





Item 8.01 Other Events

On September 30, 2014, the United States District Court for the Eastern District of Pennsylvania (the "Court") issued an Order regarding the complaint filed on December 22, 2010 by Artesian Water Company, Inc. ("Artesian Water"), the principal subsidiary of Artesian Resources Corporation ("Artesian Resources"), against Chester Water Authority ("CWA"). The complaint claimed breach of contract, unjust enrichment, and requested declaratory judgment in relation to an interconnection agreement with CWA to supply bulk water supplies to Artesian Water.

The Order of the Court states that:

The Addendum to the Interconnection Agreement between Artesian Water and CWA is a valid and enforceable contract by which CWA agreed to supply, and Artesian Water agreed to purchase, bulk water supplies (the "Supplies").

CWA's calculation of rate increases for the Supplies in 2008, 2009, and 2010 were valid.

Artesian Water is required to pay CWA amounts withheld related to CWA rate increases from 2008, 2009, and 2010 totaling approximately \$3.1 million.

Artesian Water is not required to pay a 10% late fee totaling approximately \$300,000 on the amounts withheld related to CWA rate increases from 2008, 2009, and 2010.

CWA shall file documentation no later than October 14, 2014 supporting the total amount of its damages in connection with Artesian Water's failure to pay for Supplies purchased beginning on July 1, 2010 at the rate then charged by CWA.

With regard to the third order above, the approximately \$3.1 million withheld from Artesian Water's previous payments to CWA were accrued by Artesian Water when invoiced by CWA and the total is reflected in the accrued expenses on Artesian Resources Consolidated Balance Sheet.

If awarded by the Court, estimated pre-judgment interest related to amounts withheld would be approximately \$400,000 (6% per annum on outstanding amounts withheld by Artesian Water). Any pre-judgment interest would be expensed.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ARTESIAN RESOURCES CORPORATION

Date: October 6, 2014 By: /s/ David B. Spacht  
David B. Spacht  
Chief Financial Officer