

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

**IN THE MATTER OF THE PETITION OF THE** : **PETITION**  
**ATLANTIC CITY SEWERAGE COMPANY TO** :  
**INCREASE THE LEVEL OF ITS PURCHASED** : **BPU DOCKET NO.**  
**SEWERAGE TREATMENT ADJUSTMENT** : **WR2009 \_\_\_\_\_**  
**CLAUSE** :

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

1. The Atlantic City Sewerage Company (“ACSC”), a public utility corporation of the State of New Jersey, with its principal office at 1200 Atlantic Avenue, Atlantic City, New Jersey 08404, hereby files this Petition with this Honorable Board (“Board”) pursuant to N.J.A.C. 14:97.1, et. seq., seeking authority to increase the level of its Purchased Sewerage Treatment Adjustment Clause (“PSTAC”). In support thereof, Petitioner states as follows:

2. ACSC 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, ACSC serves approximately 7,600 customers.

3. ACSC purchases its sewage treatment from the Atlantic County Utilities Authority (“ACUA”); this cost is ACSC’s single largest operating expenses in any given year. These services are provided pursuant an agreement, as amended (the “Joinder Agreement”) between ACSC and the ACUA, which is attached hereto as Exhibit 1.

4. It is important to note that the implementation of this PSTAC request will not result in any additional profit or loss to the Company. Rather, it allows the Company to recover the treatment costs that are invoiced to ACSC by the ACUA; in that regard, these are pass-through charges.

5. By Order dated December 30, 1992 in BPU Docket No. WR9205032J (the “Initial PSTAC Order”), the Board approved the establishment by the Company of a PSTAC, to be implemented effective on January 1, 1994. Under the framework established within that Order, changes in the PSTAC level are to be reflected through changes in ACSC’s Volumetric Treatment Charge. The 2020 Volumetric Treatment Charge was adopted through a Board Order dated December 6, 2019 in BPU Docket No. WR19080949 (the “2019 Order”), which is attached hereto as Exhibit 2. In the 2019 Order, a 2020 Volumetric Treatment Charge of \$22.889 per thousand cubic foot (“Mcf”) was approved, based upon a net expense level of \$7,867,927. Because the rate became effective January 1, 2020, no adjustment for compression was necessary.

6. The Petition is submitted to establish the PSTAC level and resultant Volumetric Treatment Charge for 2021.

7. ACSC is proposing that the Volumetric Treatment Charge be increased from the current rate of \$22.889 per Mcf to \$29.708 per Mcf for 2021, based upon an estimated treatment expense level of \$9,385,955 (which is derived from estimated 2021 ACUA treatment expenses of \$7,398,136, increased by a 2020 net PSTAC under-recovery of \$1,982,820, and recovery of filing costs (shared 50/50 with ratepayers) of \$5,000. This 29.8% increase in the Volumetric Treatment Charge will result in a \$63.42 (or 11.7%) increase in the average customer’s annual sewerage bill.

8. The 2021 PSTAC rate is based on an estimate of the 2021 charges that ACUA will invoice to ACSC, less an estimate of the net under-recovered PSTAC amount from 2020, and ACSC’s estimate of 2021 metered flows. The estimated metered flows reflect management’s judgment, based on present and forecasted conditions, and are based on the 2020

billed flows, adjusted for any significant new customer additions or losses, and the continued State restrictions on the hospitality industry. Currently, ACSC does not anticipate any new large customers in the year 2021.

### **Explanation of the 2021 PSTAC Costs & Rate**

9. Attached hereto as Exhibit 3 are schedules supporting the calculation of the 2021 PSTAC rate. Each of the schedules, Schedules ACSC-1 through ACSC-8, are explained in further detail below. Schedule ACSC-1 is the summary calculation of the proposed PSTAC rate for 2021. It includes (i) the under-collection for 2020 from Schedule ACSC-3; (ii) the adjustment for the 2020 actual ACUA treatment billings from Schedule ACSC-5; (iii) the projected credits due to customers for COVID-19 related flow reductions in 2020; (iv) the 2021 estimated ACUA treatment costs; (v) the estimated 2021 ACUA flow true-up shown in Schedule ACSC-4; and (vi) the Company's estimate of legal, accounting and filing costs shared equally between customers and the Company from Schedule ACSC-7. These components are summed totaling \$9,385,955 (see Line 10) and divided by the projected usage for 2021 of 315,944 Mcf (see Line 13) to determine the resultant Volumetric Treatment Rate that should apply to all bills for 2021 usage. For 2021, this calculation results in a proposed Volumetric Treatment Rate of \$29.708 per Mcf (see Line 14).

10. Schedule ACSC-2 shows how the projections of 2021 Mcf usage are established. The monthly volumes for 2020 are used to estimate 2021 volumes, as adjusted for any known new customers, one-time events, or retirements. The Company's estimated billings in any given year, are based upon water volumes furnished to the Company from Atlantic City's water supplier for usage in the prior year, *i.e.* 2021 billings will be based on 2020 actual customer usage. While the Company is not aware of any major new customer gains or losses in 2021, the

impact of COVID-19 has taken its toll on Atlantic City businesses in 2020 and it is expected to continue into 2021. Due to Governor Murphy's current order to restrict visitor capacity to 25% at Atlantic City casinos, coupled with similar restrictions on indoor dining, the Company has conservatively reduced flows for 2021 by 5% to reflect the future loss of flows under these restrictions. It is important to note that the volumes listed on ACSC-2, under the heading "Mcf Billed in 2020," are primarily based on 2019 actual flow data and do not yet reflect the full impact of COVID-19 on the hospitality industry in this region; thereby resulting in the need for such an adjustment.

11. In accordance with the Initial PSTAC Order, ACSC accounts for net cumulative over-recoveries and under-recoveries resulting from the PSTAC on a monthly basis, utilizing an average balance for each month. Interest on net cumulative monthly over-recoveries is credited to the PSTAC at an interest rate equal to the return on rate base utilized in ACSC's last completed rate case. The PSTAC Clause Year is the calendar year. If at the end of the Clause Year interest is due to the PSTAC, interest is credited to the PSTAC. Schedule ACSC-3 sets forth the methodology used to calculate the monthly over or under collection balances for the 2020 PSTAC Clause Year. ACSC was in a net under recovered position through the entirety of the year; therefore, there is no interest payable to customers for the 2020 PSTAC Clause Year.

In order to assist in a review of Schedule ACSC-3, explanations of the columns are provided below:

- **Billing Month**: The month in which ACSC sends a bill to customers for each of the eight (8) months, January to August. The bill in each case covers the current 12-month period. The 12-month bills are billed in advance and are based on estimated usage. The estimated usage is simply the actual usage from the prior 12-month period, as provided by the water purveyor. Thus, the usage that will be billed in 2021 is the actual metered 2020 usage, adjusted for new customers, if applicable, and COVID-19 impacts.

- Column (1) - PSTAC Approved Mcf: This represents the approved PSTAC volumes (in Mcf) from the December 2019 Order.
- Column (2) - Treatment Rate: The 2020 treatment rate is the approved PSTAC rate per Mcf from the December 2019 Order.
- Column (3) - Approved Treatment Revenues: This represents the projected treatment revenues based upon the approved PSTAC Mcf. The 2020 treatment revenue is the product of Columns (1) and (2) and equals the revenue which the PSTAC would recover in 2020 at the approved PSTAC Mcf level of usage.
- Column (4) - Billed 2020 Mcf: This equals the actual 2019 metered usage, plus the billed Mcf associated with new customers added in 2020.
- Column (5) - Billed Treatment Revenues: The represents the 2020 treatment revenue, which is the product of multiplying Column (4) by the approved rate in effect when the bills were rendered (from January to August 2020, at a rate of \$22.889/Mcf).
- Column (6) – Supplemental Billings 2020 PSTAC: This represents the supplemental billings resulting from rate changes during the year. Since 2019 bills included estimated usage for 2020 as part of the 12-month billing process, any rate change will result in a surcharge or credit to the customer.
- Column (7) - Monthly Over (Under) Collection: This is equal to Column (5) plus Column (6) less Column (3) and shows the difference between the billed PSTAC revenues and the Approved Treatment revenues.
- Column (8) - Prior Year Adjustment (Mcf) to Actual: The prior year Mcf adjustment is equal to Column (4), less the actual Mcf billed. For 2020, this represents 2019 billed usage, as shown in Column (11), less new accounts billed for the first time in 2020. The new accounts billed information is shown on Schedule ACSC-6.
- Column (9) - Prior Year Treatment \$'s: The prior year treatment adjustment is equal to the product of Column (8) and the PSTAC rate for 2019 (\$24.610/Mcf). The purpose of this prior year adjustment is to reflect the fact that customers' bills are trued-up on an individual basis, pursuant to the tariff, such that in 2020 customers paid (or were credited) for the difference between actual and projected 2019 usage on a customer-by-customer basis on their individual bills. This payment (or credit) included the PSTAC charge, as well as the other volumetric tariff component.

The usage associated with new accounts added in 2020 is subtracted from the calculated difference between actual metered 2019 usage and billed 2019 usage in the prior year adjustment Mcf in Column (8) because customers added in 2020 had no usage in 2019, though their billed usage is included in Column (4) 2020

billed Mcf. Therefore, the prior year treatment adjustment for the 2021 PSTAC filing is reflected as a net credit back to customers in the amount of \$280,185.

- Column (10) - Net Monthly Cumulative Balance Over (Under) Collection: This is the sum of Columns (7) and (9) expressed on a cumulative basis for each month of the year and reflects net revenues over- or under-collected.

12. Schedule ACSC-4 calculates the projected 2021 ACUA treatment costs, as well as any anticipated flow or other (credits or) charges. For 2021, the estimated gross ACUA treatment cost is not expected to change from the 2020 level of \$8,483,324, based on preliminary discussions with ACUA management during their mid-year wastewater customer meeting on August 11, 2020. Further, due to the continued decrease in ACSC's flows relative to other ACUA customers' flows, primarily due to the closure of the casinos during the year, a net flow credit of \$1,085,189 is being projected by the ACUA at this time. Any difference between the estimated credit and the actual credit are trued-up in the subsequent years filing.

13. Schedule ACSC-5 calculates the 2020 treatment billings adjustment by subtracting the 2020 actual treatment billing from the 2020 estimated treatment billing approved by the BPU in the 2019 Order. While the 2019 flow credit from the ACUA was only \$707 higher than the anticipated credit amount included in the approved 2020 PSTAC rate, a total adjustment of \$124,662 has been added to the under-recovered position in the 2021 PSTAC rate calculation (see ACSC-1, Line 2), which was the result of an unexpected December 2019 rate increase by the ACUA of 1.5%, or \$125,369, that was not known when setting the 2020 PSTAC rate.

14. Schedule ACSC-6 shows the annual bills associated with new accounts billed in 2020, by billing month. Since these accounts have no prior billed usage, the associated Mcf must be subtracted in Column (8) of Schedule ACSC-3 in order to properly calculate the prior year's true-up adjustment.

15. Schedule ACSC-7 shows a schedule of projected expenses associated with this filing, reflecting a 50/50 sharing between the Company and ratepayers. This expense is amortized over the one-year period between PSTAC cases, and rolled into the Volumetric Treatment Charge. It will affect rates by 1.6¢ per Mcf (\$5,000 / 315,944.1 Mcf).

16. ACSC-8 has been added to reflect the unprecedented impact of COVID-19 on the Company's revenue stream. Since the majority of the billings in 2020 were based on 2019 actual flows, the Company will be required to provide significant credits back to its customers in 2021 for the actual reduction in 2020 flows resulting from business closures and restrictions in place in 2020. The Company has obtained the actual monthly/quarterly flow data from the City's water purveyor, the ACMUA, through August 2020 for ACSC's fifty (50) largest customers, which customers account for more than 50% of the Company's revenue in 2019 (pre-COVID), to evaluate the potential impact facing the Company in 2021. That data is summarized on ACSC-8 and shows that these large customers will be receiving credits totaling \$1,181,914 against their 2021 invoices. The Company is seeking to recover these amounts concurrent with the crediting to customers' accounts to avoid carrying this known and quantifiable amount as an under-recovery for the next 12 months. The concurrent recovery is required to help alleviate the undue financial burden resulting from the closure of the casinos, hotels and restaurants for several months during prime tourism season. This treatment is consistent with the Company's decision to include the "expected" 2021 credit from the ACUA (ACSC-1, line 7) in setting the 2021 PSTAC rate. The inclusion of the customer credit increases the proposed PSTAC rate for 2021, while the inclusion of the ACUA credit lowers the rate, and both are appropriately included in the setting of the 2021 PSTAC rate. On a regular basis each year, the Company meets with the senior management and the Board of Commissioners of the ACUA, which

meetings include advocacy on behalf of ACSC's customers. These meetings include a mid-year budget review (usually in July/August), a detailed review of the next year's proposed budget (usually in early December) and attendance at the ACUA's monthly Board meetings. In addition, the Company attended the ACUA's Public Hearing on the approval of the 2020 wastewater budget and publicly encouraged the Board of the ACUA to be mindful of the impact of any budget increases that result in increases to the customers of the Company. Please note that the ACUA has only increased its rates a total of 5.6% over the last decade, while continuing to maintain the same high-level services the Company and its customers have come to expect. In addition, the Company continues to monitor the metering devices of the ACUA to insure ACSC's reported flows to the ACUA are accurate.

17. Attached hereto as Exhibit 4 is ACSC's existing 2020 PSTAC tariff, and a proposed 2021 PSTAC tariff which incorporates the prospective Volumetric Treatment Rate for 2021.

18. All correspondence related to this Petition should be sent to:

Courtney L. Schultz, Esquire  
Saul Ewing Arnstein & Lehr LLP  
Centre Square West, 38th Floor  
1500 Market Street  
Philadelphia, PA 19102  
Courtney.schultz@saul.com

Wendy E. Stewart, Treasurer & President-Elect  
Atlantic City Sewerage Company  
1200 Atlantic Avenue  
Atlantic City, NJ 08404  
wstewart@acsewerage.com

19. The Company reserves the right to amend this Petition and exhibits as necessary.



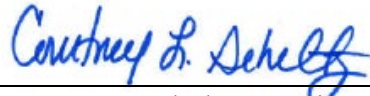
20. Two copies of this Petition have been served upon (i) the Director, Division of Rate Counsel, 140 East Front Street, 4th Floor, P.O. Box 003, Trenton, New Jersey 08625, and (ii) the Division of Law for the Attorney General, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07102, consistent with the Board's March 19, 2020 Order in Docket No. EO200230254.

WHEREFORE, ACSC respectfully requests that the Board approve the requested PSTAC rate for 2021, effective for service rendered on and after January 1, 2021, and grant such other relief as shall appear just and reasonable.

Respectfully submitted,

SAUL EWING ARNSTEIN & LEHR, LLP

By:



Courtney L. Schultz, Esquire  
1500 Market Street  
Centre Square West, 38th Floor  
Philadelphia, PA 19102  
(215) 972-7717

*Counsel for Atlantic City Sewerage  
Company*

Dated: September 24 , 2020

VERIFICATION

STATE OF NEW JERSEY )  
 )  
COUNTY OF ATLANTIC )

I, Wendy E. Stewart, of full age, being duly sworn according to law, upon my oath, deposes and says:

1. I am Treasurer and President-Elect of The Atlantic City Sewerage Company, the Petitioner in this matter, and am authorized to make this verification on its behalf.

2. I have reviewed the within Petition and Exhibits thereto and the information contained therein is true and correct to the best of my knowledge, information and belief.

3. I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Wendy E. Stewart  
Wendy E. Stewart

Sworn to and subscribed before me  
this 21<sup>st</sup> day of September, 2020

Barbara S. Bruckler  
Notary Public

*Barbara S. Bruckler*  
*Notary Public of New Jersey*  
*My Commission Expires October 2, 2021*

The Atlantic City Sewerage Company

SCHEDULE ACSC-1

**CALCULATION OF 2021 TREATMENT RATE:**

		<u>REFERENCE</u>
1	Net 2020 (Over) / Under Collection	\$ 676,244 ACSC-3
2	Adjustment for Change in 2020 Treatment Cost Billing	124,662 ACSC-5
3	Projected 2021 Credits due to Customers for 2020 COVID-19 Closures	1,181,914 ACSC-8
4	Other: Interest on net Overrecovery	<u>0</u> ACSC-3, col 12
5	Net (Over) / Under Collected Position from 2020	1,982,820
6	Projected 2021 Treatment Cost	8,483,324 ACSC-4
7	Projected 2021 Charge/ (Credit) for 2020 Treatment Flows	<u>(1,085,189)</u> ACSC-4
8	Net Projected Treatment Cost	7,398,136 ACSC-4
9	Projected Filing Costs (shared 50/50)	<u>5,000</u> ACSC-7
10	Total 2021 Treatment Cost Recovery	<u><u>\$ 9,385,955</u></u>

11 Calculation of New Treatment Rate:

12	Total 2021 Treatment Cost Recovery	\$ 9,385,955	line 10
13	Projected 2021 Mcf (divided by)	<u>315,944</u>	ACSC-2
14	2021 Volumetric Treatment Rate	<u><u>\$ 29.708</u></u>	

15	Current Rate	\$ 22.889	
16	New Rate	<u>\$ 29.708</u>	
17	difference in rate	\$ 6.819	29.79%
18	Volume projection	<u>315,944</u>	
19	Revenue Impact	\$ 2,154,423	

**The Atlantic City Sewerage Company**  
**2021 PROJECTED BILLING FLOWS (in Mcf)**

**SCHEDULE ACSC-2**

<b>BILLING MONTH</b>	<b>Mcf Billed in 2020 (a)</b>	<b>5% Adjustments (b)</b>	<b>PROJECTED 2021 Mcf</b>
1 January	96,606.5	(4,830.3)	91,776.2
2 February	16,663.0	(833.2)	15,829.9
3 March	47,435.2	(2,371.8)	45,063.4
4 April	46,557.7	(2,327.9)	44,229.8
5 May	20,875.6	(1,043.8)	19,831.8
6 June	40,287.2	(2,014.4)	38,272.8
7 July	22,969.5	(1,148.5)	21,821.0
8 August	41,178.0	(2,058.9)	39,119.1
9			
10 <b>Total</b>	<u>332,572.7</u>	(16,628.6)	<u>315,944.1</u>
11			to ACSC-1, line 13

12 **NOTE: Based on 2020 "estimated" billings unless otherwise indicated.**

13 (a) **2020 Flows from schedule ACSC-3, column 4.**

14 (b) **Estimated volume decrease next year due to continued restrictions at casinos and restaurants imposed by the State of NJ. The Company believes this to be conservative given the current reduction in flows.**

The Atlantic City Sewerage Company  
**2020 OVER (UNDER) RECOVERY**  
 As of August 31, 2019

**SCHEDULE ACSC-3**

BILLING MONTH	(1) PSTAC Approved Mcf	(2) 2020 TREATMENT RATE	(3) APPROVED TREATMENT REVENUES (1) x (2)	(4) 2020 MCF BILLED	(5) 2020 BILLED TREATMENT REVENUES (4) x Applicable Rate	(6) 2020 PSTAC Supplemental Billing (Credits)	(7) MONTHLY OVER (UNDER) COLLECTION (5)-(6)-(3)	(8) PRIOR YEAR ADJ (Mcf) TO ACTUAL (4)-(1)-ACSC6	(9) PRIOR YEAR TREATMENT \$'s (8) x PY 24.610	(10) NET MONTHLY CUMULATIVE OVER (UNDER) (7)+(9)+prior mo's	(11) BILLED READINGS 2019 Mcf [from prior year col (4)]	(12) Interest Calculation - Due to (From) (10) x (13)/12	(13) Approved ROR
1 January	101,834.4	22.889	2,330,888	96,606.5	2,211,226	0	(119,662)	(5,273.3)	(129,776)	(249,438)	101,834.4	(1,434)	6.90%
2 February	18,604.9	22.889	425,848	16,663.0	381,399	(2,719)	(47,168)	(1,954.4)	(48,098)	(344,704)	18,604.9	(1,982)	6.90%
3 March	50,322.8	22.889	1,151,839	47,435.2	1,085,744	(14,190)	(80,285)	(2,921.0)	(71,886)	(496,875)	50,322.8	(2,857)	6.90%
4 April	44,144.5	22.889	1,010,423	46,557.7	1,065,659	(18,894)	36,342	2,410.7	59,327	(401,205)	44,144.5	(2,307)	6.90%
5 May	21,042.2	22.889	481,635	20,875.6	477,822	(11,969)	(15,782)	(194.6)	(4,789)	(421,776)	21,042.2	(2,425)	6.90%
6 June	41,639.7	22.889	953,091	40,287.2	922,134	(29,768)	(60,725)	(1,369.7)	(33,708)	(516,210)	41,639.7	(2,968)	6.90%
7 July	23,576.5	22.889	539,643	22,969.5	525,749	(20,190)	(34,084)	(661.8)	(16,287)	(566,581)	23,576.5	(3,258)	6.90%
8 August	42,571.4	22.889	974,417	41,178.0	942,523	(42,657)	(74,551)	(1,420.9)	(34,968)	(676,100)	42,571.4	(3,888)	6.90%
9 September	0.0	22.889	0	0.0	0	0	0	0.0	0	(676,100)	0.0	(3,888)	6.90%
10 October	0.0	22.889	0	0.0	0	0	0	0.0	0	(676,100)	0.0	(3,888)	6.90%
11 November	0.0	22.889	0	0.0	0	0	0	0.0	0	(676,100)	0.0	(3,888)	6.90%
12 December	0.0	22.889	0	0.0	0	0	0	0.0	0	(676,100)	0.0	(3,888)	6.90%
13 Rounding			144				(144)			(676,244)			
14													
15													
16 Totals	343,736.4		\$ 7,867,928	332,572.7	\$ 7,612,256	\$ (140,387)	\$ (396,059)	(11,385.0)	\$ (280,185)		343,736.4	\$ (36,569)	see below
17													
18													
19													
20 Total Approved Treatment Recovery Amount													
21													
22 Over/(under) recovery on actual 2020 customer billings													
23 Over/(under) recovery on 2019 adjust to actual usage													
24 Net 2020 Over (Under) Recovery													
25													
26													
27													
28													
29													
30													
31													

ACTIVITY SUMMARY:

1) Current Year Over (Under) \$ (280,185) normal over/under calc

2) Supplemental for Prior Yr Amounts Billed at old rate \$ (140,387) rates revised downward

3) Prior Year Usage Adjs \$ (280,185) casinos way down, primarily in Q1 + covic

4) ACUA Rate Increase \$ (124,662) announced 12/20, not in current rates

Expected (Under) Over position at Year End \$ (800,906) Includes Dec. 2019 ACUA rate increase yet to be recovered from ratepayers

	(X)	(Y)	(Z)
Total Approved Treatment Recovery Amount	\$ 7,867,928	\$ 7,867,928	
Over/(under) recovery on actual 2020 customer billings	(396,059)	(x)-(y)-(z)	
Over/(under) recovery on 2019 adjust to actual usage	(280,185)	col (9)	
Net 2020 Over (Under) Recovery	\$ (676,244)		

# The Atlantic City Sewerage Company

## 2021 PROJECTED TREATMENT COST

### ANNUAL BILLING

### SCHEDULE ACSC-4

1	(1)	(2)	(3)	(4)
2				
3			<i>Estimated (a)</i>	
4	2020	2021	March	2021
5	TREATMENT	0.0%	2021	TREATMENT COST
6	COST	<i>Decrease</i>	<u>(CREDIT)/CHARGE</u>	<u>(1)+(2)+(3)</u>
7				
8				
9	\$ 8,483,324	\$ -	\$ (1,085,189) (b)	\$ 7,398,136
10				
11				
12				

13 (a) Actual 2021 treatment costs (column 1) will be available late December, while  
 14 the final credit amount (column 3) will not be available until mid-January 2021.  
 15 This credit will be applied against the Company's March Treatment Invoice.

16  
 17 (b) Based on ACUA's current projection of ACSC's 2020 flows to the ACUA  
 18 treatment plant of 31.22%, which is lower than the total flows of 35.8%  
 19 originally budgeted.

The Atlantic City Sewerage Company

1	<b>2020 TREATMENT BILLINGS ADJUSTMENT</b>		
2	<b>(Including the ACUA Credit/Surcharge for Prior Year)</b>		
3			
4		<u>AMOUNT</u>	
5			
6			
7	2020 Actual Treatment Billing	\$ 8,483,324 **	
8			
9	Less: Actual Credit for 2019 Flows	<u>\$ (427,901)</u>	
10			
11	Net Actual Cost for 2019		\$ 8,055,423
12			
13			
14			
15	LESS:		
16			
17	2020 Estimated Treatment Billing	\$ 8,357,955	
18			
19	Less: Estimated Credit for 2019 Flows		
20	included in approved filing	<u>\$ (427,194)</u>	
21			
22	Net Estimated Cost for 2019		<u>\$ 7,930,761</u>
23			
24			
25	Treatment Cost Adjustment (Due To) Due From Ratepayers	<u>\$ 124,662</u>	To ACSC-1

\*\* Note: At the end of December 2019, the ACUA informed ACSC of an unexpected increase of 1.5% to its 2020 rates, which was unknown when ACSC's 2020 rates were set.

# The Atlantic City Sewerage Company

SCHEDULE ACSC-6

1 2020 NEW ACCOUNTS BILLED\*

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<u>MONTH</u>	<u>Mcf AMOUNT</u>	<u>Assumptions and Notations:</u>
January	45.4	
February	12.5	
March	33.4	
April	2.5	
May	28.0	
June	17.2	
July	54.8	
August	27.5	
Total	<u>221.3</u>	

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



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2021 PSTAC - PROJECTED EXPENSES

AMOUNT

Legal Fees for 2021 PSTAC	\$ 8,000
Postage, Publication & Copying	\$ 2,000
Other:	\$ -
Projected 2021 PSTAC Costs	<u>\$ 10,000</u>
Total Projected Expenses (shared 50/50)	<u>\$ 5,000 To ACSC-1</u>

**ATLANTIC CITY SEWERAGE COMPANY**  
**CREDITS DUE MAJOR CUSTOMERS DUE TO COVID-19 CLOSURES / RESTRICTIONS**

The data below is based on flow reductions tracked for our 50 Largest customers, through August. Others are likely due credits, but ACSC does not have the data & resources to track that. They will receive their credits as the information becomes available for their billing month.

<u>Billing Month</u>	<u>Group A</u> (from Top 50 Customer File)	<u>Group B</u>	<u>Total Mcf</u> <u>Over Billed</u>	<u>PSTAC</u> <u>Rate</u>	<u>Credits Due</u> <u>Customers in 2021</u>
January	18,978.5	5,585.0	24,563.5	\$ 22.889	\$ 562,234
February	-	(4.5)	(4.5)	\$ 22.889	\$ (103)
March	11,141.3	(373.1)	10,768.2	\$ 22.889	\$ 246,473
April	6,893.8	(152.4)	6,741.4	\$ 22.889	\$ 154,304
May	-	2,112.0	2,112.0	\$ 22.889	\$ 48,342
June	*	4,686.4	299.9	\$ 22.889	\$ 114,130
July	**	-	124.2	\$ 22.889	\$ 2,843
August	**	-	2,345.7	\$ 22.889	\$ 53,691
<b>Total</b>	41,700.0	9,936.8	51,636.8		<b>\$ 1,181,914</b> to ACSC-1

Group A = Major customers, primarily Casinos, billed on a rolling 12-month basis. For example, customers billed in January were invoiced for flows for the 12 months ended December 31, 2019 (not COVID-19 adjusted) and due a credit. Customers billed in July 2020 were invoiced based on the 12 months ended June 2020, therefore picking up the impact of COVID-19 for 3.5 months and not resulting in the need for any significant credit in 2021.

- \* one half adjustment for partial credit in 2020 and remainder to fall in 2021.
- \*\* majority of credit already reflected in 2020; therefore, no significant 2021 impact expected.

Group B = All other customers billed based on prior calendar year flows. Billings in 2020 were based on 2019 flows (pre-covid) and amounts are due back as a result of closure-related flow reductions.