

EXHIBIT 3

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 Calculation of New Treatment Rate:

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	Current Rate - effective 1/1/25	\$ 26.418		
16	New Rate	<u>\$ 31.609</u>		
17	difference in rate	\$ 5.191	19.65%	
18	Volume projection	<u>335,496</u>		
19	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
2026 PROJECTED TREATMENT COST
ANNUAL BILLING

1	(1)	(2)	(3)	(4)
2				
3			<i>Estimated (a)</i>	
4	2025	2026	March	2026
5	TREATMENT	2.00% (c)	2026	TREATMENT COST
6	COST	<i>Est. Increase</i>	<i>(CREDIT)/CHARGE</i>	<i>(1)+(2)+(3)</i>
7				
8				
9	\$ 9,190,153	\$ 183,803	\$ 130,683 (b)	\$ 9,504,639
10				
11				
12				

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

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

19 (c) Based on ACUA's current projection of ACUA's likely budget increase for
 20 2026 after conversation with ACUA VP of Finance. Final numbers will be
 21 available late December 2025.
 22
 23

The Atlantic City Sewerage Company

1	2025 TREATMENT BILLINGS ADJUSTMENT		
2	(Including the ACUA Credit/Surcharge for Prior Year)		
3			
4		<u>AMOUNT</u>	
6			
7	2025 Actual Treatment Billing	\$ 9,190,153	
8			
9	Less: Actual True-up Charge for 2024 Flows	<u>\$ (81,497)</u>	
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	<u>\$ (268,802)</u>	
21			
22	Net Estimated Cost for 2025		<u>\$ 8,592,761</u>
23			
24			
25	Treatment Cost Adjustment (Due To) Due From Ratepayers		<u><u>\$ 515,895</u></u> To ACSC-1

The Atlantic City Sewerage Company

		Thru August 31, 2025	
		MCF AMOUNT	Assumptions and Notations:
	MONTH		
1	2025 NEW ACCOUNTS BILLED*		
2			
3			
4			
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	85.0	
16			

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

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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>\$</u>	<u>9,000</u>
11			
12			
13	Total Projected Expenses (shared 50/50)	<u>\$</u>	<u>4,500</u> To ACSC-1

**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	\$26.258	\$31.609	\$5.35	20.38%
6	Variable Charges (B)				
7	Collection	\$78.24	\$78.24	\$0.00	0.00%
8	PSTAC	\$225.82	\$271.84	\$46.02	20.38%
9	Total (A) + (B)	\$593.16	\$639.18	\$46.02	20.38%

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>\$ 130,683</u>

to ACSC-1, line