



THOMAS, NIESEN & THOMAS, LLC

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December 28, 2017

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

In re: Docket No. R-2017-2631441
Pennsylvania Public Utility Commission v. Reynolds Water Company

Dear Secretary Chiavetta:

We are counsel to Reynold Water Company in the above matter and are submitting, via electronic filing with this letter, the Company's Prehearing Memorandum in connection with the Prehearing Conference to be held on December 29, 2017. Copies of the Prehearing Memorandum are being served upon the persons and in the manner set forth on the certificate of service attached to it.

Very truly yours,

THOMAS, NIESEN & THOMAS, LLC

By

Thomas T. Niesen

cc: Certificate of Service (w/encl.)
Bradley R. Gosser (via email, w/encl.)

Name, Address and Telephone Number of Reynolds's Counsel

The names, postal and email addresses and telephone and fax numbers for Reynolds's counsel for this matter are as follows:

Thomas T. Niesen, Esquire
Thomas, Niesen & Thomas, LLC
212 Locust Street, Suite 302
Harrisburg, PA 17101

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Reynolds's Interest In This Proceeding

Reynolds's interest in this proceeding is its Supplement No. 5 and the rates, rules and regulations presented in its Tariff No. 4.

The Issues Reynolds Intends to Raise and Pursue

The fundamental issue in this proceeding is whether the rates proposed by Reynolds in Supplement No. 5 are fair, just, reasonable, non-discriminatory and lawful. Reynolds is unable to determine at this time all of the issues and sub-issues which will be raised by the Bureau of Investigation and Enforcement, the Office of Consumer Advocate and any other participants to the proceeding. Reference should be made to their respective Prehearing Memoranda for any issues they may be in a position to identify at this time. Nevertheless, it is reasonable to expect that the following general issues will be raised in the proceeding:

- A. Is Reynolds's rate base claim reasonable?
- B. Is Reynolds's rate of return claim reasonable?
- C. Are Reynolds's claims for operating revenues, expenses, depreciation and taxes reasonable?
- D. Is Reynolds's proposed rate design fair, reasonable, non-discriminatory and lawful?

It is Reynolds's position that Supplement No. 5 and supporting information submitted with it establish that each of the foregoing issues should be answered in the affirmative. Reynolds submits that the rates, rules and regulations proposed in Supplement No. 5 are fair, just, reasonable, non-discriminatory and lawful and should be allowed to go into effect as proposed.

Reynolds's Witness and Areas of Testimony

Reynolds intends to present the following witnesses:

<u>Statement</u>	<u>Witness</u>	<u>General Subject Matter</u>
1	Bradley R. Gosser	Company Operations
2	Dennis Kalbarczyk	Supplement No. 5 to Tariff Water - Pa. P.U.C. No. 4 and Supporting Information

Also filed with Supplement No. 5 on October 30, 2017 was the following Reynolds exhibit:

Reynolds Exhibit I - Supporting information for Supplement No. 5 to Tariff Water - Pa. P.U.C. No. 4

Reynolds respectfully reserves the right to present additional witnesses, testimony and exhibits as the matter progresses.

Mediation

Reynolds has elected mediation to attempt to resolve this matter without formal litigation.

Procedural Schedule

The Company will cooperate with Judge Dunderdale and the other parties to create a litigation schedule. At the present time, the Company proposes to delay creating a schedule while the parties attempt to mediate a resolution of the proceeding.

Respectfully submitted,

By  _____

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Attorney for
Reynolds Water Company

Dated: December 28, 2017
RWC Prehearing Memorandum.wpd

**Before The
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Administrative Law Judge
Katrina L. Dunderdale, Presiding**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2017-2631441
	:	
Reynolds Water Company	:	
	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this 28th day of December 2017, served a true and correct copy of Reynolds Water Company's Prehearing Memorandum, upon the persons and in the manner indicated below:

EMAIL AND FIRST CLASS MAIL, POSTAGE PREPAID

The Honorable Katrina L. Dunderdale
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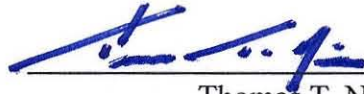
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