

DIVISION OF WATER

STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 9th Floor Trenton, New Jersey 08625-0350 www.ni.gov/bpu/

| IN THE MATTER OF THE PETITION OF THE ATLANTIC CITY SEWERAGE COMPANY TO DECREASE THE LEVEL OF ITS PURCHASED SEWERAGE TREATMENT ADJUSTMENT CLAUSE |) | DECISION AND ORDER ADOPTING STIPULATION OF SETTLEMENT DOCKET NO. WR19080949 |
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Parties of Record:

Courtney L. Schultz, Esq., Saul Ewing Arnstein & Lehr LLP, on behalf of the Petitioner, Atlantic City Sewerage Company Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

Atlantic City Sewerage Company ("Petitioner" or "Company"), a public utility of the State of New Jersey, subject to the jurisdiction of the Board of Public Utilities ("Board") operates a sewerage collection and transmission system that serves approximately 7,600 customers within the City of Atlantic City, Atlantic County, New Jersey. The Petitioner purchases its sewage treatment from the Atlantic County Utilities Authority ("ACUA").

On August 23, 2019, pursuant to N.J.A.C. 14:9-8.1, et seq., the Company filed a petition proposing to reduce the level of its Purchased Wastewater (sewerage) Treatment Adjustment Clause ("PSTAC"). On November 5, 2019, the Company filed updated schedules, reflecting two primary adjustments to the schedules previously provided with the filing. The first adjustment was related to the true-up of flows for the temporary service to Atlantic City Electric Company to dewater a site for construction purposes, and the second was to reduce the estimated filing costs of this proceeding to more closely align with current cost expectations. As a result, the Company is proposing a final Volumetric Treatment Rate in this proceeding of \$22.889 (without compression).

By this Order, the Board considers a Stipulation of Settlement ("Stipulation") executed by the Company, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Parties").

BACKGROUND/PROCEDURAL HISTORY

The Petitioner does not treat any sewage. Rather, the Company is solely engaged in the collection and transmission of sewage within the City of Atlantic City. All of the collected sewage

transmitted by the Company is treated by the ACUA. The Petitioner does not meter sewage flows, but bills its customers on the basis of water entering the customers' premises.

The matter was retained by the Board and, since the Company requested a decrease in rates, it was deemed that a public comment hearing was not required pursuant to N.J.S.A. 48:2-21.

STIPULATION1

Following settlement negotiations, the Parties executed the Stipulation which resolved all of the issues in the proceeding. The Stipulation provides for the following:

The projected bill for 2020 from the ACUA is \$8,357,955. In addition, the following components have been included to arrive at the net amount for recovery from customers through the 2020 PSTAC of \$7,867,928:

- a. ACSC had a net over-recovery of \$61,455 (including \$2,822 of interest) for the 2019 PSTAC;
- b. ACUA is projecting a credit to the Company of \$427,194 for 2019 billing; and
- c. ACSC has included a reduction of \$1,378 resulting from the true-up of actual 2019 filing costs and anticipated filing costs for this proceeding.

Based on the estimated costs for 2020, the over-recovery from revenues for 2019, the estimated credit for 2019 treatment flows, and the costs of this proceeding and the prior year's proceeding, the Parties have agreed that Petitioner's current PSTAC rates on file with the Board should be decreased as indicated on Exhibit A, and as reflected on the tariff page attached hereto as Exhibit B. For the average residential customer, the PSTAC rate will decrease from \$24.610 per thousand cubic feet of metered water to \$22.889 per thousand cubic feet of metered water, a decrease of \$1.72 per thousand cubic feet of metered water, or approximately 6.99%. With respect to the total annual rate for wastewater services, for the average residential customer using approximately 9.3 Mcf, their bill will decrease from \$557.19 to \$541.18, a decrease of \$16.01, or approximately 2.87% annually.

DISCUSSIONS AND FINDINGS

Having reviewed the record in this matter, including the Stipulation, the Board <u>HEREBY FINDS</u> 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 <u>FURTHER FINDS</u> the Stipulation, to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board <u>HEREBY ADOPTS</u> 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 proceeding. Copies of the true-up schedule shall be served upon all parties to the present proceeding.

¹Although 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.

The Board HEREBY APPROVES the amount to be recovered through the 2019 PSTAC of \$22.889 per Mcf, which represents a decrease in the amount per Mcf that was recovered through the 2018 PSTAC.

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 16, 2019 with rates to become effective on and after January 1, 2020.

DATED: 12/6/19

BOARD OF PUBLIC UTILITIES

PRESIDENT

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

ATTEST:

AIDA CAMACHO-WELC

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. WR19080949

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STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF THE ATLANTIC CITY SEWERAGE COMPANY TO

STIPULATION OF SETTLEMENT

DECREASE THE LEVEL OF ITS

BPU DOCKET NO. WR19080949

PURCHASED SEWERAGE TREATMENT

ADJUSTMENT CLAUSE

APPEARANCES:

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

Debra F. Robinson, Deputy Rate Counsel, and Susan E. McClure, Esq., Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel

Paul Youchak, Deputy Attorney General, (Gurbir S. Grewal, 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, the "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 agreement. The Parties hereto agree and stipulate as follows:

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 7,600 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 August 23, 2019, 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. WR19080949, for approval of a reduction 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. The Parties agreed that a public comment hearing was not required because the Petitioner had proposed a decrease in rates.
- 5. On November 5, 2019, the Company served an updated Exhibit 3 upon Rate Counsel and Staff, reflecting two primary adjustments to the schedules previously provided with the filing. The first adjustment was related to the true-up of flows for the temporary service to Atlantic City Electric Company to dewater a site for construction purposes (see Exhibit A, Sched. ACSC-2 Update), and the second was to reduce the estimated filing costs of this proceeding to more closely align with current cost expectations (see Exhibit A, Sched. ACSC-7 Update).

- 6. 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 2020, which estimate has been used to determine the applicable PSTAC rate for 2020. As a result, the projected bill for 2020 from the ACUA is \$8,357,955. In addition, the following components have been included to arrive at the net amount for recovery from customers through the 2020 PSTAC of \$7,867,928:
 - a. ACSC had a net over-recovery of \$61,455 (including \$2,822 of interest) for the 2019 PSTAC;
 - b. ACUA is projecting a credit to the Company of \$427,194 for 2019 billing;
 - c. ACSC has included a reduction of \$1,378 resulting from the true-up of actual 2019 filing costs and anticipated filing costs for this proceeding.
- Based on the estimated costs for 2020, the over-recovery from revenues for 2019, the estimated credit for 2019 treatment flows, and the costs of this proceeding and the prior year's proceeding, the Parties have agreed that Petitioner's current PSTAC rates on file with the Board should be decreased as indicated on Exhibit A, and as reflected on the tariff page attached hereto as Exhibit B. For the average residential customer, the PSTAC rate will decrease from \$24.610 per thousand cubic feet of metered water to \$22.889 per thousand cubic feet of metered water, a decrease of \$1.72 per thousand cubic feet of metered water, or approximately 6.99%. With respect to the total annual rate for wastewater services, for the average residential customer using approximately 9.3 Mcf, their bill will decrease from \$557.19 to \$541.18, a decrease of \$16.01, or approximately 2.87% annually. (See Exhibit A, Sched. ACSC-8).
- 8. 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 2020 ACUA costs with the estimated ACUA costs (as reflected in the rates identified on Exhibit A and Exhibit B) for the

¹ For explanation of this adjustment, <u>see</u> Exhibit A, Sched. ACSC-7 Update. The expected filing costs for this proceeding were reduced in the Company's November 5, 2019 based on actual experience.

same period. Additionally, the Company will include in its filing an estimate of ACUA costs for calendar year 2021, which estimate will be used to determine the applicable PSTAC rate for 2021, as required in N.J.A.C. 14:9-7.1(d) and 14:9-7.7.

- 9. ACSA shall account of 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 return on rate base of 6.90%. 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, 2020, interest shall be due to the PSTAC, such interest shall in fact be credited to the PSTAC. If, as of December 31, 2020, interest shall be chargeable against the PSTAC, said interest shall be eliminated through appropriate accounting entries.
- 10. 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.
- 11. 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.

- 12. 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.
- 13. 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.
- 14. 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.

November 8, 2019 Date ATLANTIC FITY SEWERAGE COMPAN

Saul Ewing Arnstein & Lehr L. Courtney L. Schultz, Esq.

Attorney for Petitioner

GURBIR S. GREWAL ATTORNEY GENERAL OF NEW JERSEY Attorney for the Staff of the New Jersey Board of Public Utilities

By:

By:

Paul Youchak

Deputy Attorney General

STEFANIE A. BRAND, ESQ. DIRECTOR, DIVISION OF RATE COUNSEL

By:

Date

Date

Susan E. McClure, Esq.
Assistant Deputy Rate Counsel

ATLANTIC CITY SEWERAGE COMPANY

| November 8, 2019 Date | Ву: | Saul Ewing Arnstein & Lehr LLP Courtney L. Schultz, Esq. Attorney for Petitioner |
|-----------------------|-----|---|
| | | GURBIR S. GREWAL ATTORNEY GENERAL OF NEW JERSEY Attorney for the Staff of the New Jersey Board of Public Utilities |
| Nov. 8, 2019 Date | | By: Paul Youchak Deputy Attorney General |
| | | STEFANIE A. BRAND, ESQ. DIRECTOR, DIVISION OF RATE COUNSEL |
| Date | | By: Susan McClure, Esq. Assistant Deputy Rate Counsel |

ATLANTIC CITY SEWERAGE COMPANY

| November 8, 2019 Date | Ву: | Saul Ewing Arnstein & Lehr LLP Courtney L. Schultz, Esq. Attorney for Petitioner |
|-----------------------|-----|---|
| · , | | GURBIR S. GREWAL ATTORNEY GENERAL OF NEW JERSEY Attorney for the Staff of the New Jersey Board of Public Utilities |
| Date | | By: Paul Youchak Deputy Attorney General |
| | | STEFANIE A. BRAND, ESQ. DIRECTOR, DIVISION OF RATE COUNSEL |
| 11/15/19 Date | | By: Susan E. McClure, Esq. Assistant Deputy Rate Counsel |

EXHIBIT A

REFERENCE

The Atlantic City Sewerage Company

SCHEDULE ACSC-1

CALCULATION OF 2020 TREATMENT RATE:

| | | | | | KEFEKENCI | E . |
|----|-------------------------------------|--------------------------------|--------------|--------------|--------------|------------|
| 1 | Net 2019 Over/(Under) Collection | on | \$ (104,734) | | ACSC-3 | Estimate |
| 2 | Adjustment for Change in 2019 | Treatment Cost Billing | 163,367 | | ACSC-5 | Actual |
| 3 | Other: Interest on net Overrecovery | | 2,822 | . AC | CSC-3, col 1 | 2 Estimate |
| 4 | Net Over/(under) collected for 2 | 2019 | | 61,455 | | |
| 5 | | | 0.257.055 | | 4000 4 | F-0 |
| 6 | Projected 2020 Treatment Cost | | 8,357,955 | | ACSC-4 | Estimate |
| 7 | Projected Charge/(Credit) for 2 | 019 Treatment Flows in 2020 | (427,194) | • | ACSC-5 | Estimate |
| 8 | Net Projected Treatment Cost | | | 7,930,761 | ACSC-6 | |
| 9 | Projected Filing Costs (shared 50/ | 50), net of Prior Year True-up | | (1,378) | ACSC-7 | Estimate |
| 10 | Total 2020 Treatme | ent Cost Recovery | | \$ 7,867,928 | | |
| 11 | Calculation of New Treatment | | * 7.007.000 | | | |
| 12 | Total 2020 Treatment Cost Rec | overy | \$ 7,867,928 | | line 10 | |
| 13 | Projected 2020 Mcf (divided by |) | 343,736.4 | _ | ACSC-2 | Actual |
| 14 | 2020 Volumetric Treatment R | ate | \$ 22.889 | | | |
| | | | | - | | |
| | | | | | | |
| | | Current Rate | \$ 24.610 | 7 | | |
| | | New Rate | \$ 22.889 | | | |
| | | difference in rate | \$ (1.721 | -6.99% | | |
| | | Volume projection | 343,736.4 | | | |
| | | Revenue Impact | \$ (591,570 |) | | |
| | | | | | | |

SCHEDULE ACSC-2

2020 PROJECTED BILLING FLOWS (in Mcf)

| | BILLING MONTH | Mcf Billed in 2019 (a) | Adjustments, i | f req'd. | PROJECTED 2020 Mcf | _ |
|-------------|------------------|------------------------------|--|----------|-----------------------|--------|
| 1 | January | 101,834.4 | 0.0 | | 101,834.4 | Actual |
| 2 | February | 18,604.9 | 0.0 | | 18,604.9 | Actual |
| 2 3 | March | 50,322.8 | 0.0 | | 50,322.8 | Actual |
| 4 | April | 44,144.5 | 0.0 | | 44,144.5 | Actual |
| 4 5 6 | May | 22,753.2 | (1,711.0) | (b) | 21,042.2 | Actual |
| 6 | June | 41,639.7 | 0.0 | •***** | 41,639.7 | Actual |
| 7 | July | 23,718.5 | (142.0) | (c) | 23,576.5 | |
| 8 | August | 42,571.4 | *** XXXX XX ************************** | • 300 € | 42,571.4 | Actual |
| 8 9 | | | • | | | |
| 10 | Total | 345,589.4 | (1,853.0) | | 343,736.4 | |
| 11 | | | - 10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | | | = |

12 13

NOTE: Based on 2019 flows unless otherwise indicated.

14 15

(a) 2019 Flows from schedule ACSC-3, column 4.

16 17

(b) Atlantic Electric temporary service to de-water property for 3 months.

18 19

(c) SJG temporary service to de-water Florida Ave property.

The Atlantic City Sewerage Company 2019 OVER (UNDER) RECOVERY

SCHEDULE ACSC-3

| | | Actual | Actual | Actual | Estimate (A) | Estimate (A) | Actual | Estimate (A) | Estimate (A) | Estimate (A) | Estimate (A) | Actual | Estimate (A) | Actual |
|----------|-------------|--------------|------------------|---------------|--------------|-------------------|---------------------|---------------|------------------|-----------------|--------------------|----------------------|--------------------|----------------|
| | | (1) | (2) | (3) | . (4) | (5) | (6) | (7) | · (8) | (9) | (10) | (11) | (12) | (13) |
| | | | | | | 2019 | | MONTHLY | PRIOR | | | BILLED | | |
| | | | | APPROVED | | BILLED | 2019 PSTAC | OVER | YEAR | PRIOR | NET MONTHLY | READINGS | Interest | • |
| | | PSTAC | 2019 | TREATMENT | | TREATMENT | Supplemental | (UNDER) | ADJ (Mcf) | YEAR | CUMLATIVE | 2018 Mcf | Calculation - | |
| | BILLING | Approved | TREATMENT | REVENUES | BILLED | REVENUES | Billing | COLLECTION | TO ACTUAL | TREATMENT \$'s | OVER (UNDER) | (from prior | Due to (From) | Approved |
| | MONTH | Mcf | RATE | (1) x (2) | 2019 Mcf | (4) x Applic Rate | (Credits) | (5)+(6) - (3) | (4)-(11)-ACS6 | (8) x PY 26,103 | (7)+(9)+prior mo's | [year col (4)] | (10) x (13)/12 | ROR |
| | • | | 24.040 | | 494.004.4 | | _ | 44-000 | | 400.050 | | | 4 202 | 0.000 |
| 3 | January | 97,125.1 | 24.610 | 2,390,249 | 101,834.4 | 2,506,145 | 0 | 115,896 | 4,676.0 | 122,058 | 237,954 | 97,117.0 | 1,368 | 6.90% |
| 2 | February | 18,959.2 | 24.610 | 466,586 | 18,604.9 | 457,867 | (2,406) | (11,125) | (368.1) | (9,609) | 217,220 | 18,945.5 | 1,249 | 6.90% |
| 3 | March | 49,582.0 | 24.610 | 1,220,213 | 50,322.8 | 1,238,444 | (11,949) | 6,282 | 684.1 | 17,857 | 241,359 | 49,582.0 | 1,388 | 6.90% |
| - | April | 46,732.9 | 24.610 | 1,150,097 | 44,144.5 | 1,086,396 | (17,152) | (80,853) | (2,593.4) | (67,696) | 92,811 | 46,735.4 21,548.4 | 534 566 | 6.90% 6.90% |
| 2 | May | 21,554.7 | 24.610 | 530,461 | 22,753.2 | 559,956 | (10,559) | 18,936 | (508.7) | (13,279) | 98,468 74 222 | 41,544.5 | 410 | 6.90% |
| ~ | June | 41,660.5 | 24.610 | 1,025,265 | 41,639,7 | 1,024,753 | (25,736) | (26,248) | (38.2) | (997) | 71,223 55,321 | 23,577.3 | 318 | 6.90% |
| | July | 23,587.4 | 24.610 | 580,486 | 23,718.5 | 583,712 | (17,447) | (14,221) | | (1,681) | (104,721) | 44,943.9 | (602) | 6.90% |
| 8 | August | 44,943.9 | 24.610 | 1,106,069 | 42,571.4 | 1,047,682 | (38,956) | (97,353) | (2,401.6) 0.0 | (62,689) | (104,721) | 0.0 | (6 02) | 6.90% |
| 9 | September | 0.0 | 24.610 | U | 0.0 | 0 | | U | 0.0 | v | (104,721) | 0.0 | (602) | 6.90% |
| 10 | October | 0.0 | 24.610 | 0 | 0.0 0.0 | 0 | 0 | 0 | 0.0 | | (104,721) | 0.0 | (602) | 6.90% |
| 11 | November | 0.0 0.0 | 24.610 24.610 | 0 | 0.0 | 0 | 0 | 0 | 0.0 | ő | (104,721) | 0.0 | (602) | 6.90% |
| 12 13 | December | 0.0 | 24.010 | | 0.0 | U | U | U | 0.0 | u | (103,121) | 0.0 | (002) | 0.50 A |
| 14 | Rounding | | | 13 | | | | (13) | | | (104,734) | | | |
| 15 | | | | (2) | | (x) | (3) | | | | | | | |
| 16 | Totals | 344,145.7 | | \$8,469,439 | 345,589.4 | \$ 8,504,955 | \$ (124,215) | \$ (88,699) | (614.3) | \$ (16,035) | | 344,094.0 | \$ 2,822 | |
| 17 | _ | | | | | | | | | | | | | |
| 18 | Total Appro | ved Treatmen | t Recovery Am | ount | | \$ 8,469,439 | (Z) | | | | | | | |
| 19 | | | | | | | | | | | | | | |
| 20 | | | recovery on ac | | | | (x)+(y)-(z) | | | | | | | |
| 21 | | | recovery on 20 | | | | col (9) | | | | | | | |
| 22 | | | Net 2019 Over (| Under) Recov€ | ery | \$ (104,734) | | | | | | | | |

(A) minor adjustment could occur to these balances during the balance of the PSTAC year. $\begin{tabular}{ll} \hline \end{tabular}$

SCHEDULE ACSC-4

| 1 | | | | |
|----|--------------|----------|-----------------|----------------|
| 2 | 2 | | | |
| 4 | | ANNUAL | BILLING | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | (1) | (2) | (3) | . (4) |
| 9 | 1.7 | \-/ | (•) | . (*) |
| 10 | | | Estimated | |
| 11 | 2019 | 2020 | FEBRUARY | 2020 |
| 12 | TREATMENT | 0.0% | 2020 | TREATMENT COST |
| 13 | COST | INCREASE | (CREDIT)/CHARGE | (1)+(2)+(3) |
| 14 | | | | |
| 15 | | | | |
| 16 | \$ 8,357,955 | \$ - | \$ (427,194) * | \$ 7,930,761 |
| 17 | Estimate | | Estimate | |
| 18 | | | | |

^{*} Based on ACUA's current projection of ACSC's 2019 flows of 33.97%, which is lower than the total flows originally budgeted for ACSC of 35.8% of the total flows to the treatment plant.

SCHEDULE ACSC-5

| 1 | 2019 TREATMENT BILLINGS | | | | | | | |
|----------|--|-------|---------------|------------------------|--|--|--|--|
| 2 | (Including the ACUA Credit/Surcharge for Prior Year) | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | AMOUNT | | | | | |
| 6 7 | 2019 Actual Treatment Billing | s | 8,357,955 | Actual | | | | |
| 8 | 2019 Actual Treatment Dining | Ψ | 0,001,000 | Actual | | | | |
| 9 | Less: Actual Credit for 2018 Flows | \$ | (382,340) | Actual | | | | |
| 10 | | | | | | | | |
| 11 | Net Actual Cost for 2019 | | | \$ 7,975,615 | | | | |
| 12 | | | | | | | | |
| 13 | | | | | | | | |
| 14 | LEGG. | | | | | | | |
| 15 16 | LESS: | | | | | | | |
| 17 | 2019 Estimated Treatment Billing | \$ | 8,357,955 | Actual | | | | |
| 18 | | • | 0,00.,000 | | | | | |
| 19 | Less: Estimated Credit for 2018 Flows | | | | | | | |
| 20 | (Provided by ACUA) | \$ | (218,973) | Actual | | | | |
| 21 | | | | | | | | |
| 22 | Net Estimated Cost for 2019 | | | <u>\$ 8,138,982</u> | | | | |
| 23 | | | | | | | | |
| 24 25 | Treatment Cost Adjustment (Due To) Du | ıo Er | om Detensyere | \$ (163,367) To ACSC-1 | | | | |
| 20 | 5 Treatment Cost Adjustment (Due To) Due From Ratepayers | | | \$ (163,367) To ACSC-1 | | | | |

SCHEDULE ACSC-6

| 1 | 2019 NEW ACC | OUNTS BILLED* | | |
|--------|--------------|---------------|---------------|---|
| 3 4 | MONTH | | Mcf AMOUNT | Assumptions and Notations: |
| 5 | | | #H - *** | |
| 6 | January | Actual | 41.4 | |
| 7 | February | Actual | 27.5 | |
| 8 | March | Actual | 56.7 | |
| 9 | April | Actual | 2.5 | |
| 10 | May | Actual | 1,713.5 | ACE Temporary connection for construction |
| 11 | June | Actual | 33.4 | |
| 12 | July | Actual | 205.6 | SJG Temporary Connection for remediation |
| 13 | August | Actual | 29.1 | • |
| 14 | • | |) | |
| 15 | Total | • | 2,109.7 | |
| 16 | | | | |

^{*} These accounts are billed in advance with no adjustment for prior year usage required.

SCHEDULE ACSC-7

| 7 | | |
|----|---|----------------------|
| 2 | 2020 PSTAC - PROJECTED EXPENSES | |
| 3 | | |
| 4 | | AMOUNT |
| 5 | | |
| 6 | Legal Fees for 2020 PSTAC | \$ 6,000 Estimate |
| 7 | Postage, Publication & Copying | 0 Actual |
| 8 | True-up of 2019 Actual PSTAC Cost to Estimate | \$ (8,756) Line 22 |
| 9 | | |
| 10 | 2020 PSTAC Costs, including PY true-up | \$ (2,756) |
| 11 | | |
| 12 | | |
| | • | |
| 13 | Total Projected Expenses (shared 50/50) | \$ (1,378) To ACSC-1 |
| | | |
| 14 | | |
| 15 | | |
| 16 | EXPENSE TRUE-UP | |
| 17 | | |
| 18 | Actual Costs for 2019 PSTAC Filing | \$ 13,744 Actual |
| 19 | · · · · · · · · · · · · · · · · · · · | |
| 20 | Estimated 2019 PSTAC Costs (PY Filing TSK-7) | \$ 22,500 Actual |
| 21 | ., - | |
| 22 | Required Adjustment | \$ (8,756) To line 8 |
| | • • | • |

SCHEDULE ACSC-8

ATLANTIC CITY SEWERAGE COMPANY 2020 - Impact of Annual Rate Change on Average Customer

Impact of PSTAC Decrease on Average Customer (9.3MCF)

| Rate 5/8" Meter | Existing | Proposed | Change \$ | Change % |
|----------------------|----------|----------|-----------|----------|
| Fixed Charge (A) | \$254.00 | \$254.00 | \$0.00 | 0.00% |
| Rate/MCF | | | | |
| Collection | \$7.991 | \$7.991 | \$0.00 | |
| PSTAC | \$24.610 | \$22.889 | -\$1.72 | -6.99% |
| Variable Charges (B) | | | | |
| Collection | \$74.32 | \$74.32 | \$0.00 | 0.00% |
| PSTAC | \$228.87 | \$212.87 | -\$16.01 | -6.99% |
| Total (A) + (B) | \$557.19 | \$541.18 | -\$16.01 | -2.87% |

EXHIBIT B

SCHEDULE OF RATES

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:

| | Total Annual |
|---------------|--------------|
| Size of Meter | Fixed Charge |
| 5/8" | \$ 254 |
| 3/4 | |
| 1 | 1,298 |
| 1-1/2 | 3,200 |
| 2 | 6,344 |
| 3 | 15,455 |
| 4 | 32,505 |
| 6 | 105,079 |
| 8 | 154,523 |
| 10 or larger | |

Volumetric Collection Charge

In addition to the annual fixed charge, all customers shall pay \$7.991 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 \$22.889 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.

Date of Issue:

Issued by:

THOMAS P. KAVANAUGH, President & General Manager 1200 Atlantic Avenue

Effective for Service rendered on and after January 1, 2020

Filed pursuant to decision and Order of Board of Public Utilities in Docket No. WR19080949, dated , 2019.