



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th 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)
AUTHORIZATION TO INCREASE TARIFF RATES)
AND CHARGES FOR SEWERAGE SERVICE)
)
) BPU DOCKET NO. WR14101263
) OAL PUC DOCKET NO. 14773-2014S

Parties of Record:

Stacy A. Mitchell, Esq., Cozen O'Connor, on behalf of Atlantic City Sewerage Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On October 31, 2014, Atlantic City Sewerage Company (“Company” or “Petitioner”), a public utility of the State of New Jersey, subject to the jurisdiction of the Board of Public Utilities (“Board”), filed a petition, pursuant to N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, and N.J.A.C. 14:1-5.12, seeking to increase and revise its rates and charges for sewerage service amounting to \$2,756,051 or 13.99% above the annual revenues based on a test year ending December 31, 2014. The Petitioner updated its filing to reflect twelve months of actual test year results. In that update, the Company revised its requested increase downward to \$2,726,694.

According to the petition, the rate increase is driven by several factors, including, but not limited to, the loss of revenue associated with the four casino closings in 2014, capital improvements since the Company’s last base rate case, and, to a lesser extent, increases in operating, maintenance and administrative expenses. Over 40% of the Company’s revenue is derived from the Atlantic City casino industry.

By this Order, the Board considers the Initial Decision Settlement (“Initial Decision”) recommending adoption of the Stipulation of Settlement¹ (“Stipulation”) executed by the Company, the Division of Rate Counsel (“Rate Counsel”) and Board Staff (collectively the “Parties”), agreeing to an overall increase in revenues in the amount of \$1,600,000 representing an 8.1% increase over pro-forma present rate revenues of \$19,640,448.

¹ Although described in the Order at some length, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order.

BACKGROUND/PROCEDURAL HISTORY

The Company operates a sewerage collection and transmission system within its defined service territory, the City of Atlantic City. The Company serves approximately 7,500 customers and purchases sewerage treatment from the Atlantic County Utilities Authority.

On November 14, 2014, in accordance with N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F-1 to -13, the Board transmitted the matter to the Office of Administrative Law ("OAL") for hearings. Administrative Law Judge ("ALJ") Todd Miller was assigned the case and held a telephone prehearing conference on January 5, 2015. A procedural schedule was agreed to by the Parties.

The proposed rate increase was to become effective on December 2, 2014. The Company filed a letter with the Board stating that it would not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the December 17, 2014 agenda meeting.

On December 17, 2014, the Board issued an Order suspending the proposed rates until April 2, 2015. This matter was not completed by April 2, 2015 and on March 18, 2015 the Board issued an Order further suspending the proposed rate increase until August 2, 2015.

After proper notice, a public hearing was held on March 19, 2015 at 5:30 p.m. No one from the public appeared at the hearing.

Subsequent to the public hearings and prior to evidentiary hearings in this matter, the Parties engaged in settlement negotiations. As a result of the settlement negotiations, the Parties reached a settlement on all issues and entered into a Stipulation that, among other things, provides for an overall increase of \$1,600,000, representing an 8.1% increase above current operating revenues of \$19,600,448.

On April 30, 2015, ALJ W. Todd Miller issued his Initial Decision, recommending adoption of the Stipulation executed by the Parties, in accordance with N.J.A.C. 17:27-19.1, finding that the Parties had voluntarily agreed to the Settlement and that the Settlement fully disposes of all issues and was consistent with the law. A copy of the Initial Decision and the Stipulation are attached.

DISCUSSIONS AND FINDINGS

Among the provisions of the Stipulation, the Parties recommended a test year ending December 31, 2014; a rate base of \$38,617,260, adjusted for all known and measurable changes; and an overall rate of return of 6.96%. As shown on Exhibit A, which is attached to the Stipulation, the 6.96% overall rate of return is based on a capital structure consisting of 50% equity using a return on common equity of 9.75% and 50% debt using an actual cost of debt rate of 4.16%. The Parties agree that the resulting revenue requirement should represent a level of revenues necessary to ensure that the Company will continue to provide safe, adequate and proper sewerage service to its customers.

The Parties acknowledge that the stipulated revenue increase is \$1,600,000. The Parties agree that the attached tariff pages implement the terms of this Stipulation and should be adopted by the Board in their entirety.

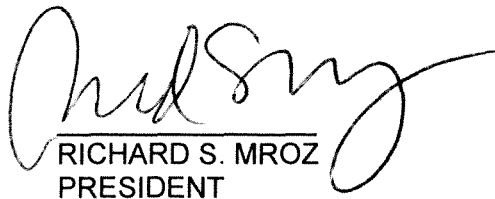
The Board is mindful of the impact any rate increase has on customers. However, having reviewed the record in this matter, including the Initial Decision and the Stipulation, the Board **FINDS** that the Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. In reaching this decision, the Board must balance the needs of the ratepayer to receive safe, adequate and proper service at just and reasonable rates, while allowing the utility the opportunity to earn a fair rate of return. See FPC v. Hope Natural Gas, 320 U.S. 591 (1944); N.J.S.A. 48:2-21 and N.J.S.A. 48:3-1. Therefore, the Board **FINDS** that 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:

- a. The Tariff sheets, attached as Exhibit B to the Stipulation containing the rates and charges conforming to the Stipulation and designed to produce the additional revenues to which the Parties have stipulated herein, are **HEREBY ACCEPTED**; and
- b. The stipulated increase and the tariff design allocations for each customer classification are **HEREBY ACCEPTED**.

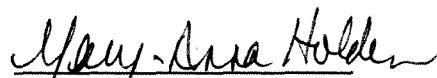
This Order shall be effective on May 29, 2015.


DATED: *May 19, 2015*


BOARD OF PUBLIC UTILITIES
BY:

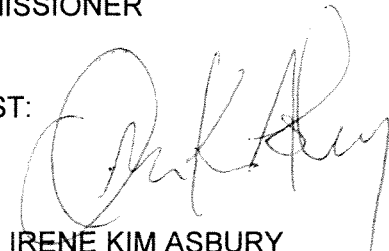

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

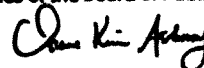

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
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 FOR
AUTHORIZATION TO INCREASE TARIFF RATES AND CHARGES FOR SEWERAGE
SERVICE - BPU DOCKET NO. WR14101263

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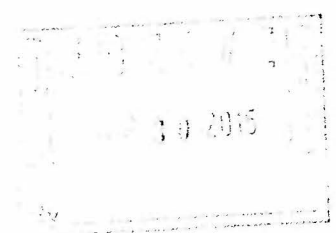
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Division of Water
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RECEIVED

MAY 01 2015

BOARD OF PUBLIC UTILITIES
14773-14



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 14773-14

AGENCY DKT. NO. WR14101263

**IN THE MATTER OF THE PETITION OF ATLANTIC
CITY SEWERAGE COMPANY FOR AUTHORIZATION
TO INCREASE TARIFF RATES AND
CHARGES FOR SEWER SERVICE**

MAY 01 2015

Water / Kammer

Stacy A. Mitchell, Esq., for petitioner, Atlantic City Sewerage Company (Cozen
O'Connor)

Ira G. Megdal, Esq., for petitioner, Atlantic City Sewerage Company (Cozen
O'Connor)

Susan McClure, Assistant Deputy Rate Counsel, on behalf of the respondent,
Division of Rate Counsel (Stefanie A. Brand, Director)

Christopher M. Psihoules, Deputy Attorney General, on behalf of the
respondent, Staff of the Board of Public Utilities (John J. Hoffman, Acting
Attorney General of New Jersey, attorney)

Patricia A. Krogman, Deputy Attorney General, on behalf of the respondent,
Staff of the Board of Public Utilities (John J. Hoffman, Acting Attorney
General of New Jersey, attorney)

CMS
V. Haynes
D. Lee-Thomas
M. Moran
M. Kammer
J. Kane
J. Gertsman
DAG

Record Closed: April 29, 2015

Decided: April 30, 2015

BEFORE W. TODD MILLER, ALJ:

This matter was transmitted to the Office of Administrative Law on November 14, 2014, for determination as a contested case, pursuant to N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F-1 to -13.

The parties have agreed to a settlement and have prepared a Settlement Agreement indicating the terms thereof, which is attached and fully incorporated herein.

I have reviewed the record and 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.
2. The settlement fully disposes of all issues in controversy and is consistent with the law.

I **CONCLUDE** that this agreement meets the requirements of N.J.A.C. 1:1-19.1 and that the settlement should be approved. I approve the settlement and therefore **ORDER** that the parties comply with the settlement terms and that these proceedings be concluded.

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.

April 30, 2015

DATE



W. TODD MILLER, ALJ

Date Received at Agency:

April 30, 2015

Date Mailed to Parties:

/jb

Exhibit A

Exhibit A

THE ATLANTIC CITY SEWERAGE COMPANY

Rate of Return

	Ratios	Cost Rates	Weighted Cost Rates
Long-Term Debt	50.00%	4.16%	2.08%
Common Equity	50.00%	9.75%	4.88%
Total Capital	100.00%		6.96%

Exhibit B

TARIFF
FOR
SEWERAGE SERVICE

Applicable In
THE CITY OF ATLANTIC CITY
NEW JERSEY

Date of Issue: October 31, 2014
Issued by: LOUIS M. WALTERS, President & General Manager
1200 Atlantic Avenue
Atlantic City, New Jersey

Effective for Service
rendered on and after

Filed Pursuant to Decision and Orders of the Board of Public Utilities in Docket Nos. WR14101263 and
WR15010118 dated _____

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AN INTRODUCTION TO CUSTOMERS

The approved tariff located here in the Company's office is available for your review. The Company is responsible to maintain its tariff with any changes approved by the Board of Public Utilities and must, by State Law and regulations, maintain it in exactly the same format as the Company's tariff on file at the Board of Public Utilities, 44 South Clinton Avenue, Trenton, N.J. The Division of Water and Wastewater is on the 9th Floor.

If, after you review this tariff and discuss it with appropriate Company employees, you still have questions regarding clarification or interpretations, please contact the Board of Public Utilities, Division of Customer Relations at 1-800-624-0241, 609-341-9188 or www.nj.gov/bpu.

You have the right to review this tariff at the Company's offices or at the Board's office in Trenton. Your inquiries will be handled by the Board's staff in an expeditious manner in order to protect your rights as well as those of the Company. Please feel free to exercise this right by telephoning or by visiting the Board's offices at any time between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday, or by writing a letter. The letter should contain the writer's name, address and phone number including area code. If the writer is a customer of record, the account number should be included.

The Company has available in its office a leaflet entitled "An Overview of Common Customer Complaints and Customer Rights." This is a summary of the most frequent customer complaints and rights; it does not include all customer rights or utility obligations.

The Board of Public Utilities is responsible for the final interpretation and enforcement of a utility's Tariff provisions and rates. The utility is bound by New Jersey's statutes and the Board's regulations. If a conflict should exist in the Tariff that is detrimental to the Customer, the Board's regulations supersede the Tariff provision absent specific approval to the contrary by the New Jersey Board of Public Utilities. A utility company may provide for more liberal treatment than that provided for in the Board's Regulations.

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AN OVERVIEW OF COMMON CUSTOMER COMPLAINTS AND CUSTOMER RIGHTS

1. No public utility shall refuse to furnish or supply service to a qualified applicant. (Board Order CX86602155)
2. The utility shall not place the name of a second individual on the account of a residential Customer unless specifically requested by said second individual. (N.J.A.C. 14:3-3.2)

DEPOSITS

3. If after notice of the methods of establishing credit and being afforded an opportunity, a customer has not established satisfactory credit, the utility may require a deposit. The deposit amount shall be determined by taking the cost of service for one year dividing by twelve and multiplying that figure by 2. EX. 12 months total bills = \$763.54 divided by 12 = \$63.63 multiplied by 2 = \$127.26 deposit, or \$127.
4. The utility shall furnish a receipt to each customer that makes a deposit. If the deposit is provided by mail, internet or telephone, the utility may comply with this requirement by displaying the amount of the deposit on the customer's next bill. (N.J.A.C. 14:3-3-4.(i)).
5. Each utility shall review a residential customer's account at least once every year and a nonresidential customer's account at least every two years. If this review indicates that the customer has met the utility's standard requirements for establishing credit, the utility shall refund the customer's deposit. (N.J.A.C. 14:3-3.5(a)).
6. Interest payments on the customer deposits held to secure residential accounts shall be made to the customer at least once during each 12-month period in which a deposit is held. (N.J.A.C. 14:3-3.5(g)).
7. When a utility refunds a deposit or pays a customer interest on a deposit, the utility shall offer the customer the option of a credit to the customer's account or a separate check. In either case, the utility shall provide the full refund or payment within one billing period after the review required under N.J.A.C. 14:3-3.5(a) is completed, or after the interest payment is due, as applicable, unless other reasonable arrangements are made between the customer and the utility. (N.J.A.C. 14:3-3.5(h)).

(continued)

Date of Issue: October 31, 2014
Issued by: LOUIS M. WALTERS, President & General Manager
1200 Atlantic Avenue
Atlantic City, New Jersey

Effective for Service
rendered on and after

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8. Where a water or sewer utility furnishes unmetered service, for which payment is received in advance, it may not request a deposit. (N.J.A.C. 14:3-3.4(j)).

DEFERRED PAYMENT ARRANGEMENT

9. A customer is entitled to at least one deferred payment plan in one year. N.J.A.C. 14:3-7.7(b)(2). In the case of a residential customer who received more than one utility service from the same utility (ex: Water and sewer; gas and electric) and the amount which is in arrears is a combination of those services, the utility shall offer a separate deferred payment agreement for each service based on the outstanding balance for that service. (N.J.A.C. 14:3-7.7(d)). The Company MUST renegotiate the deferred payment agreement should the customer's financial situation change significantly. The Company must also issue a new discontinuance notice each time it intends to shut off service, including for default on the terms of the agreement. In the case of a residential customer who receives more than one utility service from the same utility and has subsequently entered into an agreement for each separate service, default on one such agreement shall constitute grounds for discontinuance of only that service. (N.J.A.C. 14:3-7.7(f)).

DISCONTINUANCE OF SERVICE

10. A utility shall not discontinue service because of nonpayment in cases where a charge is in dispute, provided the undisputed charges are paid and the customer has requested that the Board of Public Utilities investigate the disputed charge. (N.J.A.C. 14:3-3A.2(e)5). In accordance with N.J.A.C. 14:3-7.6(b), the utility shall notify the customer that they may make a request to the Board of Public Utilities for an investigation of the disputed charge.
11. A notice of discontinuance sent to the customer shall be postmarked no earlier than 15 days after the postmark date of the outstanding bill. The notice of discontinuance for nonpayment shall provide the customer with at least 10 days written notice of the utility's intention to discontinue service. (N.J.A.C. 14:3-3A.3).
12. The utility shall make good faith efforts to determine which of their residential customers are over 65 years of age, and shall make good faith efforts to notify such customers of discontinuance of service by telephone in addition to notice by regular mail. This effort may consist of an appropriate inquiry set forth on the notice informing customers that they may designate a third party to receive notice of discontinuance. (N.J.A.C. 14:3-3A.49(c)).

(continued)

Date of Issue:	October 31, 2014	Effective for Service
Issued by:	LOUIS M. WALTERS, President & General Manager	rendered on and after
	1200 Atlantic Avenue	_____
	Atlantic City, New Jersey	

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13. A water utility shall not discontinue residential service involuntarily except between the hours of 8:00 A.M. and 4:00 P.M., Monday through Thursday, unless there is a safety related emergency. There shall be no involuntary discontinuance of service on Fridays, Saturdays, and Sundays or on the day before a New Jersey State holiday or on a New Jersey State holiday absent such emergency. (N.J.A.C. 14:3-3A.1(c)).
 14. The occupant of a multiple family dwelling, has the right to be notified of pending service discontinuance at least fifteen (15) days prior to the service being discontinued. (N.J.A.C. 14:3-3A.6).
 15. A customer has the right to have any complaint against the utility handled promptly by that utility. (Board Order, Docket No, C08602155).
 16. Each utility shall, upon request, furnish its customers with such information as is reasonable in order that the customers may obtain safe, adequate and proper service (N.J.A.C. 14:3-3(a)). Each utility shall inform its customers, where peculiar or unusual circumstances prevail, as to the conditions under which sufficient and satisfactory service may be secured from its system. (N.J.A.C. 14:3-3.3(c)). Each utility shall supply its customers with information on the furnishing and performance of service in a manner that tends to conserve energy resources and preserve the quality of the environment. (N.J.A.C. 14:3-3.3(d)).

METERS

17. Each utility shall, without charge, make a test of the accuracy of a meter upon request of a customer, provided such customer does not make a request for test more frequently than once in 12 months. (N.J.A.C. 14:3-4.5(a)). If a customer has a complaint filed with the Board reflecting on the accuracy or performance of the meter, the utility shall not remove the customer's meter from service during the pendency of said complaint, or during the 30 days following the Board's decision on the complaint, unless otherwise authorized by the Board's staff. (N.J.A.C. 14:3-4.8(c)). When a billing dispute is known to exist, the electric, gas or water utility shall, prior to removing the meter, advise the customer that the customer may have the meter tested by the utility, or may have the Board witness a testing of the meter by the utility, and that in any event the customer may have the test witnessed by a third party. (N.J.A.C. 14:3-4.5(c)).

(continued)

Date of Issue: October 31, 2014
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1200 Atlantic Avenue
Atlantic City, New Jersey

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-
18. Whenever a water meter is found to be registering fast by more than one and one-half percent, an adjustment of charges shall be made in accordance with the following: (1) if the date when the meter had first become inaccurate can be ascertained then the adjustment shall be such percentage as the meter is found to be in error at the time of test adjusted to 100 percent on the amount of the bills covering the entire period that the meter has registered inaccurately; (2) in all other cases the adjustment shall be such percentage as the meter is found to be in error at the time of the test on one-half of the total amount of the billing affected by the fast meter adjusted to 100 percent since the previous test. No adjustment shall be made for a period greater than the time during which the customer has received service through that meter. No adjustment shall be made for a meter that is found to be registering less than 100 percent except in the case of meter tampering, non-registering meters or in a circumstance in which the customer should reasonably have known that his bill did not reflect his usage. (N.J.A.C. 14:3-4.6).

FORM OF BILL FOR METERED SERVICE

19. A utility must maintain records of customers' accounts for each billing period occurring within a six (6) year period. Such records shall contain all information necessary to permit computation of the bill. (N.J.A.C. 14:3-7.8).
20. Bills rendered must contain the following information: (a) For metered service, the meter readings at the beginning and end of the billing period; (b) For metered service, the dates on which the meter is read; (c) the number and kind of units measured; (d) identification of applicable rate schedule or a statement that the applicable rate schedule will be furnished on request; (e) the amount of the bill; (f) a distinctive marking to indicate an estimated, averaged or a remote meter index where applicable; (g) an explanation or statement of any conversion from meter reading to billing units or any other calculations or factors used in determining the bill; and (h) the gross receipts and franchise tax statement. (N.J.A.C. 14:3-7.2).

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STANDARD TERMS AND CONDITIONS

Territory to Which Tariff Applies:

In the City of Atlantic City which is in the County of Atlantic.

General Rules

The Atlantic City Sewerage Company hereby adopts Regulations for Sewer utility promulgated by the Board of Public Utilities of the State of New Jersey, which Regulations are incorporated herein by reference thereto.

The Company shall own and maintain all house lateral connections from its mains to the curb line of the property. A curb box enclosing a "cleanout tee" shall be installed by the Company on the sidewalk near the curb for each house lateral connection. The customer shall maintain the house lateral connection from the curb box into and on the premises of the customer.

Property owners wishing to connect their premises with the sewer line of the Company shall make application at the office of the Company and must agree to the terms, conditions and rates as set forth in this and subsequent tariffs of the Company.

Grease interceptors shall be provided by the customer, at customer's expense when, in the opinion of the Company, they are necessary for the proper handling of liquid wastes containing grease or other ingredients harmful to the sewer system or sewage treatment plant or processes.

The size and type of each interceptor shall be determined according to maximum volume and rate of discharge, and each interceptor shall be approved by the Company. No wastes other than those requiring separation shall be discharged into any interceptor.

A grease interceptor or interceptors for major installations shall be mechanical devices which are not solely dependent upon employees, for maintenance and operation.

All interceptors shall be installed upon the lines of the customers in such a manner and location that they are accessible for inspection by the employees of the Company.

No fixture or fixtures shall be installed in the premises of a customer in a basement or at any other point, unless the trap of the fixture is at least 6 inches above the level of the manhole cover of the Company's main which is nearest to the connection to said customer's premises. This provision

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**Standard Terms and Conditions
(Continued)**

does not apply where adequate Pumping facilities are installed on premises. The Company may require the removal of any fixture which violates this provision and failure to remove such fixture within the time specified shall be cause for the Company to discontinue service and refuse further services until the offending fixture or fixtures are removed.

The Company shall not be liable, whatever the cause, for any damages, resulting from a backing up of sewerage through open traps in fixtures located in basements or otherwise or from open joints in sewer lines located in basements or elsewhere, where such traps or lines are less than 6 inches above the level of the manhole cover of the Company's main which is nearest to the connection to the premises of the customer.

In accordance with the National Standard Plumbing Code adopted by the Uniform Construction Code of the State of New Jersey, no storm drainage system of a building shall be connected directly or indirectly to the sanitary drainage system. The Company adopts the above provision and prohibits the drainage of storm water into its collecting system.

All persons, whose premises are connected with the Company's sewerage system or otherwise discharging sewage, wastes, water or other liquids either directly or indirectly into the sewerage system, shall be charged for such service according to the approved rates filed with the Board of Public Utilities of the State of New Jersey.

Sewerage service may be discontinued by the Company for any of the following reasons:

1. For non-payment of a valid bill due for service based on the rates approved by the Board and contained in the utility's tariff. Customers unable to pay the full annual bill shall be afforded the opportunity to enter into a reasonable deferred payment agreement. If service is discontinued, a reconnection fee of \$25.00 shall apply.
2. For the refusal to admit the proper representative of the Company who requires admission to the premises for the purpose set forth in the General Provisions, Original Sheet No. 12.
3. For the violation of one or more of the standard terms and conditions of service contained in this or subsequent tariffs of the Company. Service may be discontinued by the Company for violation of standard terms and conditions upon 30 days notice of the existence of such violation.

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1200 Atlantic Avenue
Atlantic City, New Jersey

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**Standard Terms and Conditions
(Continued)**

All notices herein of discontinuance shall be delivered to the owner personally or by registered mail, addressed to the last address of the owner listed in the records of the Company. On all notices of discontinuance to residential customers, there shall be included:

1. A statement that the utility is subject to the jurisdiction of the New Jersey Board of Public utilities and the address and phone number of the Board. The telephone numbers of the Board to be indicated on such statement are (609) 341-9188 and (800) 624-0241 (toll free).
2. A statement that in the event the customer is either unable to make payment of a bill or wishes to contest a bill the customer should contact the utility. The notice shall contain information sufficient for the customer to make appropriate inquiry.
3. A statement that if the customer is presently unable to pay an outstanding bill, the customer may contact the utility to discuss the possibility of entering into a reasonable deferred payment agreement. In the case of a residential customer receiving more than one different service from the same utility, the statement shall state that deferred payment agreements are available separately for each utility service.

The utility shall make every reasonable attempt to determine when a landlord-tenant relationship exists at residential premises being serviced. If such a relationship is known to exist, discontinuance of residential service is prohibited unless the utility has posted notice of discontinuance in the common areas of multiple family premises and has given individual notice to occupants of single and two family dwellings and has offered the tenants continued service to be billed to the tenants, unless the utility demonstrates that such billing is not feasible. The continuation of service to a tenant shall not be conditioned upon payment by the tenant of any outstanding bills due upon the account of any other person. The utility shall not be held to the requirements of this provision if the existence of a landlord-tenant relationship could not be reasonably ascertained.

The Company reserves the right subject to approval of the Board of Public Utilities of the State of New Jersey, to change, take from, or add to the foregoing rules, regulations, terms and conditions.

Date of Issue: October 31, 2014
Issued by: LOUIS M. WALTERS, President & General Manager
1200 Atlantic Avenue
Atlantic City, New Jersey

Effective for Service
rendered on and after

GENERAL PROVISIONS

Definition of Terms

The Company shall mean The Atlantic City Sewerage Company.

The Company's lines shall mean its laterals, mains, manholes, and appurtenances.

Buildings shall include structures of all types which are directly or indirectly connected to the Company's lines.

Nature and Extent of Service

Sanitary sewerage service for all dwellings will be furnished to all customers at rates set forth in this schedule.

Sanitary sewerage service for business, commercial and industrial buildings will be furnished at rates set forth in this schedule, but only to the extent that the demand therefore will not interfere with the maintenance of adequate sanitary sewerage service to other customers of the Company.

Requirements as to Wastewater Discharged - Since the Company is a participant in the Atlantic County Utilities Authority and must comply with the Rules and Regulations of said Authority, the Company has adopted the Authority's Requirements as to Wastewater Discharged; copies, of which, are available in the Office of the Company, and attached to this tariff as Exhibit A.

Annual Charges for Sewerage Service

The annual charge for any residence, firm, or corporation situated within the service territory of the Company, having any connection with the Company's sewerage system, shall be the sum of:

- (a) a fixed charge for each size water meter; and
- (b) volumetric collection and treatment charges based on the quantity of water used as measured by the water meter or meters then in use, owned by the customer or the entity rendering water service to the customer. For customers without water meters, the fixed and volumetric charges shall be based upon Company's estimate of annual water consumption until such time as a water meter is installed.

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**General Provisions
(Continued)**

Water Used from Sources Other Than the Public Water System

The Company bills for sewerage service based upon metered water flow, registered upon meters of the Atlantic City Municipal Utilities Authority.

In the event any person or entity discharging sanitary sewage, industrial waste, water or other liquids into the Company's sewerage system, either directly or indirectly, obtains part or all of the water used by him from sources other than a metered public water system, such user of other water shall, at his own expense, install and maintain water meters satisfactory to the Company for measuring all water usage other than that obtained from the public water system, and the quantity of water used to determine the volumetric collection and treatment charges as set forth in this tariff shall be the sum of the quantity measured by all such meters plus the quantity of water obtained from the public water system. The Company may estimate appropriate fixed charges.

Company personnel shall at all reasonable times have authority to enter the customer's premises and have access to water meters owned by the customers for the purpose of recording the reading of those meters.

Each water meter, whenever installed by the customer, shall have been tested for accuracy at the customer's expense, and thereafter, shall be tested, and recalibrated, periodically as deemed necessary by the Company, also, at the customer's expense. Testing and recalibration shall be performed and certified to by qualified independent contractors with copies of the certifications delivered to the Company.

Exemption for Water Not Entering the Sewerage System

In the event it is established to the satisfaction of the Company that a portion of the water measured by the water meters, does not and cannot enter the sanitary sewerage system, then the Company may determine, in such a manner and by such method as it may deem practical, the portion of the metered water entering the sanitary sewerage system, or the Company may require or permit the installation of additional meters in such a manner as to determine either the quantity of water excluded from the sewerage system, or the quantity of water actually entering the sanitary sewerage system. The sewerage volumetric charges shall be based upon the quantity of water estimated, measured or computed by the Company to be actually entering the sanitary sewerage system.

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**General Provisions
(Continued)**

Persons requesting consideration for a reduction in the sewerage volumetric charges because of water not entering the sanitary sewerage system shall make written application to the Company for such consideration, giving the name of the individual, firm, industry or business, address, account number, and supporting data fully describing sources of water, as well as disposition of water alleged not to be entering the sewerage system. The application shall be accompanied by a drawing to approximate scale showing the plan of the property, water source, sewer layout, existing meters and proposed meters to determine the quantity of flow entering or not entering the sewerage system. The cost of furnishing, installing and maintaining any meters other than those utilized to measure water purchased from the water utility shall be borne by the customer. The type, size, location, arrangement and maintenance of such meters shall be subject to the approval of the Company.

Billing

All customers connected with the Company's sewerage system shall be billed in accordance with the Schedule of Sewer Rates contained in this tariff and approved by the Board of Public Utilities.

Annual bills for sewerage service shall be rendered on a cycle billing basis (identified as the billing year) for all customers beginning in January and each month thereafter through August of each year based on the quantity of water estimated to be used during the year. A billing adjustment for any difference between actual and estimated usage will be made the following year in the corresponding billing cycle.

Billing Year

The billing year shall be that twelve-month period which the Company designates for the purpose of billing, the beginning date of which shall be the first day of the month between the months of January and August, inclusive, nearest to but after the date of commencement of service to the property. Customers initiating service from September through December will be placed into the January billing cycle and a prorated bill will be rendered for the period from the date of the establishment of service through December 31.

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**General Provisions
(Continued)**

Payment for Sewerage Service

All charges for sewerage service shown in the billing are payable in advance for the twelve (12) month period commencing on the first day of the appropriate billing year. The customer may pay one-half (1/2) of the total charges within 30 days of the day the bill is sent and the remaining one-half (1/2) within six months of the date the bill is sent. Accounts will be considered delinquent when payment of at least one-half (1/2) of the total charges is not received within thirty (30) days of the date the bill is sent. The second, payment is considered delinquent if not received six months after the bill is sent.

Requests for Discontinuance of Service

Customers wishing to discontinue service must give notice to that effect. Where such notice is not received by the utility, the customer shall remain liable for service until the final reading of the water meter. Customers wishing to discontinue service and contact the Company shall be advised by the Company that they must obtain a final meter reading from the Atlantic City Municipal Utilities Authority and submit same to the Company. All charges shall be prorated upon establishment and termination of service.

Customers who properly notify the Company during the billing year, in accordance with the above requirements, will be given a prorated credit or rebate. With respect to the Volumetric Collection and Treatment charges the credit or rebate will be calculated on the basis of the actual water used according to the water meter reading on the day service is discontinued.

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SCHEDULE OF RATES

APPLICATION

General

This schedule is applicable to all sewer customers located within the service territory of the Company.

All annual sewer bills shall be calculated according to the method set forth on Original Sheet Nos. 11, 12 and 13.

The volumetric collection and treatment charges shall be applied to the nearest one-tenth of a thousand cubic feet of water measured by a water meter.

Each water meter shall be considered a separate billing unit in applying the rates set forth in this Schedule.

Multiple Customers Served By a Single Water Meter

Except for buildings consisting of three or more dwelling units (e.g. apartment complexes and condominiums), when a single water meter serves more than one customer, (1) the volumetric collection and treatment charges shall be divided and billed equally among the customers served by the same water meter; and (2) the annual fixed charge shall be divided and billed equally among the customers of record served by the same water meter; however, in no such case shall multiple customers, served by a single water meter, be billed less than the annual fixed charge for a 5/8-inch water meter.

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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"	\$230
3/4	400
1	1,175
1-1/2	2,900
2	5,750
3	14,000
4	29,450
6	95,205
8	140,000
10 or larger	225,000

Volumetric Collection Charge

In addition to the annual fixed charge, all customers shall pay \$7.243 for each 1,000 cubic feet of metered water, measured to the nearest one-tenth.

Volumetric Treatment Charge

In addition to the annual fixed charge and the volumetric collection charge, all customers shall pay \$26.594 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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EXHIBIT A

LIMITATIONS ON WASTEWATER DISCHARGES

Effective January 1990
A.C.U.A. Resolution 90-1

No person shall discharge directly or indirectly into the regional system, any wastewater the characteristics of which do not conform to the concentration limits prescribed herein, or to discharge into the regional system any toxic substances or any other objectionable material or substances as specified in this schedule, except upon written approval by the A.C.U.A. and upon such terms and conditions as may be established by the Authority in the acceptance of the wastewater.

SECTION 1.0

No person shall discharge or permit the discharge or infiltration into the regional system any of the following:

Any liquid having a temperature higher than 150 degrees (65 degrees C) or heat in such amounts which will inhibit biological activity in the POTW resulting in Interference, but in no case heat in such quantities that the temperature at the POTW Treatment Plant exceeds 40 degrees C. (104 degrees F.) unless the State, upon request of the ACUA, approves an alternate limit.

Any liquid containing fats, wax, grease, or oils, whether emulsified or not, in excess of 100 mg/l or containing substances which may solidify or become viscous at temperatures between .32 degrees E and 150 degrees F (0 degrees C and 65 degrees C).

Any water or wastes that contain hydrogen sulfide in sufficient quantity to cause damage or excessive odor within the wastewater treatment system.

Any residue from petroleum storage, refining or processing fuel or lubrication oil, gasoline, naphtha, benzene, or other explosive or inflammable liquids, solids, or gases in such concentrations which would cause or potentially cause an explosive, flammable, or other hazardous condition.

Any substances that may:

A. Cause interference with the metering of wastewater;

B. Pass through to the receiving waters without being effectively treated at the wastewater treatment processes,

Any solid or viscous substance in quantities or of such size capable of causing obstruction to the flow in sewers such as, but not limited to, mud, straw, metal, rags, glass tar, plastics, wood and shavings.

Any solid or viscous substances in quantities or of such size capable of causing an interference with the proper operation of the regional system such as, but not limited to ashes, cinder's, sand, feathers,

unground garbage, whole blood, paunch manure, hair and fleshings, entrails, paper or plastic containers, etc., either whole or ground by garbage grinders.

Any garbage that has not been properly shredded to a degree that all particles can be carried freely under the flow conditions normally prevailing in public sewers. Particles greater than one-half (1/2) inch in any dimension are prohibited.

Any pollutant that will cause corrosive damage or hazard to structures, equipment, or personnel of the wastewater facilities, but in no case discharges having a pH lower than 5.0 Standard Units or greater than 9.0 Standard Units.

Any radioactive waste or isotope of such half-life or concentration as to be in excess of that permitted by appropriate regulatory agencies having control over their use or in such quantity as to cause damage or hazard to structures, equipment, and personnel of the Authority.

Any waste containing noxious or malodorous solids, liquids or gases, which, either single or by interaction with other wastes, are capable of creating a public nuisance or hazard to life, or are or may be sufficient to prevent entry into a sewer for its maintenance and repair.

Any unpolluted waters e.g. (stormwater, surface water, groundwater, roof runoff, cooling drainage) to the wastewater treatment system.

Any non-contact cooling water or unpolluted industrial process waters to the wastewater treatment system unless specifically allowed by A.C.U.A.

Constitute a rate of discharge sufficient to be classified as a "slug discharge", or containing such concentrations or quantities of pollutants that would cause an interference to the wastewater treatment system.

Any water or wastes containing toxins or pollutants in sufficient quantity and/or concentration to cause injury, damage or hazard to personnel, structures or equipment, or interfere with the Wastewater Treatment System or any portion of the liquid or solids treatment or handling processes, or that will pass through the wastewater treatment system in such condition that it will not achieve state, federal or other existing requirements for the effluent or for the receiving waters.

Any material which exerts or causes:

- A. Unusual concentrations of inert suspended solids (such as, but not limited to, Fuller's earth, lime slurries and lime residues) or of dissolved solids (such as, but not limited to, sodium chloride and sodium sulfate).
- B. Any water or wastes containing dyes, pigments or other colored substances that will not be removed in the wastewater treatment system and will interfere with effluent color or turbidity measurements.
- C. Unusual POD, COD, or chlorine ' requirements in such quantities as to constitute an unacceptable load on the wastewater treatment works.

SECTION 1.1

No person shall dispose of wastes from septic tanks, cesspools, or other such sources of sanitary waste to the regional system without the prior written

approval of A.C.U.A. and in accordance with all conditions imposed by A.C.U.A. on such disposal.

SECTION 1.2 No person shall uncover or make any unauthorized connection or alteration or otherwise disturb any element of the regional system without the prior written approval of A.C.U.A.

SECTION 1.3 Connections to the regional system shall be designed and constructed to conform to the requirement of all applicable state and local building and plumbing codes. All such connections shall be made gastight and watertight and shall be subject to the inspection and approval of A.C.U.A.

SECTION 1.4 No person shall discharge to the regional system any liquids containing toxic solids, liquids or gases in sufficient quantity, either single or by interaction with other wastes, to injure or interfere with any wastewater treatment process, constitute a hazard to humans or animals, create a public nuisance, prevent the attainment of effluent limitations as imposed by any state or federal regulatory agency, or create any hazard in the effluent of the wastewater treatment plant or the receiving waters.

SECTION 1.5 The concentration in wastewater of any of the following substances shall be limited to the stated maximum concentrations in order to be acceptable for discharge to the regional system:

PARAMETERS	DISCHARGE LIMITATIONS	
	Monthly* Average (MG/L)	Daily Maximum (MG/L)
Arsenic (as AS)	2.0	2.0
Boron (as BO)	1.0	1.0
Cadmium (as Cd)	0.26	0.69
Chromium (Total)	0.23	0.23
Copper (as Cu)	0.36	1.0
Cyanide (Total)	1.0	1.0
Iron (as Fe)	5.0	5.0
Lead (as Pb)	0.4	0.6*
Mercury (as Hg)	0.01	0.04*
Nickel (as Ni)	0.36	0.36
Silver (as Ag)	0.24	0.43*
Zinc	2.2	2.2
MBAS	10	10
Phenol	0.04	0.04
Total Solids	1,300	1,300

*New (91) addition

SECTION 1.6

No person shall discharge into the regional system any waters or wastes having the following characteristics without the prior review and approval of A.C.U.A.

- a) A five-day BOD concentration greater than three-hundred (300) parts per million, or
- b) A suspended solids concentration in excess of three-hundred (300)parts per million, by weight, or
- c) Incompatible pollutants, as defined in these Rules and Regulations, or
- d) Pollutants subject to the federal categorical pretreatment standards, as defined by 40 CFR 403, or
- e) Any new source significant indirect user (SIU) as. defined by N.J.S.A. 56:10A-6 and N.J.A.C. 7:14A-12.1.

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Exhibit C

Exhibit C

The Atlantic City Sewerage Company

Summary of Recommendations

Meter Size (1)	Meter Billing Units ¹ (2)	Annual Fixed Charge (3)	Fixed Charge Revenue (4)	Water Volume (MCF) (5)	Volumetric Charge \$29.854 Per MCF ¹ (6)	Total Present Annual Revenue (7)	Proposed Fixed Charge (8)	Proposed Fixed Charge Revenue (9)	Proposed Volumetric Charge \$32.494 Per MCF ² (10)	Total Proposed Annual Revenue (11)	Percent Increase (12)
5/8"	5,369	\$ 227	\$ 1,218,763	43,121.4	\$ 1,287,346	\$ 2,506,109	\$ 230	\$ 1,234,870	\$ 1,401,187	\$ 2,636,057	5.19%
3/4"	1,323	394	521,262	19,809.1	591,381	1,112,643	400	529,200	643,677	1,172,877	5.41%
1"	386	1,169	451,234	19,648.7	586,591	1,037,825	1,175	453,550	638,465	1,092,015	5.22%
1 1/2"	112	2,811	314,832	9,852.4	294,134	608,966	2,900	324,800	320,144	644,944	5.91%
2"	170	5,559	945,030	26,270.4	784,277	1,729,307	5,750	977,500	853,630	1,831,130	5.89%
3"	50	13,691	684,550	15,991.8	477,419	1,161,969	14,000	700,000	519,638	1,219,638	4.96%
4"	45	27,368	1,231,560	59,618.2	1,779,842	3,011,402	29,450	1,325,250	1,937,234	3,262,484	8.34%
6"	42	68,077	2,859,234	158,538.0	4,732,993	7,592,227	95,205	3,998,610	5,151,534	9,150,144	20.52%
8"	3	136,281	408,843	15,782.0	471,156	879,999	140,000	420,000	512,820	932,820	6.00%
10"	-	217,576	-	-	-	-	225,000	-	-	-	NA
Totals	7,500		\$ 8,635,308	368,632.0	\$ 11,005,139	\$ 19,640,447		\$ 9,963,780	\$ 11,978,329	\$ 21,942,109 ³	11.72%

Footnotes

¹ Consists of current Volumetric Collection Charge of \$6.506 and PSTAC Volumetric Treatment Charge of \$23.348.

² Consists of proposed Volumetric Collection Charge of \$7.243 and 2015 PSTAC Volumetric Treatment Charge of \$25.251.

³ Increase of \$2,301,662 consists of \$701,506.70 attributable to the PSTAC Volumetric Treatment Charge and \$1,600,155.30 for AC Sewerage base revenues.

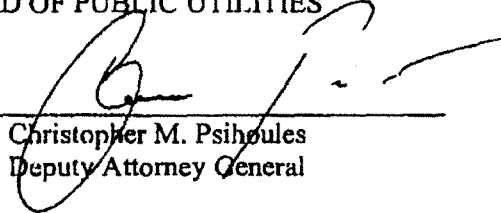
THE ATLANTIC CITY SEWERAGE COMPANY

By: _____


Stacy A. Mitchell, Esquire

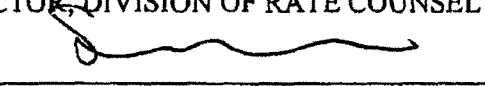
JOHN JAY HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
ATTORNEY FOR STAFF OF THE NEW JERSEY
BOARD OF PUBLIC UTILITIES

By: _____


Christopher M. Psihoules
Deputy Attorney General

STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE COUNSEL

By: _____


Susan McClure
Assistant Deputy Rate Counsel

Dated: April 27, 2015