

RECEIVED

2018 APR 19 PM 2: 23

April 13, 2018

PA PUC
SECRETARY'S BUREAU

Honorable Judge Katrina Dunderdale,

R-2017-2631441
C-2018-2644372

I am Margaret Foust. I reside at 1202 Brentwood Drive, Greenville, PA. I am complainant #C-2018-2644372 in the Pa.P.U.C. et al. v. Reynolds Water Company. I am a member of the Reynolds Community Advocate Group. My comments on the Joint Petition are as follows:

Part A Revenue Increase and Phase In

RWC consented to ...voluntarily extending the effective date of Supplement No. 5 to October 1, 2018, as stated on page 3, item #6. The terms of this settlement change the date to become effective on one day's notice, following the entry of a Commission Order approving this settlement. I AM OPPOSED to the one day's notice.

I AM OPPOSED to the 30.4% increase. I was on the conference call February 21, 2018, but was not allowed to speak. I was appalled when the Office of Consumer Advocate began negotiations by offering a 20% water rate increase. Then, settled quickly when RWC countered with the 30.4%. Clearly the Office of Consumer Advocate was not representing the formal complainants in a fair and just manner. RWC customers cannot afford a 20% increase, let alone the proposed 30.4%.

A 21.31% increase will generate \$111,198 ANNUALLY. The projects outlined in the settlement total \$327,250. Three years of Phase One increase would cover the costs of the projects. Yet, the customers of RWC are expected to continue to pay an extra 21.31% PLUS an additional 7.49% indefinitely! This is EXCESSIVE! Any phase 2 should terminate or reduce any increase.

The RWC needs to exhaust all other resources to fund their projects. Representative Mark Longiotti secured a \$320,000 grant for the nearby Greenville water treatment system. If RWC secured a similar grant, it would pay for the said projects, and FIT could serve to increase the return on their investments. No rate increase would be necessary.

I AM OPPOSED to the phase-ins. I do appreciate that the OCA and I&E are holding RWC accountable by making the funds contingent upon the completion of the projects.

Part B Federal Taxes:

President Donald Trump reduced the FIT to 21%. The principal of the FIT is for businesses to use the funds for operational costs and increase cash flow. The RWC can utilize the additional FIT to complete their projects in phases and increase their net return. Any water rate increase will completely negate the few dollars "we the people" received as a result of the new tax plan.

Part C Monthly Billing

This item was inserted into the settlement by the OCA and I&E as a means to relieve the burden of receiving a \$200-\$500 water bill quarterly. It is designed to act as a remedy for veterans, those with disabilities, retirees on fixed incomes, and low income residents who are unable to afford their water bills. Presently, RWC offers no payment arrangements for its customers without incurring a penalty and has no grace period. I AM OPPOSED to monthly billing if rates are increased as a result of the extra expense incurred by the RWC to implement this. However, I IMPLORE the RWC to offer a grace period and also a budget program similar to electric and gas companies.

Part E Billing Format

I would like to request that our bills include whether or not our meter reading is estimated or actual.

Part F Stay Out

I AM OPPOSED to a two year stay out. It would be indicative of the RWC's inability to financially manage the company and shows a total disregard for the RWC customers' financial distress. Be advised that "we the people" have not received significant increases in our pay and work 2-3 minimal paying jobs to put food on the table. No increase for at least 11 years when the Penn Vest loan has been repaid and no longer on our bills (supposedly 2027) and we have a two year reprieve from that RWC financial obligation "we the customers" have had the burden of repaying.

OTHER PROVISIONS

Please be advised that the "typical residential customer" figures given by the RWC are deceptive. Based on the RWC's estimated 9,000 gallon consumption of a "typical residential customer," a Reynolds Utility bill under present rates would be \$92.76 (water) + \$81.36 (sewer) + \$17.55 (Penn Vest) = \$191.67 per quarter. The addition of Phase 1 rates (21.31%) would increase the Reynolds Utility bill to \$112.53 + \$81.36 + \$17.55 = \$211.44 per quarter. Phase 2 (7.49%) would increase our utility bill to \$120.96 + \$81.36 + \$17.55 = \$219.87 per quarter.

I am confused as to why the company on our bill is Reynolds Utilities, yet in this litigation the company refers to itself as the Reynolds Water Company (RWC).

According to the PA Office of Consumer Advocate water rates posted online , RWC's current rate of \$40.96 base rate for 2,000 gallons is well above most other PA water companies. There are approximately 165 PA companies. RWC is higher than at least 116 or 70% of the other companies.

I commend the Bureau of Investigation and Enforcement for including in the petition (page 8 #16) that "the Joint Petitioners recognize that is Joint Petition does not bind the pro se formal complainants... Nothing herein is intended to limit in any way any position which any Joint Petitioner may have or take concerning any comment or objection to the settlement that may be filed by the formal complainants." However, I am dismayed by the statements from the RWC that (page 4) "the cost of litigation may ultimately be reflected in higher rates for water service." That statement seems to be intended to threaten and deter any opposition by the formal complainants.

Conclusion

The settlement increase will provide the RWC with EXCESSIVE additional cash flow and is not reasonable or in the public interest its customers.

Sincerely,


Margaret C. Foust

RECEIVED
2019 APR 19 AM 11:11
PA PUC
SECRETARY'S BUREAU



Margaret Foust
1202 Brentwood Dr
Greenville, PA 16125

PITTSBURGH PA 150

17 APR 2013 PM 6 L



Secretary for the Commission
P.O. Box 3265
Harrisburg, PA 17101-3265

17105-326565

