



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE PETITION OF THE)
ATLANTIC CITY SEWERAGE COMPANY FOR)
APPROVAL TO INCREASE TARIFF RATES AND)
CHARGES FOR SEWERAGE SERVICE AND OTHER)
TARIFF CHANGES)
)
) DOCKET NO. WR21071006

Parties of Record:

Stephen B. Genzer, Esq., Saul Ewing Arnstein & Lehr, LLP, on behalf of Atlantic City Sewerage Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On July 23, 2021, pursuant to N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.12, and other relevant statutes and regulations, Atlantic City Sewerage Company ("Petitioner," "ACSC" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking to increase rates for water service in the amount of \$2,553,770 or approximately 11.9% above the annual level of present rate revenues for the test year ending November 30, 2021, with rates to become effective for service rendered on and after August 24, 2021.¹

The Company is a small public utility, with a limited geographic service territory, consisting solely of Atlantic City, New Jersey. The petition states that, while ACSC provides service to nearly 7,600 customers, it is dependent upon a much smaller number of customers for nearly half of its annual revenues. Specifically, eight customers in the hotel/casino class made up approximately 45% of ACSC's revenues in 2020. The Petitioner operates a sewage collection and transmission system within its defined service territory, and does not provide treatment, but rather purchases its sewerage treatment from the Atlantic County Utilities Authority.

¹ By letter dated August 6, 2021, the Company indicated that it would not implement rates prior to the effective date of the Suspension Order.

Due to the composition of its customer base, the small size of the Company and the economic situation in Atlantic City prior to the COVID-19 pandemic, ACSC claims it has been uniquely impacted by the COVID-19 pandemic. While the full impacts cannot be known with certainty at this time, the Company asserts that it will continue to feel those impacts for at least the next two years. For this, and other reasons, the Company has designed rates assuming a two-year rate effective period resulting from this case.

ACSC further indicates that the base rate increase is largely driven by increases in the Company's operating expenses and needed capital investments, as well as the continued loss of revenue from the hotel/casino class of customers.

Additionally, the Company represents that the rate increase proposed in the petition is required to enable the Company to maintain a satisfactory credit position; to preserve its financial integrity; to permit proper maintenance and improvement of utility facilities required to furnish safe, adequate and proper service to its customers; and to earn a reasonable return upon the fair value of its property used and useful in the public service.

On August 5, 2021, the Board transmitted this matter to the Office of Administrative Law ("OAL") for hearing and initial disposition as a contested case.

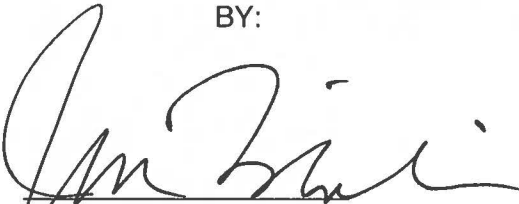
It appearing that the proposed revisions will increase existing rates and change or alter existing classifications in the Petitioner's tariff, it is **HEREBY ORDERED** that:

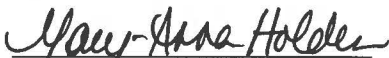
- (1) Pursuant to N.J.S.A. 48:2-21, the proposed revisions be, and are suspended until December 18, 2021, unless the Board prior to that date, makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) The Petitioner shall, at least 10 days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the OAL (33 Washington Street, Newark, NJ 07102) proof of compliance with the Notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12 (b) and (c), which Notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) The Petitioner shall, serve copies of this Order upon the OAL, the Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, NJ 08625), the clerks of all affected municipalities, the clerks of the Board of Chosen Freeholders of all affected counties, and where appropriate, the executive officer of the affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within 15 days of the date of this Order.

This Order shall be effective on August 25, 2021.

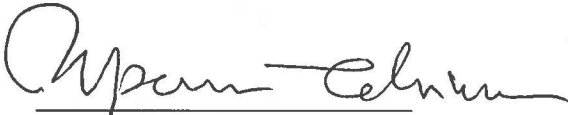
DATED: 8/18/21

BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
PRESIDENT

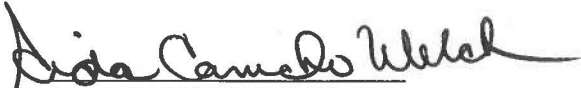

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST:


AIDA CAMACHO-WELCH
SECRETARY

**IN THE MATTER OF THE PETITION OF THE ATLANTIC CITY SEWERAGE COMPANY
FOR APPROVAL TO INCREASE TARIFF RATES AND CHARGES FOR
SEWERAGE SERVICE AND OTHER TARIFF CHANGES**

BPU DOCKET NO. WR21071006

SERVICE LIST

<p>ACSC Steven B. Genzer, Esq. Saul Ewing, Arnstein & Lehr, LLP One Riverfront Plaza, Suite 1520 1037 Raymond Blvd. Newark, NJ 07102-5426 steven.genzer@saul.com</p> <p>Courtney L. Schultz, Esq. Saul Ewing Arnstein & Lehr LLP Centre Square West 1500 Market Street Philadelphia, PA 19102-2186 courtney.schultz@saul.com</p> <p>Wendy E. Stewart, President Atlantic City Sewerage Company 1200 Atlantic Avenue, Suite 300 Atlantic City, NJ 08401 wstewart@acsewerage.com</p> <p>Carl Cordek, Chair of the Board Atlantic City Sewerage Company 1200 Atlantic Avenue, Suite 300 Atlantic City, NJ 08401 cordekc@aol.com</p> <p>Division of Rate Counsel 140 East Front Street, 4th Floor Trenton, NJ 08625-0003</p> <p>Stefanie A. Brand, Esq., Director sbrand@rpa.nj.gov</p> <p>Brian Lipman, Esq., Litigation Manager blipman@rpa.nj.gov</p> <p>Susan McClure, Esq. smcclure@rpa.nj.gov</p>	<p>Board of Public Utilities 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Division of Water</p> <p>Michael Kammer, Director mike.kammer@bpu.nj.gov</p> <p>Megan Lupo, Chief megan.lupo@bpu.nj.gov</p> <p>Justin Cederberg justin.cederberg@bpu.nj.gov</p> <p>Rupal Patel rupal.patel@bpu.nj.gov</p> <p>Office of the Economist</p> <p>Benjamin Witherell, Chief Economist benjamin.witherell@bpu.nj.gov</p> <p>Counsel's Office</p> <p>Suzanne Patnaude, Esq. suzanne.patnaude@bpu.nj.gov</p>
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<p>Division of Law R.J. Hughes Justice Complex, 7th Floor 25 Market Street, Post Office Box 112 Trenton, N.J. 08625</p> <p>Pamela L. Owen, Esq. Assistant Section Chief pamela.owen@law.njoag.gov</p> <p>Brandon Simmons, Esq. Deputy Attorney General brandon.simmons@law.njoag.gov</p> <p>Meliha Arnautovic, Esq. Deputy Attorney General meliha.arnautovic@law.njoag.gov</p>	
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