.0
3"	3	26.0	56.0	60.0
4"	3	--	88.0	100.0
6"	1	--	175.0	200.0
8"	1	--	280.0	300.0
10"	1	--	400.0	500.0
12"	1	--	--	800.0

PUBLIC FIRE PROTECTION SERVICE

Hydrant Flow Test:

37. Upon request, a hydrant flow test will be performed. The requestor may be present when the test is conducted. The fee to perform a hydrant flow test is $600. Alternatively, if the Company has conducted a test of the hydrant within the past six months, that report can be provided to the requestor in lieu of a new flow test. The fee for the report from a previous test is $35.

Allowable Use:

38. No person, except as authorized by the Company in writing, shall take water from any public or private fire hydrant except for the use of a fire company in case of fire. No public fire hydrant shall be used for sprinkling streets, flushing sewers or gutters or for any other than fire purposes except with prior approval of the Company.

Change of Location:

39. Upon request to relocate a fire hydrant, the Company will make such relocation at the cost of the party making the request provided an approved new location is found.

RESPONSIBILITY FOR SERVICE

40. With respect to public fire service, or any other service, the Company does not assume any liability as an insurer of property or persons. While the Company will make every reasonable effort to maintain service, the Company does not guarantee any special service, pressure, capacity or facility other than permitted by the ordinary and changing operating conditions of the Company, as exist from day to day. The Company shall be free and exempt from any and all claims for injury to any persons or damage to any property by reason of fire, water, or failure to supply water pressure or capacity. The Company shall not be held liable in any civil action for personal injury, death, damage to property or other consequential damages arising from main breaks or other leaks in water equipment/facilities beyond the control of the Company.

The Company is not liable in damages in a civil action to any person for injury, death or loss to person or property that allegedly arise from the person's consumption of water supplied by the Company if the water supplied by the Company complied with primary maximum contaminant levels set by the State of Delaware's Office of Drinking Water and the United States Environmental Protection Agency.

BILLS AND PAYMENT

Place of Payment:

41. Bills for water service may be paid by U.S. mail, at the Company's Newark office, electronically through an approved third party vendor. The Company also maintains a locked deposit box at its Newark office to receive payments after normal business hours, weekends, and holidays. Payments received through the Company's deposit box will be processed on the Company's next business day.

Bills Rendered And Due:

42. Regular meter readings will be made for each billing period and bills will be rendered as soon as practicable after reading the meters. All bills are due and payable upon presentation.

Customer Refunds:

43. The Company may not mail checks for refunds totaling less than $10.00. Those refunds are available upon request from the former customer. The refund will also be credited to that customer's new account if the former customer re-establishes a service with the Company within five years from the date of the original refund generation. If left unclaimed those funds due former customers will be escheated to the State of Delaware according to applicable state law.

Delinquent Bills:

44. Bills remaining unpaid for a period of 25 days from the effective billing date shall be classified as delinquent, and if not paid within 14 days thereafter, service may be discontinued. Should service be discontinued, it will not be restored until unpaid bills, deposits and charges, including the shut-off and turn-on charges, are paid or satisfactory arrangements are made with the Company for payment. In addition, a late payment penalty will be applied to any outstanding balance which remains outstanding 25 days after the bill date, until payment is received in full. The monthly penalty will be at a rate equal to one-twelfth of prime plus 5%, and the prime rate will be updated quarterly. If a customer's account is referred to an attorney or collection agency for collection, in addition to the amount due for water service and late charges, the customer shall be responsible for the payment of the Company's reasonable attorney's fees and all other costs and expenses of collection.

Returned Payments:

45. When a water bill is paid by check, electronic debit, credit card or other means that the Company may offer, and the payment is not honored by a financial institution and is subsequently returned to the Company, a fee of $30.00 will be applied to the customer's account to cover bank fees and other expenses that may arise from the returned payment, including administrative costs of the Company.

GENERAL

Complaints:

46. Any complaint regarding the character of the service furnished, reading of meters or bills rendered must be made to the Company in writing. A record of such complaint will be kept by the Company, giving the name and address of the complainant, date of occurrence, nature of the complaint, disposition and findings.

General:

47. Pipes, meters and fixtures shall be subject to inspection, at reasonable hours, by properly identified employees of the Company. No plumber, owner or other unauthorized person shall turn the water on or off at any corporation valve or curb valve or disconnect or remove the meter without the consent of the Company. No agent or employee of the Company has the authority to bind the Company by any promise, agreement or representation not provided for in these rules.

The Company reserves the right, subject to the approval of the Delaware Public Service Commission, to change, take from or add to the foregoing Rules and Rates.

New Castle County Business Office

664 Churchmans Road

Newark, Delaware 19702

Phone (302) 453-6900 Fax (302) 453-6957

Mailing Address

P. O. Box 15004

Wilmington, Delaware 19850-5004

Sussex County Business Office

14701 Coastal Highway

Milton, Delaware 19968

Phone: (302) 645-7751 Fax: (302) 645-8233

e-mail: artesian@artesianwater.com

www.artesianwater.com

This First Supplemental Sheet is applicable to customers in the Boothhurst development located within the City of New Castle. The total charge for metered service consists of the sum of the Customer Charge, and to the extent applicable, the Water Charge. Monthly Customer Charges will be billed in advance. Water Charges will be billed in arrears.

Monthly Customer Charge for Domestic Service

The monthly charge for customers served is based on meter size

Size of Meter	Customer Charge
5/8" X 3/4"	$7.75
1"	$9.50

Monthly Customer Charge for Public Fire Protection

The monthly charge for customers is based on the size of the service line

Size of Service Line	Customer Charge
5/8" X 3/4"	$1.25
1"	$6.65

Monthly Customer Charge for Private Fire Protection

The monthly charge for customers is based on the size of the service line

Size of Service Line	Customer Charge
5/8" X 3/4"	$5.43
1"	$6.65

Water Charges (October-June)

Water Charges	Cents Per Gallon
Non-City	.0067

Water Charges (July-September)

Water Charges	Cents Per Gallon
Residential	.0067 for water use under 4,000 gallons/per month
	.00735 for water use over 4,000 gallons/per month

All bills are due and payable upon presentation.

Restoration Charge:

When water service has been discontinued for the non-payment of a bill, there will be a charge of $40.00 payable in advance, for turning the water back on during regular working hours. When it is necessary to turn water back on during other than regular working hours, the charge is $60.00, also payable in advance.

This Second Supplemental Sheet is applicable to customers in the city of Middletown located within the County of New Castle. The total charge for metered service consists of the water charge.

Water Charge:	$2.489 per thousand

All bills are due and payable upon presentation.

This Third Supplemental Sheet is applicable to the Delaware Correctional Center. Due to the unique nature of the agreement between the State of Delaware and Artesian, the rates are as follows:

Water Charge:	$2.491 per thousand gallons

All bills are due and payable upon presentation.

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

Water Charge:	$3.762 per thousand gallons

All bills are due and payable upon presentation.

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:	$4.104 per thousand gallons

All bills are due and payable upon presentation.

This Sixth Supplemental Sheet is applicable to the Town of Clayton. The total charge for metered service consists of the water charge.

Water Charge:	$2.00 per thousand gallons

All bills are due and payable upon presentation.

This Sixth Supplemental Sheet is applicable to the Town of New Castle. The total charge for metered service consists of the water charge.

Water Charge:	$3.100 per thousand gallons

All bills are due and payable upon presentation.