



Agenda Date: 12/17/25
Agenda Item: 5B

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) ORDER APPROVING
ATLANTIC CITY SEWERAGE COMPANY TO) STIPULATION
INCREASE THE LEVEL OF ITS PURCHASED)
SEWERAGE TREATMENT ADJUSTMENT CLAUSE) DOCKET NO. WR25100558

Parties of Record:

Shane P. Simon, Esq., Saul Ewing LLP, on behalf of Atlantic City Sewerage Company
Brian O. Lipman, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On October 2, 2025, Atlantic City Sewerage Company ("ACSC" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking authority to establish the level of its Purchased Sewerage Treatment Adjustment Clause ("PSTAC") for 2026 ("Petition").¹ By this Order, the Board considers a stipulation of settlement ("Stipulation") executed by ACSC, Board Staff ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") intended to resolve the requests in the Petition.

Background/Procedural History

ACSC is a public utility corporation of the State of New Jersey, with its principal office located at 1200 Atlantic Avenue, Atlantic City, New Jersey 08404, subject to the jurisdiction of 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 7,705 customers. ACSC does not treat any sewage. Rather, ACSC purchases its sewage treatment from the Atlantic County Utilities Authority ("ACUA").

¹ "Purchased Sewerage Treatment Adjustment Clause" is synonymous with "Purchased wastewater treatment adjustment clause" as defined in N.J.A.C. 14:9-7.2.

ACSC's current PSTAC tariff was approved by the Board via Order dated December 18, 2024.² By the December 2024 Order, the Board approved a PSTAC rate of \$26.418 per thousand cubic feet ("Mcf").

PETITION

By the Petition, the Company sought authorization to increase the PSTAC rate to \$31.609 per Mcf for service rendered on or after January 1, 2026.

According to ACSC, the requested 2026 PSTAC rate was based on an estimate of the 2026 charges that ACUA will invoice to ACSC, plus an estimate of the net under-recovered PSTAC amount from 2025, and ACSC's estimate of 2026 metered flows. The estimated metered flows reflect management's judgment, based on present and forecasted conditions, and are based on the 2025 billed flows, adjusted for any significant new customer additions or losses.

The Company provided a summary calculation of the proposed PSTAC rate for 2026, designed to recover \$10,604,682, which included: i) the under-collection for 2025; ii) the adjustment for the 2025 actual ACUA treatment billings; iii) the credits paid to hand-billed customers in 2025 for a 2024 true-up; iv) the 2026 estimated ACUA treatment costs; v) the estimated 2026 ACUA flow true-up; and vi) the Company's estimate of legal, accounting, and filing costs shared equally between customers and the Company.

A Board-appointed Regulatory Officer presided over virtual public hearings on November 19, 2025, at 4:30 p.m. and 5:30 p.m. Two (2) members of the public appeared at the public comment hearings and the Board received no written comments.

STIPULATION

Following a review of the Petition, conducting discovery, and discussions among the Parties, the Parties executed the Stipulation, which provides for the following:³

8. 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 2026 which has been used to determine the applicable PSTAC rate for 2026. As a result, the projected bill for 2026 from ACUA is \$9,504,639. In addition, the following components have been included to arrive at the net amount for recovery from customers through the 2026 PSTAC of \$10,604,682:
 - a. ACSC had a net under-recovery of \$1,095,543 for the 2025 PSTAC;
 - b. ACUA is projecting a charge to the Company of \$130,683 for 2026 billing purposes; and
 - c. \$4,500 in filing costs for this proceeding, which reflects fifty percent (50%) of the total anticipated costs of \$9,000 (pursuant to the Board's 50/50 sharing of such expenses as between customers and investors).

² In re the Petition of the Atlantic City Sewerage Company to Increase the Level of its Purchased Sewerage Treatment Adjustment Clause, BPU Docket No. WR24090773, Order dated December 18, 2024 ("December 2024 Order").

³ Although summarized in this Order, the detailed terms of the Stipulation control, subject to the findings and conclusions of the Order. Paragraphs are numbered to coincide with the Stipulation.

9. Based on the estimated costs for 2026, the under-recovery from revenues for 2025, the estimated 2026 additional charge for treatment flows from ACUA, and the costs of this proceeding, the Parties have agreed that the Company's current PSSTAC rates on file with the Board should be increased as indicated on Exhibit A to the Stipulation, and as reflected on the tariff page attached to the Stipulation as Exhibit B, effective January 1, 2026. For the average residential customer, the PSTAC rate will increase from \$26.418 per thousand cubic feet of metered water ("Mcf") to \$31.609 per thousand cubic feet of metered water, an increase of \$5.191 per Mcf. With respect to the total annual rate for wastewater services, the average residential customer will see a bill increase from \$594.54 to approximately \$639.18, or approximately 7.51%.
10. 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 actual 2026 ACUA costs with the estimated ACUA costs (as reflected in the rates identified on Exhibit A and Exhibit B to the Stipulation) for the same period. Additionally, the Company will include in its filing an estimate of ACUA costs for calendar year 2027, which estimate will be used to determine the applicable PSTAC rate for 2027, as required in N.J.A.C. 14:9-7.1(d) and 14:9-7.7.
11. 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 Company's return on rate base of 7.210%.
12. 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, 2026, interest shall be due to the PSTAC, such interest shall in fact be credited to the PSTAC. If, as of December 31, 2026, interest shall be chargeable against the PSTAC, said interest shall be eliminated through appropriate accounting entries.

DISCUSSIONS AND FINDINGS

Having reviewed the record in this matter, including the Petition 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 Board **FURTHER FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if fully set forth at length herein.

As a result of the Stipulation, a typical average residential customer using approximately 8.6 Mcf will see a bill increase from \$594.54 to approximately \$639.18, an increase of \$44.64 annually.

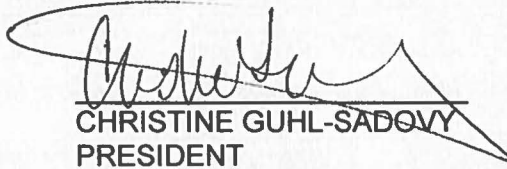
The Board **HEREBY DIRECTS** the Company to file tariff pages conforming to the terms and conditions of the Stipulation and this Order by January 1, 2026 for services rendered on and after January 1, 2026.

The Company's costs will remain subject to audit by the Board. This Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.


This Order shall be effective December 24, 2025.

DATED: December 17, 2025

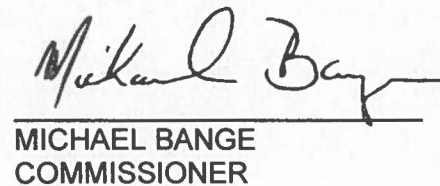
BOARD OF PUBLIC UTILITIES
BY:



CHRISTINE GUHL-SADOVY
PRESIDENT



DR. ZENON CHRISTODOULOU
COMMISSIONER



MICHAEL BANGE
COMMISSIONER

ATTEST:



SHERRI L. LEWIS
BOARD 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 INCREASE THE LEVEL
OF ITS PURCHASED SEWERAGE TREATMENT ADJUSTMENT CLAUSE

BPU DOCKET NO. WR25100558

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF THE	:	STIPULATION OF SETTLEMENT
ATLANTIC CITY SEWERAGE COMPANY TO	:	
INCREASE THE LEVEL OF ITS PURCHASED	:	BPU DOCKET NO. WR25100558
SEWERAGE TREATMENT ADJUSTMENT	:	
CLAUSE	:	

APPEARANCES:

Shane P. Simon, Esq., Saul Ewing LLP, on behalf of Petitioner, Atlantic City Sewerage Company

Susan E. McClure, Esq., Deputy Rate Counsel; Megan C. Lupo, Esq., Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel (Brian O. Lipman, Esq., Director)

Meliha Arnautovic, Esq., Deputy Attorney General, (Matthew J. Platkin, Esq., 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 New Jersey Division of Rate Counsel (“Rate Counsel”), and the Staff of the Board of Public Utilities (“Staff”) (collectively, “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, and negotiations, the Parties to this proceeding have come to the within Stipulation of Settlement (“Stipulation”).

I. Background & Procedural History.

1. Petitioner is a public utility corporation of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities (“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 7,705 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 October 2, 2025, pursuant to N.J.A.C. 14:9-7.1 to 7.7, ACSC filed a petition with the Board for approval of an increase in the level of its purchased sewerage treatment adjustment clause ("PSTAC") as required by N.J.A.C. 14:9-7.1(d) and 14:9-7.7 ("Petition").

4. The Board retained this matter for review and disposition.

5. ACSC provided notice of the filing and a statement of its effect and noticed its customers of virtual public comment hearings via a public notice placed in newspapers published and circulated in the Company's service territory. Copies of the approved form of Notice and the proposed PSTAC rates were also served upon the Atlantic City and Atlantic County Executives and Clerk of the Board of County Commissioners pursuant to the Board's regulations. Proofs of service of these notices were filed with the Board in accordance with the Board's regulations.

6. Virtual public comment hearings were held on November 19, 2025, at 4:30 p.m. and 5:30 p.m., and were presided over by a Board-appointed hearing officer. No members of the public made statements at the public comment hearings, and the Board received no written comments. Further, Rate Counsel and Staff propounded various discovery requests, to which ACSC provided responses.

II. Settlement Provisions.

7. For the reasons set forth in the following paragraphs, the Parties agree that the record herein supports the findings and conclusions set forth below.

8. 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 2026 which has been used to determine the applicable PSTAC rate for 2026. As a result, the projected bill for 2026 from ACUA is \$9,504,639. In addition, the following components have been included to arrive at the net amount for recovery from customers through the 2026 PSTAC of \$10,604,682:

- a. ACSC had a net under-recovery of \$1,095,543 for the 2025 PSTAC;
- b. ACUA is projecting a charge to the Company of \$130,683 for 2026 billing purposes; and
- c. \$4,500 in filing costs for this proceeding, which reflects 50% of the total anticipated costs of \$9,000 (pursuant to the Board's 50/50 sharing of such expenses as between customers and investors).

9. Based on the estimated costs for 2026, the under-recovery from revenues for 2025, the estimated 2026 additional charge for treatment flows from ACUA, and the costs of this proceeding, the Parties have agreed that Petitioner's current PSTAC rates on file with the Board should be increased as indicated on Exhibit A, and as reflected on the tariff page attached hereto as Exhibit B, effective January 1, 2026. For the average residential customer, the PSTAC rate will increase from \$26.418 per thousand cubic feet of metered water ("Mcf") to \$31.609 per thousand cubic feet of metered water, an increase of \$5.191 per Mcf. With respect to the total annual rate for wastewater services, the average residential customer will see a bill increase from \$594.54 to approximately \$639.18, or approximately 7.51%.

10. 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 actual 2026 ACUA costs with the

estimated ACUA costs (as reflected in the rates identified on Exhibit A and Exhibit B) for the same period. Additionally, the Company will include in its filing an estimate of ACUA costs for calendar year 2027, which estimate will be used to determine the applicable PSTAC rate for 2027, as required in N.J.A.C. 14:9-7.1(d) and 14:9-7.7.

11. 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 Company's return on rate base of 7.210%.

12. 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, 2026, interest shall be due to the PSTAC, such interest shall in fact be credited to the PSTAC. If, as of December 31, 2026, interest shall be chargeable against the PSTAC, said interest shall be eliminated through appropriate accounting entries.

13. 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.

14. 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.

15. 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 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.

16. 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.

17. 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.

IN WITNESS WHEREOF, the Parties, each expressly intending to be legally bound, and each acknowledging that he, she or it has given full and careful consideration to all aspects of this Stipulation, have duly authorized and caused this Stipulation to be executed and to become effective as of the dates affixed hereto:

11/26/2025

Date

ATLANTIC CITY SEWERAGE COMPANY
By: Shane P. Simon
Saul Ewing LLP
Shane P. Simon, Esq.
Attorneys for Petitioner

11-25-2025

Date

MATTHEW J. PLATKIN, Esq.
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the
New Jersey Board of Public Utilities

By: Meliha Arnautovic DAG
Meliha Arnautovic, Esq.
Deputy Attorney General

November 26, 2025

Date

BRIAN O. LIPMAN, ESQ.
DIRECTOR – RATE COUNSEL

By: Megan C. Lupo
Megan C. Lupo, Esq.
Assistant Deputy Rate Counsel

EXHIBIT A

The Atlantic City Sewerage Company

CALCULATION OF 2026 TREATMENT RATE:

			<u>REFERENCE</u>	
1	Net 2025 (Over) / Under Collection	\$ 579,648	ACSC-3	Estimate
2	Adjustment for Actual 2025 Treatment Costs	515,895	ACSC-5	Actual
3				
4	Other: Interest on net Over recovery	<u>0</u>	ACSC-3, col 12	
5	Net (Over) / Under Collected Position from 2025 - Due from Ratepayer	1,095,543		
6	Projected 2026 Treatment Cost	9,373,956	ACSC-4	Estimate
7	Projected 2026 Charge/ (Credit) for 2025 Treatment Flows	<u>130,683</u>	ACSC-4	Estimate
8	Net Projected Treatment Cost	9,504,639	ACSC-4	
9	Projected Filing Costs (shared 50/50)	<u>4,500</u>	ACSC-7	Estimate
10	Total 2026 Treatment Cost Recovery	<u>\$ 10,604,682</u>		
11	<u>Calculation of New Treatment Rate:</u>			
12	Total 2026 Treatment Cost Recovery	\$ 10,604,682	line 10	
13	Projected 2026 Mcf (divided by)	<u>335,496</u>	ACSC-2	Estimate
14	2026 Volumetric Treatment Rate	<u>\$ 31.609</u>		
15				
16				
17				
18				
19				

Current Rate - effective 1/1/25	\$ 26.418	
New Rate	\$ 31.609	
difference in rate	\$ 5.191	19.65%
Volume projection	335,496	
Revenue Impact	\$ 1,741,557	

The Atlantic City Sewerage Company
2026 PROJECTED BILLING FLOWS (in Mcf)

	BILLING MONTH	Mcf Billed in 2025 (a)	Anticipated Additional Usage in 2026	PROJECTED 2026 Mcf	
1	January	85,904.5	206.0 (b)	86,110.5	Estimate
2	February	16,695.0	60.0 (c)	16,755.0	Estimate
3	March	48,066.1	74.0 (d)	48,140.1	Estimate
4	April	56,286.4	15.0 (e)	56,301.4	Estimate
5	May	19,674.2	146.0 (f)	19,820.2	Estimate
6	June	43,784.5	206.0 (g)	43,990.5	Estimate
7	July	23,926.9	88.0 (h)	24,014.9	Estimate
8	August	39,702.9	660.0 (i)	40,362.9	Estimate
9					
10	Total	334,040.5	1,455.0	335,495.5	
11				to ACSC-1, line 13	

12 **NOTE: Based on 2025 "estimated" billings unless otherwise indicated.**

13 (a) 2025 Flows from schedule ACSC-3, column 4.

14 **NOTE: Estimated Construction resulting in additional contribution**

- (b) 107 S Kentucky - 10 Townhomes - 147 Mcf
Connecticut Ave - 4 single family - 59 Mcf
- (c) Brighton Ave - Duplex - 30 Mcf
Boston Ave - Duplex - 30 Mcf
- (d) Montgomery Ave - single family - 15 Mcf
Annapolis Ave - 4 townhomes - 59 Mcf
- (e) Annapolis Ave - single family - 15 Mcf
- (f) California Ave - 6 townhomes - 88 Mcf
Tennessee Container Park - Retail Complex - 28 Mcf
Top Hat - retail and 1 apartment- 30 Mcf
- (g) Arizona Ave - 6 townhomes - 88 Mcf
Snake Alley - 8 townhomes - 118 Mcf
- (h) N. South Carolina Ave - 6 single family - 88 Mcf
- (i) Lighthouse Row II - single family - 103 Mcf
Terraces @ Absecon inlet - 38 townhomes - 557 Mcf

The Atlantic City Sewerage Company

2025 OVER (UNDER) RECOVERY

As of August 31, 2025

	Actual (1)	Actual (2)	Actual (3)	Estimate (4)	Estimate (5)	Actual (6)	Estimate (7)	Estimate (8)	Estimate (9)	Estimate (10)	Actual (11)	Estimate (12)	Actual (13)
BILLING	PSTAC Approved	2025 TREATMENT	APPROVED TREATMENT REVENUES	BILLED	2025 BILLED TREATMENT REVENUES (4) x Applicable Rate (26.418)	2025 PSTAC Supplemental Billing	MONTHLY OVER (UNDER) COLLECTION	PRIOR YEAR ADJ (Mcf) TO ACTUAL (4)-(11)-ACSC6- ACSC8	PRIOR YEAR TREATMENT \$'s (8) x PY appropriate rate (26.258)	NET MONTHLY CUMULATIVE OVER (UNDER) (7)+(9)+prior mo.'s	BILLED READINGS 2024 Mcf [from prior [year col (4)]	Interest Calculation - Due to (From) (10) x (13)/12	Approved ROR
MONTH	Mcf	RATE	(1) x (2)	2025 Mcf	(26.418)		(5)+(6) - (3)						
1 January	91,247.5	26.418	2,410,576	85,904.5	2,269,425	0	(141,151)	(5,320.5)	(139,706)	(280,857)	91,205.0	0	7.21%
2 February	16,760.7	26.418	442,784	16,695.0	441,049	235	(1,500)	(65.6)	(1,723)	(284,079)	16,758.1	0	7.21%
3 March	48,092.3	26.418	1,270,502	48,066.1	1,269,810	1,250	558	(26.2)	(688)	(284,210)	48,067.3	0	7.21%
4 April	56,972.5	26.418	1,505,100	56,286.4	1,486,974	2,222	(15,904)	(703.7)	(18,478)	(318,591)	56,974.6	0	7.21%
5 May	19,981.3	26.418	527,866	19,674.2	519,753	1,059	(7,054)	(312.5)	(8,206)	(333,851)	19,976.7	0	7.21%
6 June	42,458.2	26.418	1,121,661	43,784.5	1,156,699	2,799	37,837	(791.2)	(20,775)	(316,790)	44,575.7	0	7.21%
7 July	25,385.1	26.418	670,624	23,926.9	632,101	2,006	(36,517)	(1,462.9)	(38,413)	(391,720)	25,387.3	0	7.21%
8 August	43,230.7	26.418	1,142,069	39,702.9	1,048,871	4,027	(89,171)	(3,758.6)	(98,693)	(579,584)	43,309.5	0	7.21%
9 September	0.0		0	0.0	0	0	0	0.0	0	(579,584)	0.0	0	7.21%
10 October	0.0		0	0.0	0	0	0	0.0	0	(579,584)	0.0	0	7.21%
11 November	0.0		0	0.0	0	0	0	0.0	0	(579,584)	0.0	0	7.21%
12 December	0.0		0	0.0	0	0	0	0.0	0	(579,584)	0.0	0	7.21%
13													
14 Rounding			64				(64)			(579,648)			
15			(z)		(X)	(Y)							
16 Totals	344,128.3		\$ 9,091,246	334,040.5	\$ 8,824,682	\$ 13,597	\$ (252,967)	(12,441.2)	\$ (326,681)		346,254.2	\$ -	
17													
18													
19 Total Approved Treatment Recovery Amount					\$ 9,091,246	(z)							
20 Over/(under) recovery on actual 2025 customer billings					(252,967)	(x)+(y)-(z)							
21													
22 Over/(under) recovery on 2024 adjust to actual usage					(326,681)	col (9)							
23													
24 Over/(Under) Balance Expected 12/31/2025					\$ (579,648)								

The Atlantic City Sewerage Company
2026 PROJECTED TREATMENT COST
ANNUAL BILLING

	(1)	(2)	(3)	(4)
			<i>Estimated (a)</i>	
	2025	2026	March	2026
	TREATMENT	2.00% (c)	2026	TREATMENT COST
	COST	<i>Est. Increase</i>	(CREDIT)/CHARGE	(1)+(2)+(3)
	\$ 9,190,153	\$ 183,803	\$ 130,683 (b)	\$ 9,504,639

(a) Actual 2025 treatment costs (column 1) will be available late December, while the final true up amount (column 3) will not be available until mid-January 2026. This true-up will be applied against the Company's March Treatment Invoice.

(b) Based on ACUA's current projection of ACSC's 2025 flows to the ACUA treatment plant of 35.66%, which is higher than the total flows of 35.16% originally budgeted.

(c) Based on ACUA's current projection of ACUA's likely budget increase for 2026 after conversation with ACUA VP of Finance. Final numbers will be available late December 2025.

The Atlantic City Sewerage Company

1	2025 TREATMENT BILLINGS ADJUSTMENT		
2	(Including the ACUA Credit/Surcharge for Prior Year)		
3			
4		AMOUNT	
5			
6			
7	2025 Actual Treatment Billing	\$ 9,190,153	
8			
9	Less: Actual True-up Charge for 2024 Flows	\$ (81,497)	
10			
11	Net Actual Cost for 2025		\$ 9,108,656
12			
13			
14			
15	LESS:		
16			
17	2025 Estimated Treatment Billing	\$ 8,861,563	
18			
19	Less: Estimated True-Up Charge for 2024 Flows		
20	included in approved filing	\$ (268,802)	
21			
22	Net Estimated Cost for 2025		\$ 8,592,761
23			
24			
25	Treatment Cost Adjustment (Due To) Due From Ratepayers	\$ 515,895	To ACSC-1

The Atlantic City Sewerage Company

1	2025 NEW ACCOUNTS BILLED*	Thru	
2		August 31, 2025	
3		MCF	Assumptions
4	<u>MONTH</u>	<u>AMOUNT</u>	<u>and Notations:</u>
5			
6	January	20.0	
7	February	2.5	
8	March	25.0	
9	April	15.5	
10	May	10.0	
11	June	0.0	
12	July	2.5	
13	August	9.5	
14			
15	Total	<u>85.0</u>	
16			

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

The Atlantic City Sewerage Company

1		
2	<u>2026 PSTAC - PROJECTED EXPENSES</u>	
3		
4		<u>AMOUNT</u>
5		
6	Legal Fees for 2026 PSTAC	\$ 8,000
7	Postage, Publication & Copying	\$ 1,000
8	Other:	\$ -
9		
10	Projected 2026 PSTAC Costs	<u>\$ 9,000</u>
11		
12		
13	Total Projected Expenses (shared 50/50)	<u>\$ 4,500 To ACSC-1</u>

**ATLANTIC CITY SEWERAGE COMPANY
ADJUSTED BILLS FOR SELECT COMMERCIAL CUSTOMERS**

Customers are generally billed based on the prior years usage for the coming year with a true-up for the prior year billing to the actual usage. There are a small number of commercial customers that have known issues with their meters or usage that have been manually billed to account for these issues. These customers will be getting the correct true up for the prior year, but will be billed at a different estimate for the coming year instead of the prior years actual.

Billing Month	(1) 2025 Billed MCF	(2) 2025 Actual MCF	(3) Variance Billed V Actual
January	-	-	-
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
August	300.0	157.5	(142.5)
Total	300.0	157.5	(142.5)

BLENDED ADJUSTMENTS

ACCT #	PROPERTY	PREV BILLED MCF TO ALLOW FOR 0 ADJ	ACTUAL MCF USED TO CREATE ADJUSTMENT	DIFFERENCE	BILLED MCF FOR 2025
12052	WILD WILD WEST			-	
	Jan Cycle Total	-	-	-	-
	Feb Cycle Total	-	-	-	-
31137	ATLANTIC LOFTS, LLC			-	
	Mar Cycle Total	-	-	-	-
41920	SHOWBOAT			-	-
	Apr Cycle Total	-	-	-	-
	May Cycle Total	-	-	-	-
62600	GOLDEN NUGGET			-	
	June Cycle Total	-	-	-	-
72829	AC RESCUE MISSION			-	
	July Cycle Total	-	-	-	-
81920	PIER @ CAESARS (ACXI Studios)	300.0	157.5	(142.5)	210.0
81770	SHERATON HOTEL			-	
81940	CAESARS CASINO & HOTEL			-	
	August Cycle Total	300.0	157.5	(142.5)	210.0

ATLANTIC CITY SEWERAGE COMPANY
2026 - Impact of Annual Rate Change on Average Customer

Impact of PSTAC Increase on Average Residential Customer (8.6 MCF)

1	Rate 5/8" Meter	Existing	Proposed	Change \$	Change %
2	Fixed Charge (A)	\$289.10	\$289.10	\$0.00	0.00%
3	Rate/MCF				
4	Collection	\$9.098	\$9.098	\$0.00	0.00%
5	PSTAC	\$26.418	\$31.609	\$5.19	19.65%
6	Variable Charges (B)				
7	Collection	\$78.24	\$78.24	\$0.00	0.00%
8	PSTAC	\$227.19	\$271.84	\$44.64	19.65%
9	Total (A) + (B)	\$594.54	\$639.18	\$44.64	19.65%

The Atlantic City Sewerage Company
PROJECTED ACUA TRUE-UP CHARGE IN 2025 RATE as of 8/31/2025

Budgeted Contribution by ACSC	35.16%
Updated Flow Projection	<u>35.66%</u>
Increase in ACSC Contribution	0.50%
Treatment Plant Total User Charges	<u>\$ 26,136,604</u>
Estimated Charge/(Credit) from ACUA in 2026 for Increased/(Decreased) Flows during Calendar Year 2025	<u><u>\$ 130,683</u></u>
	to ACSC-1, line

EXHIBIT B

SCHEDULE OF 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:

Size of Meter	Total Annual Fixed Charge
5/8"	\$ 289.10
3/4	501.90
1	1,477.30
1-1/2	3,642.00
2	7,220.40
3	17,590.00
4	36,995.00
6	119,595.00
8	175,869.00
10 or larger	282,633.00

Volumetric Collection Charge

In addition to the annual fixed charge, all customers shall pay \$9.098 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 \$31.609 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: December __, 2025
Issued by: WENDY E. STEWART, President & General Manager
1200 Atlantic Avenue, Atlantic City NJ, 08401

Effective for Service
rendered on and after
January 1, 2026