



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF THE PETITION OF THE ATLANTIC )  
CITY SEWERAGE COMPANY TO INCREASE THE )  
LEVEL OF ITS PURCHASED SEWERAGE TREATMENT )  
ADJUSTMENT CLAUSE )  
)  
) DOCKET NO. WR22090611

**Parties of Record:**

**Courtney L. Schultz, Esq., Saul Ewing Arnstein & Lehr, LLP**, on behalf of Atlantic City  
Sewerage Company  
**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

On September 26, 2022, the Atlantic City Sewerage Company ("Petitioner", "ACSC" or "Company"), a public utility corporation of the State of New Jersey engaged in the business of operating a wastewater collection and transmission system, filed a petition with the New Jersey Board of Public Utilities ("Board") for approval to increase the level of its Purchased Sewerage Treatment Adjustment Clause ("PSTAC") pursuant to N.J.A.C. 14:9-7.1(d) and 14:9-7.7 ("September 2022 Petition"). By this Order, the Board considers a stipulation of settlement ("Stipulation") executed by the ACSC, the New Jersey Division of Rate Counsel, and Board Staff (collectively, "Parties") intended to resolve the Company's requests in this docket.

**BACKGROUND AND PROCEDURAL HISTORY**

ACSC operates a sewage collection and transmission system providing wastewater service to approximately 7,600 customers within the city of Atlantic City, Atlantic County, New Jersey. The Petitioner does not treat sewage, it purchases its wastewater treatment from the Atlantic County Utilities Authority ("ACUA"). The Petitioner bills its customers based on water usage rather than metering wastewater flows.

The Company's most recent base rates become effective on January 1, 2022.<sup>1</sup> ACSC's current PSTAC became effective on January 1, 2022.<sup>2</sup>

In the September 2022 Petition, ACSC sought authority to increase the level of its PSTAC. In support of its petition, the Petitioner proposed to increase its Volumetric Treatment Charge from \$20.406 per thousand cubic foot ("Mcf") based upon an estimated treatment expense level of \$6,861,310 to \$25.735 per Mcf based upon an estimated treatment expense level of \$8,909,503. The Company proffered that the PSTAC rate is based upon an estimate of the 2023 charges ACUA will invoice the Company plus an estimate of the net under-recovered PSTAC amount from 2022, and its estimated 2023 metered flows.

Virtual public comment hearings, presided over by a Board-appointed legal specialist, were held on November 16, 2022, at 4:30 P.M. and 5:30 P.M.<sup>3</sup> No members of the public appeared at the public hearings and the Board received no written comments.

### **STIPULATION**

Following settlement negotiations, the Parties executed the Stipulation, intended to resolve all issues in this proceeding. The Stipulation is summarized below.<sup>4</sup>

8. As required in N.J.A.C. 14:9-7.7, the Company has included in its filing an estimate of ACUA costs for calendar year 2023, which estimate has been used to determine the applicable PSTAC rate for 2023. As a result, the projected bill for 2023 from the ACUA is \$7,971,518. In addition, the following components have been included to arrive at the net amount for recovery from customers through the 2023 PSTAC of \$8,909,503:
  - a. ACSC had a net under-recovery of \$372,821 for the 2022 PSTAC;
  - b. ACUA credit to the Company of \$78,632 for 2021 billing; c
  - c. ACUA is projecting an additional charge to the Company of \$639,296 for 2022 billing; and
  - d. \$4,500 in filing costs for this proceeding, which reflects 50% of the total anticipated costs of \$9,000 (pursuant to the Board's 50/50 sharing of such expenses as between customers and investors).
9. Based on the estimated costs for 2023, the under-recovery from revenues for 2022, the 2021 credit and the estimated 2022 additional charge for treatment flows from the ACUA, and the costs of this proceeding, the Parties have agreed that Petitioner's current PSTAC

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<sup>1</sup> In re the Petition of the Atlantic City Sewerage Company for Approval to Increase Tariff Rates and Charges for Sewerage Service and Other Tariff Changes, 2021 N.J. PUC LEXIS 479(Dec. 15, 2021).

<sup>2</sup> In re the Petition of the Atlantic City Sewerage Company to Increase the Level of its Purchased Sewerage Treatment Adjustment Clause, 2021 N.J. PUC LEXIS 501 (Dec.15, 2021).

<sup>3</sup> Public hearings were held virtually due to the COVID-19 pandemic.

<sup>4</sup> Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

rates on file with the Board should be increased as indicated on Exhibit A of the Stipulation, and as reflected on the tariff page attached as Exhibit B of the Stipulation, effective January 1, 2023. For the average residential customer, the PSTAC rate will increase from \$20.406 per thousand cubic feet of metered water to \$25.735 per thousand cubic feet of metered water, an increase of \$5.3299 per thousand cubic feet of metered water, or approximately 26.11%. With respect to the total annual rate for wastewater services, for the average residential customer using approximately 9.3 Mcf, their bill will increase from \$563.49 to \$613.05, an increase of \$49.56, or approximately 26.11% annually.<sup>5</sup>

10. Consistent with the provisions of N.J.A.C. 14:9-7.1 to 7.7, the Parties agree that the Company will file with the Board a PSTAC petition to reconcile 2023 ACUA costs with the estimated ACUA costs (as reflected in the rates identified on Exhibit A and Exhibit B of the Stipulation) for the same period. Additionally, the Company will include in its filing an estimate of ACUA costs for calendar year 2024, which estimate will be used to determine the applicable PSTAC rate for 2024, as required in N.J.A.C. 14:9-7.1(d) and 14:9-7.7.
11. ACSC shall account for net cumulative over-recoveries and under-recoveries resulting from the PSTAC. These over-recoveries and under-recoveries will be charged or credited to the PSTAC in subsequent PSTAC proceedings. The net monthly cumulative overrecoveries and under-recoveries shall be calculated for each month, utilizing an average balance for each month. Interest on net cumulative monthly over-recoveries shall be credited to the PSTAC at an interest rate equal to the Company's return on rate base of 7.210%. Similarly, interest on net monthly under-recoveries shall be charged against the PSTAC. If the Company has another base rate case completed while this PSTAC is in effect, the return on rate base utilized in that base rate case shall become the interest rate on net monthly cumulative overrecoveries and under-recoveries, on a prospective basis. If, as of December 31, 2023, interest shall be due to the PSTAC, such interest shall in fact be credited to the PSTAC. If, as of December 31, 2023, interest shall be chargeable against the PSTAC, said interest shall be eliminated through appropriate accounting entries.

## **DISCUSSIONS AND FINDINGS**

Having reviewed the record in this matter, including the Stipulation and the September 2022 Petition, the Board **HEREBY FINDS** that the Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes all issues in this proceeding and is consistent with the law. The Board **FURTHER FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation, attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if they were fully set forth at length herein, subject to the following:

In accordance with the provisions of N.J.A.C. 14:9-7.3(c) and 14:9-8.3(c), the Petitioner shall file with the Board, no later than 45 days after the adjustment clause has been in effect for one year, a PSTAC true-up schedule in connection with this

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<sup>5</sup> During the course of this proceeding, updates to the original supporting schedules were provided during discovery which utilized actual information in place of estimates where known. Those changes supported an increase to the rate increase originally requested (from \$25.735 to \$25.981 per thousand cubic feet of metered water); however, the Company is not seeking that higher rate. Instead, the Company is proposing the same increase reflected in the PSTAC Petition, which is reflected Paragraph 9 of the Stipulation.

proceeding. Copies of the true-up schedule shall be served upon all parties to the present proceeding.

The Board **HEREBY DIRECTS** the Company to file tariff pages conforming to the terms and conditions of the Stipulation, and this Order within 10 days from the effective date of this Order.

The effective date of this Order is December 28, 2022 with rates to become effective on and after January 1, 2023.

DATED: December 21, 2022

BOARD OF PUBLIC UTILITIES  
BY:

  
JOSEPH L. FIORDALISO  
PRESIDENT

  
MARY-ANNA HOLDEN  
COMMISSIONER

  
DIANNE SOLOMON  
COMMISSIONER

  
ROBERT M. GORDON  
COMMISSIONER

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

ATTEST:   
CARMEN D. DIAZ  
ACTING SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF THE ATLANTIC CITY SEWERAGE COMPANY  
TO DECREASE THE LEVEL OF ITS PURCHASED SEWERAGE TREATMENT ADJUSTMENT  
CLAUSE

BPU DOCKET NO. WR22090611

SERVICE LIST

<p><b>The Atlantic City Sewerage Company</b> Courtney Schultz, Esq. Saul Ewing Arnstein &amp; Lehr, LLP Centre Square West, 38<sup>th</sup> Floor 1500 Market Street Philadelphia, PA 19102 <a href="mailto:courtney.schultz@saul.com">courtney.schultz@saul.com</a></p> <p><b>New Jersey Division of Rate Counsel</b> 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625-0003</p> <p>Brain O. Lipman, Esq., Director <a href="mailto:blipman@rpa.nj.gov">blipman@rpa.nj.gov</a></p> <p>Susan E. McClure, Esq. <a href="mailto:smcclure@rpa.nj.gov">smcclure@rpa.nj.gov</a></p> <p>Christine Juarez, Esq. <a href="mailto:cjuarez@rpa.state.nj.us">cjuarez@rpa.state.nj.us</a></p> <p>Emily Smithman, Esq. <a href="mailto:esmithman@rpa.nj.gov">esmithman@rpa.nj.gov</a></p> <p><b>New Jersey Department of Law and Public Safety</b> Division of Law Public Utilities Section Richard J. Hughes Justice Complex 25 Market Street P.O. Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, DAG, Assistant Section Chief <a href="mailto:pamela.owen@law.njoag.gov">pamela.owen@law.njoag.gov</a></p> <p>Meliha Arnautovic, DAG <a href="mailto:meliha.arnautovic@law.njoag.gov">meliha.arnautovic@law.njoag.gov</a></p> <p>Brandon Simmons, DAG <a href="mailto:brandon.simmons@law.njoag.gov">brandon.simmons@law.njoag.gov</a></p>	<p><b>New Jersey Board of Public Utilities</b> 44 South Clinton Avenue, 1st Floor P. O. Box 350 Trenton, NJ 08625</p> <p>Stacy Peterson, Deputy Executive Director <a href="mailto:stacy.peterson@bpu.nj.gov">stacy.peterson@bpu.nj.gov</a></p> <p>Carmen D. Diaz, Acting Secretary <a href="mailto:board.secretary@bpu.nj.gov">board.secretary@bpu.nj.gov</a></p> <p><u>Division of Water and Energy</u></p> <p>Mike Kammer, Director <a href="mailto:mike.kammer@bpu.nj.gov">mike.kammer@bpu.nj.gov</a></p> <p>Malike Cummings, Deputy Director <a href="mailto:malike.cummings@bpu.nj.gov">malike.cummings@bpu.nj.gov</a></p> <p>Paul Lupo, Bureau Chief <a href="mailto:paul.lupo@bpu.nj.gov">paul.lupo@bpu.nj.gov</a></p> <p>Kyle Felton, Rate Analyst <a href="mailto:kyle.felton@bpu.nj.gov">kyle.felton@bpu.nj.gov</a></p> <p><u>Counsel's Office</u></p> <p>Michael Beck, General Counsel <a href="mailto:michael.beck@bpu.nj.gov">michael.beck@bpu.nj.gov</a></p> <p>Carol Artale, Deputy General Counsel <a href="mailto:carol.artale@bpu.nj.gov">carol.artale@bpu.nj.gov</a></p> <p>David Schmitt, Legal Specialist <a href="mailto:david.schmitt@bpu.nj.gov">david.schmitt@bpu.nj.gov</a></p>
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**SAUL EWING**  
**ARNSTEIN**  
**& LEHR**<sup>LLP</sup>

Courtney L. Schultz  
Phone: (215) 972-7717  
Fax: (215) 972-1839  
Courtney.Schultz@saul.com  
www.saul.com

November 29, 2022

**VIA ELECTRONIC FILING**

Hon. Carmen D. Diaz, Acting Secretary  
Board of Public Utilities  
44 South Clinton Ave., 9th Floor  
P.O. Box 350  
Trenton, NJ 08625-0350  
[carmen.diaz@bpu.nj.gov](mailto:carmen.diaz@bpu.nj.gov)  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Re: I/M/O Petition of The Atlantic City Sewerage Company to Increase  
The Level of Its Purchased Sewerage Treatment Adjustment Clause  
BPU Docket No. WR22090611

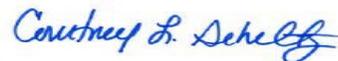
Dear Acting Secretary Diaz:

Enclosed for filing is the Stipulation of Settlement, with reference to the above matter.

Thank you for your attention to this matter.

Respectfully submitted,

Sincerely,



Courtney L. Schultz

CLS/CJ  
Encls.

## SERVICE LIST

I/M/O The Petition Of The Atlantic City Sewerage Company  
To Increase The Level Of Its Purchased Sewerage Treatment Adjustment Clause  
BPU Docket No. WR22090611

### BPU

Carmen D. Diaz, Acting Secretary  
New Jersey Board of Public  
Utilities  
44 South Clinton Avenue, Suite  
314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[carmen.diaz@bpu.nj.gov](mailto:carmen.diaz@bpu.nj.gov)

Karriemah Graham  
Program Specialist 3  
Office of Case Management  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[karriemah.graham@bpu.nj.gov](mailto:karriemah.graham@bpu.nj.gov)

Michael Kammer, Director  
Division of Water & Energy  
Board of Public Utilities  
44 South Clinton Ave., Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[mike.kammer@bpu.nj.gov](mailto:mike.kammer@bpu.nj.gov)

Kyle Felton  
Board of Public Utilities  
44 South Clinton Ave., Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[kyle.felton@bpu.nj.gov](mailto:kyle.felton@bpu.nj.gov)

Benjamin Witherell  
Board of Public Utilities  
44 South Clinton Ave., Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[benjamin.witherell@bpu.nj.gov](mailto:benjamin.witherell@bpu.nj.gov)

### DAG

Daren Eppley, DAG  
Division of Law  
25 Market Street  
P.O. Box 112  
Trenton, NJ 08625  
[daren.eppley@law.njoag.gov](mailto:daren.eppley@law.njoag.gov)

Pamela Owen, DAG  
Division of Law  
25 Market Street  
P.O. Box 112  
Trenton, NJ 08625  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

### Rate Counsel

Brian O. Lipman, Director  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Fl.  
P.O. Box 003  
Trenton, NJ 08625  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Susan E. McClure, Esq.  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Fl.  
P.O. Box 003  
Trenton, NJ 08625  
[smcclure@rpa.nj.gov](mailto:smcclure@rpa.nj.gov)

Christine M. Juarez, Esq.  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Fl.  
P.O. Box 003  
Trenton, NJ 08625  
[cjuarez@rpa.nj.gov](mailto:cjuarez@rpa.nj.gov)

Emily Smithman, Esquire  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Fl.  
P.O. Box 003  
Trenton, NJ 08625  
[esmithman@rpa.nj.gov](mailto:esmithman@rpa.nj.gov)

Marilyn Silva  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Fl.  
P.O. Box 003  
Trenton, NJ 08625  
[msilva@rpa.nj.gov](mailto:msilva@rpa.nj.gov)

David Peterson  
Chesapeake Regulatory  
Consultants, Inc.  
1815 Fenwicke Court  
Huntington, Maryland 20639

### Company

Wendy E. Stewart  
President  
Atlantic City Sewerage Company  
1200 Atlantic Avenue, Suite 300  
Atlantic City, NJ 08401  
[WStewart@acsewerage.com](mailto:WStewart@acsewerage.com)

Courtney Schultz, Esq.  
Saul Ewing Arnstein & Lehr LLP  
Centre Square West  
1500 Market Street, 38<sup>th</sup> Floor  
Philadelphia, PA 19102-2186  
[courtney.schultz@saul.com](mailto:courtney.schultz@saul.com)

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

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**IN THE MATTER OF THE PETITION OF THE : STIPULATION OF SETTLEMENT  
ATLANTIC CITY SEWERAGE COMPANY TO :  
INCREASE THE LEVEL OF ITS PURCHASED : BPU DOCKET NO. WR22090611  
SEWERAGE TREATMENT ADJUSTMENT :  
CLAUSE :**

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**APPEARANCES:**

Courtney L. Schultz, Esq., Saul Ewing LLP, on behalf of the Petitioner, Atlantic City Sewerage Company

Brian O. Lipman, Director; Susan E. McClure, Esq., Deputy Rate Counsel, Christine Juarez, Esq., Assistant Deputy Rate Counsel; and Emily Smithman, Esq., Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel

Meliha Arnautovic, Deputy Attorney General, (Matthew J. Platkin, Attorney General of New Jersey), on behalf of the Staff of the New Jersey Board of Public Utilities

**TO THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES:**

The Parties that have participated in this proceeding are Atlantic City Sewerage Company (“ACSC”, “Company,” or “Petitioner”), the Division of Rate Counsel (“Rate Counsel”), and the Staff of the Board of Public Utilities (“Staff”) (collectively, “Parties”). There were no intervenors in this proceeding. As a result of an analysis of ACSC’s Petition and exhibits, discovery conducted by Rate Counsel and Staff, conferences, and negotiations, the Parties to this proceeding have come to the within Stipulation of Settlement (“Stipulation”). The Parties hereto agree and stipulate as follows:

**I. Background & Procedural History.**

1. Petitioner is a public utility corporation of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities (the “Board”). ACSC operates a sewage collection and transmission system within its defined service territory, consisting of Atlantic City, New

Jersey. Within its service territory, ACSC serves approximately 7,610 customers. ACSC's principal office is located at 1200 Atlantic Avenue, Atlantic City, New Jersey 08404.

2. ACSC does not treat any sewage. Rather, ACSC purchases its sewage treatment from the Atlantic County Utilities Authority ("ACUA"). Further, the Company does not meter sewage flows. Instead, customer bills are based upon the volume of water entering the customers' premises, using data provided to ACSC by the Atlantic City Municipal Utilities Authority, Atlantic City's water purveyor. Each year, ACSC bills customers (other than certain large volume customers) based on water consumption from the prior year.

3. On September 26, 2022, pursuant to N.J.A.C. 14:9-7.1 to 7.7, ACSC filed the above-captioned Petition with the Board, which was later assigned BPU Docket No. WR22090611, for approval of an increase in the level of its purchased wastewater treatment adjustment clause ("PSTAC") as required by N.J.A.C. 14:9-7.1(d) and 14:9-7.7.

4. The matter was retained by the Board for review and disposition.

5. ACSC provided notice of the filing, a statement of its effect and of the scheduling of the public comment hearings to its customers by a public notice placed in newspapers published and circulated in the Company's service territory pursuant to the rules of the Board. Copies of the approved form of Notice and the proposed PSTAC rates were also served upon the Atlantic City and Atlantic County Executives and Clerk of the Board of County Commissioners pursuant to the Board's regulations. Proofs of service of these notices were filed with the Board in accordance with the Board's regulations.

6. Virtual and telephonic public comment hearings were held on November 16, 2022, at 4:30 p.m. and 5:30 p.m., and were presided over by a Board-appointed legal specialist.

No members of the public appeared at the public comment hearings and no written comments were received by the Board.

## **II. Settlement Provisions.**

7. For the reasons set forth in the following paragraphs, the Parties agree that the record herein supports the findings and conclusions set forth below.

8. As required in N.J.A.C. 14:9-7.7, the Company has included in its filing an estimate of ACUA costs for calendar year 2023, which estimate has been used to determine the applicable PSTAC rate for 2023. As a result, the projected bill for 2023 from the ACUA is \$7,971,518. In addition, the following components have been included to arrive at the net amount for recovery from customers through the 2023 PSTAC of \$8,909,503:

- a. ACSC had a net under-recovery of \$372,821 for the 2022 PSTAC;
- b. ACUA credit to the Company of \$78,632 for 2021 billing;
- c. ACUA is projecting an additional charge to the Company of \$639,296 for 2022 billing; and
- d. \$4,500 in filing costs for this proceeding, which reflects 50% of the total anticipated costs of \$9,000 (pursuant to the Board's 50/50 sharing of such expenses as between customers and investors).

9. Based on the estimated costs for 2023, the under-recovery from revenues for 2022, the 2021 credit and the estimated 2022 additional charge for treatment flows from the ACUA, and the costs of this proceeding, the Parties have agreed that Petitioner's current PSTAC rates on file with the Board should be increased as indicated on Exhibit A, and as reflected on the tariff page attached hereto as Exhibit B, effective January 1, 2023. For the average residential customer, the PSTAC rate will increase from \$20.406 per thousand cubic feet of metered water to \$25.735 per thousand cubic feet of metered water, an increase of \$5.3299 per thousand cubic feet of metered water, or approximately 26.11%. With respect to the total annual rate for

wastewater services, for the average residential customer using approximately 9.3 Mcf, their bill will increase from \$563.49 to \$613.05, an increase of \$49.56, or approximately 26.11% annually.<sup>1</sup>

10. Consistent with the provisions of N.J.A.C. 14:9-7.1 to 7.7, the Parties agree that the Company will file with the Board a PSTAC petition to reconcile 2023 ACUA costs with the estimated ACUA costs (as reflected in the rates identified on Exhibit A and Exhibit B) for the same period. Additionally, the Company will include in its filing an estimate of ACUA costs for calendar year 2024, which estimate will be used to determine the applicable PSTAC rate for 2024, as required in N.J.A.C. 14:9-7.1(d) and 14:9-7.7.

11. ACSC shall account for net cumulative over-recoveries and under-recoveries resulting from the PSTAC. These over-recoveries and under-recoveries will be charged or credited to the PSTAC in subsequent PSTAC proceedings. The net monthly cumulative over-recoveries and under-recoveries shall be calculated for each month, utilizing an average balance for each month. Interest on net cumulative monthly over-recoveries shall be credited to the PSTAC at an interest rate equal to the Company's return on rate base of 7.210%. Similarly, interest on net monthly under-recoveries shall be charged against the PSTAC. If the Company has another base rate case completed while this PSTAC is in effect, the return on rate base utilized in that base rate case shall become the interest rate on net monthly cumulative over-recoveries and under-recoveries, on a prospective basis. If, as of December 31, 2023, interest shall be due to the PSTAC, such interest shall in fact be credited to the PSTAC. If, as of

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<sup>1</sup> During the course of this proceeding, updates to the original supporting schedules were provided during discovery which utilized actual information in place of estimates where known. Those changes supported an increase to the rate increase originally requested (from \$25.735 to \$25.981 per thousand cubic feet of metered water); however, the Company is not seeking that higher rate. Instead, the Company is proposing the same increase reflected in the PSTAC Petition, which is reflected in this Paragraph.

December 31, 2023, interest shall be chargeable against the PSTAC, said interest shall be eliminated through appropriate accounting entries.

12. The Parties have engaged in full discovery. The Parties agree that the within Stipulation reflects a mutual balancing of various issues and positions, and that it is being entered into in the spirit of compromise and to avoid protracted and costly litigation.

13. This Stipulation is the product of negotiations by the Parties, and it is an express condition of the settlement embodied by this Stipulation that it be presented to the Board in its entirety without modification or condition. It is also the intent of the Parties to this Stipulation that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to herein. The Parties to this Stipulation specifically agree that if adopted in its entirety by the Board, no appeal shall be taken by them from the order adopting same as to those issues upon which the Parties have stipulated herein.

14. The Parties agree that each term within this Stipulation reflects a mutual balancing of various issues and positions and is intended to be accepted and approved in its entirety. Each term is vital to this Stipulation as a whole, since the Parties hereto expressly and jointly state that they would not have signed this Stipulation had any terms been modified in any way. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, then any Party hereto materially affected thereby shall not be bound to proceed under this Stipulation.

15. The Parties further agree that with respect to any policy or other issues which were compromised in the spirit of reaching an agreement, none of the Parties shall be prohibited from, or prejudiced in, arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter. It is

specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposedly underlying any agreement provided herein in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

16. This Stipulation may be executed in as many counterparts as there are Parties to this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

[Signatures to follow]

IN WITNESS WHEREOF, the Parties, each expressly intending to be legally bound, and each acknowledging that he, she or it has given full and careful consideration to all aspects of this Stipulation, have duly authorized and caused this Stipulation to be executed and to become effective as of the dates affixed hereto:

11/28/2022  
Date

ATLANTIC CITY SEWERAGE COMPANY

By: Courtney L. Schultz  
Saul Ewing LLP  
Courtney L. Schultz, Esq.  
Attorney for Petitioner

11/29/22  
Date

MATTHEW J. PLATKIN  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the  
New Jersey Board of Public Utilities

By: Melika Arnautovic  
Melika Arnautovic  
Deputy Attorney General

11/29/22  
Date

BRIAN O. LIPMAN, ESQ.  
DIRECTOR – RATE COUNSEL

By: Susan E. McClure / CMS  
Susan E. McClure, Esq.  
Deputy Rate Counsel

# **EXHIBIT A**

The Atlantic City Sewerage Company

**CALCULATION OF 2023 TREATMENT RATE:**

		<u>REFERENCE</u>	
1	Net 2022 (Over) / Under Collection	\$ 372,821	ACSC-3 Estimate
2	Adjustment for Actual 2022 Treatment Costs	(78,632)	ACSC-5 Actual
3			
4	Other: Interest on net Over recovery	<u>0</u>	ACSC-3, col 12
5	Net (Over) / Under Collected Position from 2022 - Due to Ratepayer	294,189	
6	Projected 2023 Treatment Cost	7,971,518	ACSC-4 Estimate
7	Projected 2023 Charge/ (Credit) for 2022 Treatment Flows	<u>639,296</u>	ACSC-4 Estimate
8	Net Projected Treatment Cost	8,610,814	ACSC-4
9	Projected Filing Costs (shared 50/50)	<u>4,500</u>	ACSC-7 Estimate
10	<b>Total 2023 Treatment Cost Recovery</b>	<b><u>\$ 8,909,503</u></b>	

11 Calculation of New Treatment Rate:

12	Total 2023 Treatment Cost Recovery	\$ 8,909,503	line 10
13	Projected 2023 Mcf (divided by)	<u>346,200</u>	ACSC-2 Estimate
14	<b>2023 Volumetric Treatment Rate</b>	<b><u>\$ 25.735</u></b>	

15	Current Rate - effective 1/1/22	\$ 20.406	
16	New Rate	<u>\$ 25.735</u>	
17	difference in rate	\$ 5.329	26.11%
18	Volume projection	<u>346,200</u>	
19	Revenue Impact	\$ 1,844,901	

**The Atlantic City Sewerage Company**  
**2023 PROJECTED BILLING FLOWS (in Mcf)**

	<b>BILLING MONTH</b>	<b>Mcf Billed in 2022 (a)</b>	<b>Anticipated Additional Usage in 2023</b>		<b>PROJECTED 2023 Mcf</b>	
1	January	94,236.9	600.0	(b)	<b>94,836.9</b>	Estimate
2	February	17,940.5			<b>17,940.5</b>	Estimate
3	March	47,974.0			<b>47,974.0</b>	Estimate
4	April	53,278.2	1,100.0	(c)	<b>54,378.2</b>	Estimate
5	May	20,508.4			<b>20,508.4</b>	Estimate
6	June	43,269.6			<b>43,269.6</b>	Estimate
7	July	23,466.5	400.0	(d)	<b>23,866.5</b>	Estimate
8	August	43,426.1			<b>43,426.1</b>	Estimate
9						
10	<b>Total</b>	<b>344,100.2</b>	<b>2,100.0</b>		<b>346,200.2</b>	
11					to ACSC-1, line 13	

12 **NOTE: Based on 2022 "estimated" billings unless otherwise indicated.**

- 13 (a) 2022 Flows from schedule ACSC-3, column 4.  
 (b) New usage - New AtlantiCare Facility  
 (c) New usage - New Indoor Water Park Facility at Showboat Hotel  
 (d) New usage - New Stockton Dorm Facility



**The Atlantic City Sewerage Company**  
**2023 PROJECTED TREATMENT COST**  
**ANNUAL BILLING**

	(1)	(2)	(3)	(4)
			<i>Estimated (a)</i>	
	2022	2023	March	2023
	TREATMENT	8.00% (c)	2023	TREATMENT COST
	COST	<i>Est. Increase</i>	<i>(CREDIT)/CHARGE</i>	<i>(1)+(2)+(3)</i>
	\$ 7,381,035	\$ 590,483	\$ 639,296 (b)	\$ 8,610,814

13 (a) Actual 2022 treatment costs (column 1) will be available late December, while  
 14 the final true up amount (column 3) will not be available until mid-January 2023  
 15 This true-up will be applied against the Company's March Treatment Invoice.

16 (b) Based on ACUA's current projection of ACSC's 2022 flows to the ACUA  
 17 treatment plant of 34.48%, which is higher than the total flows of 31.73%  
 18 originally budgeted.

19 (c) Based on ACUA's current projection of ACUA's likely budget increase for  
 20 2023 after conversation with ACUA VP of Finance. Final numbers will be  
 21 available late December 2022.

**The Atlantic City Sewerage Company**

1	<b>2022 TREATMENT BILLINGS ADJUSTMENT</b>		
2	(Including the ACUA Credit/Surcharge for Prior Year)		
3			
4		<u>AMOUNT</u>	
5			
6			
7	2022 Actual Treatment Billing	\$ 7,381,035	
8			
9	Less: Actual Credit for 2021 Flows	<u>\$ (718,239)</u>	
10			
11	Net Actual Cost for 2022		\$ 6,662,796
12			
13			
14			
15	LESS:		
16			
17	2022 Estimated Treatment Billing	\$ 7,846,869	
18			
19	Less: Estimated Credit for 2021 Flows		
20	included in approved filing	<u>\$ (1,105,441)</u>	
21			
22	Net Estimated Cost for 2022		<u>\$ 6,741,428</u>
23			
24			
25	Treatment Cost Adjustment (Due To) Due From Ratepayers		<u>\$ (78,632) To ACSC-1</u>

### The Atlantic City Sewerage Company

		Thru	
	2022 NEW ACCOUNTS BILLED*	August 2022	
		MCF	Assumptions
	<u>MONTH</u>	<u>AMOUNT</u>	<u>and Notations:</u>
6	January	164.3	
7	February	26.6	
8	March	8.4	
9	April	17.5	
10	May	5.0	
11	June	7.5	
12	July	32.5	
13	August	0.0	
14			
15	Total	<u>261.8</u>	

17 \* These accounts are billed in advance with no adjustment for prior year usage required.

The Atlantic City Sewerage Company

1			
2		<b><u>2023 PSTAC - PROJECTED EXPENSES</u></b>	
3			
4			<b><u>AMOUNT</u></b>
5			
6	Legal Fees for 2023 PSTAC	\$	8,000
7	Postage, Publication & Copying	\$	1,000
8	Other:	\$	-
9			
10	Projected 2023 PSTAC Costs	<b><u>\$</u></b>	<b><u>9,000</u></b>
11			
12			
13	Total Projected Expenses (shared 50/50)	<b><u>\$</u></b>	<b><u>4,500</u></b> To ACSC-1

**ATLANTIC CITY SEWERAGE COMPANY  
ADJUSTED BILLS FOR SELECT COMMERCIAL CUSTOMERS**

Customers are generally billed based on the prior years usage for the coming year with a true-up for the prior year billing to the actual usage. There are a small number of commercial customers that have known issues with their meters or usage that have been manually billed to account for these issues. These customers will be getting the correct true up for the prior year, but will be billed at a different estimate for the coming year instead of the prior years actual.

<b>Billing Month</b>	<b>(1) 2021 Billed MCF</b>	<b>(2) 2021 Actual MCF</b>	<b>(3) Variance Billed V Actual</b>
<b>January</b>	27,668.8	24,887.2	(2,781.6)
<b>February</b>	-	-	-
<b>March</b>	18,461.5	17,868.8	(592.7)
<b>April</b>	-	-	-
<b>May</b>	-	-	-
<b>June</b>	9,916.4	6,306.3	(3,610.1)
<b>July</b>	-	-	-
<b>August</b>	13,147.3	9,879.1	(3,268.2)
<b>Total</b>	69,194.0	58,941.4	(10,252.6)

# **EXHIBIT B**

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**SCHEDULE OF ANNUAL RATES**

Fixed Charge

All customers shall pay the following annual fixed charge, based on the size of the water meter used in rendering of water service:

Size of Meter	Total Annual Fixed Charge
5/8" .....	\$ 289.10
3/4 .....	501.90
1 .....	1,477.30
1-1/2 .....	3,642.00
2 .....	7,220.40
3 .....	17,590.00
4 .....	36,995.00
6 .....	119,595.00
8 .....	175,869.00
10 or larger .....	282,633.00

Volumetric Collection Charge

In addition to the annual fixed charge, all customers shall pay \$9.098 for each 1,000 cubic feet of metered water, measured to the nearest one-tenth.

Purchased Sewerage Treatment Adjustment Clause (PSTAC) Charge

In addition to the annual fixed charge and the volumetric collection charge, all customers shall pay \$25.735 for each 1,000 cubic feet of metered water, measured to the nearest one-tenth, for sewerage treatment costs assessed to the Company by the relevant treating wastewater facility.

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Date of Issue:	September 23, 2022	Effective for Service
Issued by:	WENDY E. STEWART, President & General Manager	rendered on and after
	1200 Atlantic Avenue	January 1, 2023
	Atlantic City, New Jersey	

Filed Pursuant to Decision and Order of the Board of Public Utilities in Docket Nos. WR22090611, dated December , 2022.

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