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CASE MANAGEMENT

FEB 20 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

February 16, 2018



Ira G. Megdal
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VIA FEDERAL EXPRESS

Aida Camacho-Welch
Office of the Secretary
Board of Public Utilities
44 South Clinton Ave.
3rd Floor, Suite 314
PO Box 350
Trenton, NJ 08625-0350

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FEB 20 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

**Re: In the Matter of the Petition of The Atlantic City Sewerage Company for Approval of a Financing Program Involving the Issuance of Long Term Debt and the Refinancing of Existing Long Term Debt Through June 30, 2021
BPU Docket No.: WF18020145**

Dear Ms. Welch:

This firm represents the Petitioner, The Atlantic City Sewerage Company ("ACSC"), in the referenced matter. On behalf of ACSC I would like to advise you that paragraph 8 of the Petition is now amended to read as follows:

Petitioner currently intends to make an issuance of Long-Term Debt during the second or third quarter of 2018. Petitioner intends to issue approximately \$8 million of Long-Term Debt at that time. Attached to this Petition as Exhibit C is a Schedule of Estimated Issuance Costs for this transaction.

In addition, attached to this letter is Exhibit D, Revised February 15, 2018. This Exhibit D, Revised February 15, 2018 replaces Exhibit D attached to the Petition.

Thank you for your cooperation in this matter.

Respectfully,

COZEN O'CONNOR, PC

By: *Ira G. Megdal*
Ira G. Megdal

IGM/kn
Enclosure

Handwritten:
CMS
Megdal
C. Pachier
M. Moran

LEGAL\34533817\1

cc: Stefanie A. Brand, Esquire, Division of Rate Counsel
Debra F. Robinson, Esquire, Division of Rate Counsel
Division of Law (2 copies)
Christine Lin, Economist Office

THE ATLANTIC CITY SEWERAGE COMPANY
 PROFORMA CAPITALIZATION STATEMENT
AS OF DECEMBER 31, 2018

	<u>Actual</u>		<u>2017 Proforma Activity</u>		<u>2018 Proforma Activity</u>		<u>Proforma Issuance Adjustments</u>		<u>31-Dec-18 Proforma Capitalization</u>	
Long-Term Debt	\$20,827,016	52.06%	\$ (1,279,562) (b)	\$	(1,325,670) (b)	\$	3,920,000 (c)	\$	22,141,784	51.44%
Common Stock	695,000							\$	695,000	
Add'l Paid in Capital	251,315							\$	251,315	
Retained Earnings	18,231,280		\$ 836,021 (d)	\$	886,542 (e)	0 (f)		\$	19,953,843	
Total Equity	<u>\$19,177,595</u>	47.94%						\$	<u>20,900,158</u>	48.56%
Total Capitalization (a)	<u>\$40,004,611</u>	100.00%						\$	<u>43,041,942</u>	100.00%

(a) Excludes amounts in Accumulated Other Comprehensive Loss from the calculation.

(b) From 2016 Annual Report, Schedule of Maturities in Note 8, Long-Term Debt.

(c) Additional Long-Term Debt	\$ 8,000,000
Refinanced Debt, 1998 @ 5.45%	(3,270,000)
Refinanced Debt, 2002 @ Var%	<u>(810,000)</u>
Net Additional New Debt	<u>\$ 3,920,000</u> (see "f" below)

(d) ACSC Unaudited Results for 2017, Net Income less Dividends.

(e) ACSC Budget for 2018, Net Income less Dividends.

(f) Incremental interest expense, net of tax, already incorporated into the 2018 Budget.