



Agenda Date: 05/22/18
Agenda Item: 5A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

DIVISION OF WATER

IN THE MATTER OF THE PETITION OF THE)	ORDER ADOPTING INITIAL
ATLANTIC CITY SEWERAGE COMPANY TO)	DECISION/SETTLEMENT
MAINTAIN THE LEVEL OF ITS PURCHASED)	
SEWERAGE TREATMENT ADJUSTMENT)	BPU DKT. NO. WR17121313
CLAUSE)	OAL DKT. NO. PUC 00405-2018S
)	

Parties of Record:

Christine Soares, Esq., Cozen O'Connor, P.C. on behalf of Atlantic City Sewerage Company
Stephanie A. Brand, 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 7,500 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 December 28, 2017, pursuant to N.J.A.C. 14:9-8.1 et seq., the Company filed a petition requesting to change the level of its Purchased Wastewater (sewerage) Treatment Adjustment Clause ("PSTAC") charge from \$26.103 per million cubic feet ("Mcf") of metered water to a rate of \$27.150 Mcf. The Company's initial filing was based on preliminary estimates and was updated as the case progressed. The amount originally estimated in the petition to be recovered in the 2018 PSTAC was \$9,166,227.

On March 27, 2018, the Company amended its initial filing to now reflect an amount to be recovered in the 2018 PSTAC of \$9,121,773. This represents a negligible increase of \$0.028 or 0.001% on the average residential customer's annual sewerage bill above the current PSTAC charge. Given the amended numbers stated above, the Petitioner has agreed to maintain the 2017 PSTAC charge for calendar year 2018 of \$26.103 per Mcf.

By this Order, the Board considers the Initial Decision adopting the Stipulation of Settlement ("Stipulation") executed by the Company, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Parties") as its own providing for no change in the 2017 PSTAC rate per Mcf for the current 2018 PSTAC year.

BACKGROUND/PROCEDURAL HISTORY

This matter was transmitted to the Office of Administrative Law ("OAL") on January 10, 2018, as a contested case, and was assigned to Administrative Law Judge ("ALJ") Jacob S. Gertsman. ALJ Gertsman conducted a telephonic prehearing conference on February 13, 2018 and, among other things, directed that a public hearing be held on this matter. Since the Company's amended petition requests no change in its current PSTAC rate per Mcf, it was deemed that the public hearing, originally scheduled for March 19, 2018, was not required. There were no motions to intervene or participate filed in this proceeding.

STIPULATION¹

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

The amount to be recovered through the 2018 PSTAC is \$9,121,773. The amount of ACUA treatment costs to be recovered through the 2018 PSTAC is \$8,071,115. This amount has been further adjusted by the projected regulatory costs, \$11,250 shared 50/50, as well as a (\$1,039,408) 2017 under collection to reflect a total amount to be recovered in 2018 of \$9,121,773. This is the amount to be recovered in calendar year 2018 through the current PSTAC Charge of \$26.103 per Mcf. This represents no change to the average residential customer's annual sewerage bill.

Petitioner 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 return on rate base of 6.90%. Similarly, interest on net monthly under-recoveries shall be charged against the PSTAC. If Petitioner 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, 2018, interest shall be due the PSTAC, such interest shall in fact be credited to the PSTAC. If, as of December 31, 2018, interest shall be chargeable against the PSTAC, said interest shall be eliminated through appropriate accounting entries.

On May 14, 2018 ALJ Gertsman issued his Initial Decision recommending adoption of the Stipulation executed by the Parties, finding that they had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law.

DISCUSSIONS AND FINDINGS

Having reviewed the record in this matter, including the Initial Decision and the Stipulation, the Board **HEREBY FINDS** that the Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. The

¹ 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. Each paragraph is numbered to coincide with the paragraphs in the Stipulation.

Board **FURTHER FINDS** the Initial Decision, which adopts the Stipulation, to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Initial Decision and 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.

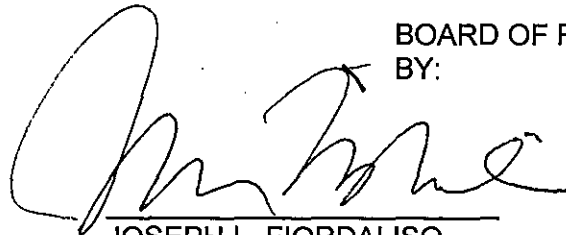
The Board **HEREBY APPROVES** the amount to be recovered through the 2018 PSTAC of \$26.103 per Mcf, which represents no change in the amount per Mcf that was recovered through the 2017 PSTAC.

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

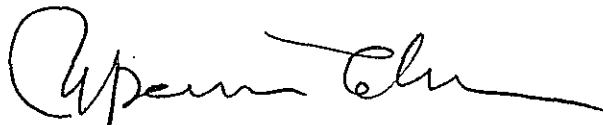
The effective date of this Order is as dated below, with rates to become effective on and after June 1, 2018.

DATED: 5/22/18

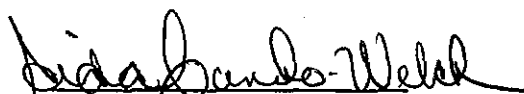
BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER
DIANNE SOLOMON
COMMISSIONER
UPENDRA J. CHIVUKULA
COMMISSIONER
ROBERT M. GORDON
COMMISSIONER

ATTEST:


AIDA CAMACHO-WELCH
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 MAINTAIN THE LEVEL OF ITS PURCHASED SEWERAGE TREATMENT
ADJUSTMENT CLAUSE**

**BPU DOCKET NO. WR17121313
OAL DOCKET NO. PUC 00405-2018S**

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May 9, 2018

Christine Soares

Direct Phone 856-910-5069
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VIA FACSIMILE AND FIRST CLASS MAIL

Honorable Jacob S. Gertsman
Administrative Law Judge
Office of Administrative Law
PO Box 49
Trenton, NJ 08625-0049

**Re: In the Matter of the Petition of The Atlantic City Sewerage Company to Change
the Level of its Purchased Sewerage Treatment Adjustment Clause
BPU Docket No.: WR17121313**

Dear Judge Gertsman:

Enclosed please find a fully executed Stipulation of settlement in the above-referenced matter.
We await issuance of Your Honor's Initial Decision.

Thank you in advance for your cooperation.

Respectfully,

COZEN O'CONNOR, PC


By: Christine Soares

CS:kn

cc: Service List (via email)

LEGAL\36202828\1

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
OFFICE OF ADMINISTRATIVE LAW

IN THE MATTER OF THE PETITION OF :
THE ATLANTIC CITY SEWERAGE : **BPU DOCKET NO. WR17121313**
COMPANY TO MAINTAIN THE LEVEL : **OAL DOCKET NO. PUC 00405-2018 S**
OF ITS PURCHASED SEWERAGE :
TREATMENT ADJUSTMENT CLAUSE : **STIPULATION**
:
:

APPEARANCES:

Ira G. Megdal and Christine Soares, Esquires (Cozen O'Connor, attorneys) for The Atlantic City Sewerage Company, Petitioner;

Susan E. McClure, Esq., Division of Rate Counsel; (Stefanie A. Brand, Director, Division of Rate Counsel); and

Renee Greenberg, Deputy Attorney General (Gurbir S. Grewal, Attorney General of the State of New Jersey) on behalf of the Staff of the Board of Public Utilities ("Board Staff").

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

I. INTRODUCTION

1. The Atlantic City Sewerage Company ("ACSC", the "Company" or "Petitioner") a public utility company of the State of New Jersey, operates a sewage collection and transmission system within its defined service territory, consisting of the City of Atlantic City, New Jersey. Within its service territory, Petitioner serves approximately 7,500 customers. ACSC purchases its sewage treatment from the Atlantic County Utilities Authority ("ACUA").

2. On or about December 27, 2017, the Company filed a petition with the New Jersey Board of Public Utilities ("BPU" or the "Board") proposing to change the level of its Purchased Sewerage Treatment Adjustment Clause ("PSTAC") pursuant to the provisions of N.J.A.C. 14:9-8.1, *et seq.* (the "Petition"). The matter was assigned Docket No. WR17121313 by the Board. The matter was thereafter transmitted to the Office of Administrative Law

("OAL") as a contested case on January 10, 2018 and was assigned to the Honorable Jacob S. Gertsman, ALJ under Docket No. PUC00405-2018S.

3. On March 27, 2018, ACSC filed an Amended Petition to maintain the level of its PSTAC.

4. The parties to the proceeding include the Board Staff, Division of Rate Counsel ("Rate Counsel"), and the Company (hereafter collectively, the "Parties"). There were no intervenors.

5. The Parties have engaged in settlement discussions. As a result of these discussions, the Parties to this Stipulation agree to a resolution of all issues which arose in the proceeding and hereto stipulate as follows:

II. PSTAC

6. Pursuant to the Amended Petition, the Company proposed to maintain its Volumetric Treatment Charge, effective January 1, 2018.

7. By way of background, ACSC does not treat any sewage. Rather, ACSC is solely engaged in the collection and transmission of sewage within the City of Atlantic City. All of the sewage collected and transmitted by the Company is treated by the ACUA.

8. ACSC does not meter sewage flows, but bills its customers on the basis of water entering its customers' premises. ACSC is furnished data regarding water entering its customers' premises by the Atlantic City Municipal Utilities Authority ("ACMUA"), the entity purveying water within the City of Atlantic City. Each year, ACSC bills its customers (other than certain large volume customers) based on water consumption during the prior year.

9. The Amended Petition was based on projected consumption by customers for the billing cycles of January 1, 2018 through December 31, 2018, based upon actual 2017

consumption and assuming the opening of the Ocean Resort Casino, Stockton University and South Jersey Gas Company in mid-summer, September and November respectively.

10. The Company's PSTAC rate is implemented through the use of its Volumetric Treatment Charge. In the Amended Petition, ACSC sought to maintain its Volumetric Treatment Charge of \$26.103 per Mcf of metered water. The Amended Petition was based on estimates, preliminary in nature, and updated as the case progressed.

11. The amount of ACUA treatment costs to be recovered through the 2018 PSTAC is \$8,071,115. This amount has been further adjusted by the projected regulatory costs (shared 50/50) of \$11,250, as well as a \$1,039,408 under-recovery in 2017 to reflect a total amount to be recovered through the 2018 PSTAC of \$9,121,773. This is the amount to be recovered in 2018 through the Volumetric Treatment Charge, which is the rate through which the PSTAC is affected. When this amount is divided by the projected 2018 flows of 349,077.8 Mcf, the resulting PSTAC rate is \$26.131 per Mcf. Given what would otherwise be a negligible increase in the PSTAC of less than three cents (\$0.028), based on Petitioner's projections for 2018, ACSC proposes to maintain the 2017 PSTAC charge for 2018 of \$26.103.

12. Attached hereto as Exhibit "A" are the tariff sheets giving effect to the Volumetric Treatment Charge stipulated in this Stipulation. The Parties hereto agree that said tariff sheets are just and reasonable and should be accepted by the Board effective June 1, 2018, or as soon thereafter as the Board may issue an Order accepting the same. The Parties further acknowledge that any increase or resolution of any issue agreed to in this Stipulation shall become effective on a date certain as specified in the Board Order, after the service of the Board Order on all Parties of record, in accordance with N.J.S.A. 48:2-40.

13. 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 return on rate base of 6.90%. Similarly, interest on net monthly under-recoveries shall be charged against the PSTAC. If Petitioner 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, 2018, interest shall be due the PSTAC, such interest shall in fact be credited to the PSTAC. If, as of December 31, 2018, interest shall be chargeable against the PSTAC, said interest shall be eliminated through appropriate accounting entries.

III. MISCELLANEOUS

14. This Stipulation shall be binding on the Parties on approval of the Board. This Stipulation shall bind the Parties in this matter only and shall have no precedential value.

15. This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the Parties expressly and jointly state that they would not have signed the agreement had any term been modified in any way. Since the Parties have compromised in numerous areas, each is entitled to certain procedures in the event that any modifications whatsoever are made to this Stipulation.

16. If any modification is made to the terms of this Stipulation, the Signatory Parties each must be given the right to be placed in the position it was in before the Stipulation was entered into. It is essential that each Party be given the option, before the implementation of any new rate resulting from any modification of this Stipulation, either to modify its own position to accept the proposed changes, or to resume the proceeding as if no agreement had been reached.

17. The Parties believe that these procedures are fair to all concerned, and therefore, they are made an integral and essential element of this Stipulation.

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

THE ATLANTIC CITY SEWERAGE COMPANY

By: Christine Soares
Christine Soares, Esquire

Dated: May 4, 2018

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
ATTORNEY FOR STAFF OF THE NEW
JERSEY
BOARD OF PUBLIC UTILITIES

By: Renee Greenberg
Renee Greenberg
Deputy Attorney General

Dated: May 4, 2018

STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE
COUNSEL

By: Susan McClure
Susan McClure
Assistant Deputy Rate Counsel

Dated: May 8, 2018

**THE ATLANTIC CITY SEWERAGE COMPANY
B.P.U. NO. 10 – SEWER**

SECOND REVISED SHEET NO. 1

**TARIFF
FOR
SEWERAGE SERVICE**

**Applicable In
THE CITY OF ATLANTIC CITY
NEW JERSEY**

Date of Issue:

Issued by:

**THOMAS S. KAVANAUGH, President & General Manager
1200 Atlantic Avenue
Atlantic City, New Jersey**

**Effective for Service
rendered on and after**

Filed Pursuant to Decision and Order of the Board of Public Utilities in Docket No. WR17121313 dated

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Date of Issue:

Issued by: THOMAS S. KAVANAUGH, President & General Manager
1200 Atlantic Avenue
Atlantic City, New Jersey

Effective for Service
rendered on and after

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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 the rendering of water service:

Size of Meter	Total Annual Fixed Charge
5/8"	\$260
3/4	451
1	1,326
1-1/2	3,270
2	6,483
3	15,792
4	33,215
6	107,373
8	157,896
10 or larger	253,750

Volumetric Collection Charge

In addition to the annual fixed charge, all customers shall pay \$8.165 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 \$26.103 for each 1,000 cubic feet of metered water, measured to the nearest one-tenth, for sewerage treatment costs assessed the Company by the relevant treating wastewater facility.

Date of Issue:		Effective for Service
Issued by:	THOMAS S. KAVANAUGH, President & General Manager	rendered on and after
	1200 Atlantic Avenue	_____
	Atlantic City, New Jersey	

Filed Pursuant to Decision and Order of the Board of Public Utilities in Docket No. WR17121313 dated _____



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

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

OAL DKT. NO. PUC 00405-18
AGENCY DKT. NO. WR17121313

Christine Soares, Esq., for petitioner Atlantic City Sewerage Company (Cozen
O'Connor, attorneys)

Patricia Krogman and Renee Greenberg, Deputy Attorneys General, for Staff of
the Board of Public Utilities (Gurbir S. Grewal, Attorney General of New
Jersey, attorney)

Debra Robinson and Susan McClure, Assistant Deputies Rate Counsel, for Division
of Rate Counsel (Stefanie A. Brand, Director)

Record Closed: May 11, 2018

Decided: May 14, 2018

BEFORE **JACOB S. GERTSMAN**, ALJ t/a:

This proceeding involves a petition filed by the Atlantic City Sewerage Company (Company) with the Board of Public Utilities (Board), pursuant to N.J.S.A. 48:2-21, seeking approval to change the levels of its Purchased Sewerage Treatment Adjustment Clause (PSTAC).

The petition was transmitted to the Office of Administrative Law (OAL) on January 11, 2018, for determination as a contested case, and assigned to the undersigned, who

OAL DKT. NO. PUC 00405-18

conducted the Initial case management conference on February 13, 2018. The Company filed, on March 27, 2018, an amended petition with the Board, requesting approval to maintain the level of its PSTAC. As the company is not seeking an increase in rates, no public hearing was held pursuant to N.J.S.A. 48:2-32.4.

The parties filed on May 11, 2018, a Stipulation of Settlement (J-1) which resolves all issues in this proceeding. Said Stipulation of Settlement has been signed by petitioner, Staff of the Board of Public Utilities, and Division of Rate Counsel. It indicates the terms of settlement, and is attached and fully incorporated herein.

I have reviewed the terms of settlement and I FIND:

1. The parties have voluntarily agreed to the settlement as evidenced by their signatures or their representatives' signatures on the attached document.
2. The settlement fully disposes of all issues in controversy between the parties and is consistent with the law.

I hereby FILE my initial decision with the BOARD OF PUBLIC UTILITIES for consideration.

This recommended decision may be adopted, modified or rejected by the BOARD OF PUBLIC UTILITIES, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

May 14, 2018 _____

DATE



JACOB S. GERTSMAN, ALJ t/a

Date Received at Agency:

_____ 5/14/18 _____

Date Mailed to Parties:

JSG/nd

APPENDIX

EXHIBITS

Jointly Submitted

J-1 Stipulation of Settlement

J-1

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
OFFICE OF ADMINISTRATIVE LAW

RECEIVED

2018 MAY 11 A 10:17

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

:
: BPU DOCKET NO. WR17121313
: OAL DOCKET NO. PUC 00405-2018 S
: STATE OF NEW JERSEY
: BOARD OF ADMIN LAW

STIPULATION

APPEARANCES:

Ira G. Megdal and Christine Soares, Esquires (Cozen O'Connor, attorneys) for The Atlantic City Sewerage Company, Petitioner;

Susan E. McClure, Esq., Division of Rate Counsel; (Stefanie A. Brand, Director, Division of Rate Counsel); and

Renee Greenberg, Deputy Attorney General (Gurbir S. Grewal, Attorney General of the State of New Jersey) on behalf of the Staff of the Board of Public Utilities ("Board Staff").

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I. INTRODUCTION

1. The Atlantic City Sewerage Company ("ACSC", the "Company" or "Petitioner") a public utility company of the State of New Jersey, operates a sewage collection and transmission system within its defined service territory, consisting of the City of Atlantic City, New Jersey. Within its service territory, Petitioner serves approximately 7,500 customers. ACSC purchases its sewage treatment from the Atlantic County Utilities Authority ("ACUA").

2. On or about December 27, 2017, the Company filed a petition with the New Jersey Board of Public Utilities ("BPU" or the "Board") proposing to change the level of its Purchased Sewerage Treatment Adjustment Clause ("PSTAC") pursuant to the provisions of N.J.A.C. 14:9-8.1, et seq. (the "Petition"). The matter was assigned Docket No. WR17121313 by the Board. The matter was thereafter transmitted to the Office of Administrative Law

("OAL") as a contested case on January 10, 2018 and was assigned to the Honorable Jacob S. Gertsman, ALJ under Docket No. PUC00405-2018S.

3. On March 27, 2018, ACSC filed an Amended Petition to maintain the level of its PSTAC.

4. The parties to the proceeding include the Board Staff, Division of Rate Counsel ("Rate Counsel"), and the Company (hereafter collectively, the "Parties"). There were no intervenors.

5. The Parties have engaged in settlement discussions. As a result of these discussions, the Parties to this Stipulation agree to a resolution of all issues which arose in the proceeding and hereto stipulate as follows:

II. PSTAC

6. Pursuant to the Amended Petition, the Company proposed to maintain its Volumetric Treatment Charge, effective January 1, 2018.

7. By way of background, ACSC does not treat any sewage. Rather, ACSC is solely engaged in the collection and transmission of sewage within the City of Atlantic City. All of the sewage collected and transmitted by the Company is treated by the ACUA.

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9. The Amended Petition was based on projected consumption by customers for the billing cycles of January 1, 2018 through December 31, 2018, based upon actual 2017

consumption and assuming the opening of the Ocean Resort Casino, Stockton University and South Jersey Gas Company in mid-summer, September and November respectively.

10. The Company's PSTAC rate is implemented through the use of its Volumetric Treatment Charge. In the Amended Petition, ACSC sought to maintain its Volumetric Treatment Charge of \$26.103 per Mcf of metered water. The Amended Petition was based on estimates, preliminary in nature, and updated as the case progressed.

11. The amount of ACUA treatment costs to be recovered through the 2018 PSTAC is \$8,071,115. This amount has been further adjusted by the projected regulatory costs (shared 50/50) of \$11,250, as well as a \$1,039,408 under-recovery in 2017 to reflect a total amount to be recovered through the 2018 PSTAC of \$9,121,773. This is the amount to be recovered in 2018 through the Volumetric Treatment Charge, which is the rate through which the PSTAC is affected. When this amount is divided by the projected 2018 flows of 349,077.8 Mcf, the resulting PSTAC rate is \$26.131 per Mcf. Given what would otherwise be a negligible increase in the PSTAC of less than three cents (\$0.028), based on Petitioner's projections for 2018, ACSC proposes to maintain the 2017 PSTAC charge for 2018 of \$26.103.

12. Attached hereto as Exhibit "A" are the tariff sheets giving effect to the Volumetric Treatment Charge stipulated in this Stipulation. The Parties hereto agree that said tariff sheets are just and reasonable and should be accepted by the Board effective June 1, 2018, or as soon thereafter as the Board may issue an Order accepting the same. The Parties further acknowledge that any increase or resolution of any issue agreed to in this Stipulation shall become effective on a date certain as specified in the Board Order, after the service of the Board Order on all Parties of record, in accordance with N.J.S.A. 48:2-40.

13. 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 return on rate base of 6.90%. Similarly, interest on net monthly under-recoveries shall be charged against the PSTAC. If Petitioner 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, 2018, interest shall be due the PSTAC, such interest shall in fact be credited to the PSTAC. If, as of December 31, 2018, interest shall be chargeable against the PSTAC, said interest shall be eliminated through appropriate accounting entries.

III. MISCELLANEOUS

14. This Stipulation shall be binding on the Parties on approval of the Board. This Stipulation shall bind the Parties in this matter only and shall have no precedential value.

15. This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the Parties expressly and jointly state that they would not have signed the agreement had any term been modified in any way. Since the Parties have compromised in numerous areas, each is entitled to certain procedures in the event that any modifications whatsoever are made to this Stipulation.

16. If any modification is made to the terms of this Stipulation, the Signatory Parties each must be given the right to be placed in the position it was in before the Stipulation was entered into. It is essential that each Party be given the option, before the implementation of any new rate resulting from any modification of this Stipulation, either to modify its own position to accept the proposed changes, or to resume the proceeding as if no agreement had been reached.

17. The Parties believe that these procedures are fair to all concerned, and therefore, they are made an integral and essential element of this Stipulation.

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

THE ATLANTIC CITY SEWERAGE COMPANY

By: Christine Soares
Christine Soares, Esquire

Dated: May 4, 2018

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
ATTORNEY FOR STAFF OF THE NEW
JERSEY
BOARD OF PUBLIC UTILITIES

STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE
COUNSEL

By: _____
Renee Greenberg
Deputy Attorney General

By: _____
Susan McClure
Assistant Deputy Rate Counsel

Dated: May __, 2018

Dated: May __, 2018

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STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE
COUNSEL

By: Rence Greenberg
Rence Greenberg
Deputy Attorney General

By: _____
Susan McClure
Assistant Deputy Rate Counsel

Dated: May 4, 2018

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ATTORNEY GENERAL OF NEW JERSEY
ATTORNEY FOR STAFF OF THE NEW
JERSEY
BOARD OF PUBLIC UTILITIES

STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE
COUNSEL

By: Renee Greenberg
Renee Greenberg
Deputy Attorney General

By: Susan McClure
Susan McClure
Assistant Deputy Rate Counsel

Dated: May 4, 2018

Dated: May 8, 2018

EXHIBIT A

THE ATLANTIC CITY SEWERAGE COMPANY
B.P.U. NO. 10 - SEWER

SECOND REVISED SHEET NO. 1

TARIFF
FOR
SEWERAGE SERVICE

Applicable in
THE CITY OF ATLANTIC CITY
NEW JERSEY

Date of Issue:		Effective for Service
Issued by:	THOMAS S. KAVANAUGH, President & General Manager	rendered on and after
	1200 Atlantic Avenue	
	Atlantic City, New Jersey	

Filed Pursuant to Decision and Order of the Board of Public Utilities in Docket No. WR17121313 dated

THE ATLANTIC CITY SEWERAGE COMPANY
 B.P.U. NO. 10 - SEWER

SECOND REVISED SHEET NO. 2

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THE ATLANTIC CITY SEWERAGE COMPANY
B.P.U. NO. 10 - SEWER

SECOND REVISED SHEET NO. 16

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 the rendering of water service:

Size of Meter	Total Annual Fixed Charge
5/8"	\$260
3/4	451
1	1,326
1-1/2	3,270
2	6,483
3	15,792
4	33,215
6	107,373
8	157,896
10 or larger	253,750

Volumetric Collection Charge

In addition to the annual fixed charge, all customers shall pay \$8.165 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 \$26.103 for each 1,000 cubic feet of metered water, measured to the nearest one-tenth, for sewerage treatment costs assessed the Company by the relevant treating wastewater facility.

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