



Agenda Date: 12/1/21  
Agenda Item: VB

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF THE PETITION OF THE	)	ORDER FURTHER
ATLANTIC CITY SEWERAGE COMPANY FOR	)	SUSPENDING INCREASES,
APPROVAL TO INCREASE TARIFF RATES AND	)	CHANGES OR ALTERATIONS IN
CHARGES FOR SEWERAGE SERVICE AND OTHER	)	RATES FOR WATER SERVICE
TARIFF CHANGES	)	
	)	DOCKET NO. WR21071006
	)	OAL DOCKET NO. PUC 06672-21

**Parties of Record:**

**Courtney L. Schultz, Esq.** **Saul Ewing Arnstein & Lehr, LLP**, on behalf of Atlantic City Sewerage Company  
**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

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

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

Due to the composition of its customer base, the small size of the Company and the economic situation in Atlantic City prior to the COVID-19 pandemic, ACSC claims it has been uniquely

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<sup>1</sup> By letter dated August 6, 2021, the Company indicated that it would not implement rates prior to the effective date of the initial Suspension Order entered in this matter.

impacted by the COVID-19 pandemic. While the full impacts cannot be known with certainty at this time, the Company asserts that it will continue to feel those impacts for at least the next two years. For this, and other reasons, the Company has designed rates assuming a two year rate effective period resulting from this case.

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

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

On August 5, 2021, the Board transmitted this matter to the Office of Administrative Law ("OAL") for hearing and initial disposition as a contested case and was assigned to Administrative Law Judge ("ALJ") Jacob S. Gertsman. Thereafter, by Order dated August 18, 2021, the Board suspended the proposed rate increase until December 18, 2021 pending further action in this matter.

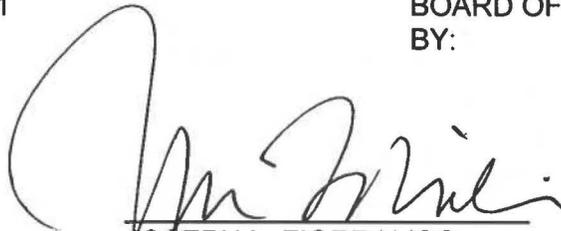
The parties conducted discovery and have reached a settlement. The settlement is under review by ALJ Gertsman. Therefore, in light of the fact that this matter will not be completed prior to December 18, 2021, and in order to allow ALJ Gertsman sufficient time to conduct the case, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21, the proposed revisions be, and are further suspended until April 18, 2022, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) The Petitioner shall, at least 10 days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the OAL (3444 Quakerbridge Road (Quakerbridge Plaza – Bldg .9), Mercerville (Hamilton Twp.), NJ 08619) proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12 (b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) The Petitioner shall, serve copies of this Order upon the OAL, the Division of Rate Counsel (140 East Front Street, 4<sup>th</sup> Floor, Post Office Box 003, Trenton, NJ 08625), the clerk of each affected municipality, the clerks of the Board of Commissioners of all affected counties, and where appropriate, the executive officer of the affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within 15 days of the date of this Order.

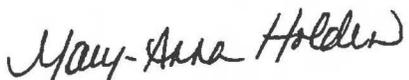
This Order shall be effective on December 8, 2021.

DATED: December 1, 2021

BOARD OF PUBLIC UTILITIES  
BY:



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JOSEPH L. FIORDALISO  
PRESIDENT



\_\_\_\_\_  
MARY-ANNA HOLDEN  
COMMISSIONER



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DIANNE SOLOMON  
COMMISSIONER



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UPENDRA J. CHIVUKULA  
COMMISSIONER



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ROBERT M. GORDON  
COMMISSIONER

ATTEST:   
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AIDA CAMACHO-WELCH  
SECRETARY

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

**BPU DOCKET NO. WR21071006  
OAL DOCKET NO. PUC 06672-21**

**SERVICE LIST**

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