



THOMAS, NIESEN & THOMAS, LLC

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June 30, 2020

*Via Electronic Filing*

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

In re: PaPUC Docket No. R-2020-3019612  
Reynolds Disposal Company  
Supplement No. 5 to Tariff Sewage – Pa. P.U.C. No. 4

Dear Secretary Chiavetta:

We are counsel to Reynolds Disposal Company and are submitting, with this letter via electronic filing, Supplement No. 5 to the Company's Tariff Sewage – Pa. P.U.C. No. 4 ("Supplement No. 5") with accompanying supporting information. Supplement No. 5, which is issued today to become effective on September 1, 2020, proposes increases in rates designed to produce additional annual revenue of \$215,646.

Please enter my appearance and contact me if anything further is required concerning this matter.

Very truly yours,

THOMAS, NIESEN & THOMAS, LLC

By 

Thomas T. Niesen

Encl.

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

REYNOLDS DISPOSAL COMPANY

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GREENVILLE, MERCER COUNTY, PENNSYLVANIA,

RATES, RULES, AND REGULATIONS

IN

PYMATUNING, DELAWARE, AND HEMPFIELD TOWNSHIPS,

MERCER COUNTY, PENNSYLVANIA

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ISSUED: June 30, 2020

EFFECTIVE: September 1, 2020

BY: BRADLEY R. GOSSER  
EXECUTIVE DIRECTOR/VICE PRESIDENT  
301 ARLINGTON DRIVE  
GREENVILLE, PA 16125

# NOTICE

THIS SUPPLEMENT INCREASES USER RATES AND CHANGES RULES AND REGULATIONS

(SEE PAGE 2)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

THIS TARIFF SUPPLEMENT NO.5 TO TARIFF NO.4 INCREASES RATES FOR ALL SEWER SERVICE IN ALL RATE CLASSES BY APPROXIMATELY 48%.

IT ALSO CHANGES THE QUARTERLY BILLING TO MONTHLY BILLING

IN ADDITION, LANGUAGE IS ADDED TO THE RULES AND REGULATIONS TO INCLUDE THE COMPANY'S CREDIT PROCEDURES IN ACCORDS WITH THE PENNSYLVANIA CODE §56.36

- (I) Indicates Increase
- (D) Indicates Decrease
- (C) Indicates Change

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(C) Indicates Change			
(I) Indicates Increase			

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SCHEDULE OF METER RATESApplication

This schedule is available to all Domestic, Commercial and Public Service customers, based upon water consumed and having metered water supply services.

All customers served under this schedule shall be subject to a monthly customer charge (C)  
of \$12.05, plus a consumption charge based upon the following volumetric rates: (I)

VOLUMETRIC RATES

	Per 1,000 <u>Gallons</u>		
For the first 4,000 gallons per month	\$9.9139	(C)	(I)
For the next 16,000 gallons per month	\$8.8417	(C)	(I)
All over 20,000 gallons per month	\$5.3454	(C)	(I)

Where more than one Residential or Commercial unit (fixed or mobile) is served through a single meter, the charge shall be determined by the average water usage per unit. The average water usage per unit shall be determined by dividing the water registered by the meter by the number of units served through such meter. This average usage is calculated on the above rates and is subject to customer charges the same as any other Residential or Commercial customer. The resulting charge is then multiplied by the units served to determine total charge for such meter.

(C) Indicates Change  
(I) Indicates Increase

SCHEDULE OF METERED RATES  
(CONTINUED)

Application

Sewage rates for Industrial customers shall be charged on the basis of water consumed via metered water supply service.

SCHEDULE OF FLAT RATES

Should an Industrial customer determine and establish to the satisfaction of the Company that the majority of metered water is consumed in the Industrial process and not entering the sanitary sewer lines as sewage or industrial waste, the customer may request Flat Rate Service, whereby, such customer shall be billed on an employee count as provided herein. The Reynolds Disposal Company reserves the right to review the disposition of industrial wastes at any time service is in force.

<u>Industrial Service</u>	<u>Net Rate</u> <u>Per Month</u>	(C)
Per individual employee including employer and employees	\$20.08	(I)

Industrial customers having their own source of water which does enter sewer lines shall furnish metering devices with prior approval of such device by the Company and will be billed on the basis of water consumed.

(C) Indicates Change  
(I) Indicates Increase

SCHEDULE OF FLAT RATES  
(CONTINUED)Domestic and Commercial ServiceDomestic Service

The following flat rate for domestic service shall apply to single family dwellings having their own unmetered water supply. Should a second facility (apartment, mobile home, etc.) be added to an existing service, same shall be billed as an individual domestic unit.

<u>Domestic Service</u>	<u>Per Month</u>	(C)
Each Domestic Unit	\$61.26	(I)

Commercial Service

The quarterly rate for Commercial Service customers having their own source of unmetered water shall be as follows:

Basic commercial customer with no more than two (2) individual (men and women) rest rooms, one (1) floor drain, one (1) supply sink, one (1) utility sink and one (1) drinking fountain shall be classed as single commercial.

Each additional connection (stack tap or floor drain) shall be added at the rate indicated below.

Known heavy users, such as Laundromats, car washes, or other water-intensive customers shall be billed at the same rates as metered customers with such quantities estimated on a monthly basis by a representative of Reynolds Disposal Company.

If such estimates are questioned by the customer, it shall be the responsibility of the customer to furnish metering devices with prior approval of such device by the Company.

<u>Commercial Service</u>	<u>Per Month</u>	(C)
Each Commercial Unit	\$63.14	(I)

(C) Indicates Change  
(I) Indicates Increase



PENNVEST LOAN REPAYMENTAPPLICATION

This schedule applies to all customers regardless of service classification and is applied to all monthly billing, whether based on gallons of usage or flat rate. (C)

RATES

Metered	\$2.3312 per 1,000 gallon	(I)
Unmetered: Residential and Commercial	\$12.43 per month	(C) (I)
Industrial - Per Individual Employee	\$5.72 per month	(C) (I)

STATE TAX ADJUSTMENT SURCHARGE

A surcharge of 0.0% will apply to all services rendered on or after January 1, 2008.

The above surcharge will be recomputed, using the same elements prescribed by the Commission.

- (a) Whenever any of the tax rates used in calculation of the surcharge is changed.
- (b) Whenever the utility makes effective any increased or decreased rates.
- (c) And on March 31, 1986, and each year thereafter.

The above recalculation will be submitted to the Commission within 10 days after the occurrence of the event or date which occasions such recomputation, and that if the recomputed surcharge is less than the one in effect, the Utility will, and if the recomputed surcharge is more than the one then in effect, the Utility may submit with such recomputation, a tariff or supplement to reflect such recomputed surcharge the effective date which shall be 10 days after filing.

(C) Indicates Change  
(I) Indicates Increase

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**5. DEPOSITS AND CREDIT STANDARDS****(C)****A. DEPOSITS:**

The Company reserves the right to require a deposit equal to the estimated gross bill for any single billing period plus one month, the maximum period not to exceed four months, with a minimum of \$100 to secure payment of sewage disposal service rendered and damages to Reynolds Disposal Company property, where the credit of the Customer has not been established to the satisfaction of Title 52 Pa. Code Chapter 56. Upon receiving this deposit, the Company will pay simple interest at the rate of the average of one-year Treasury Bills for September, October, and November of the previous year, unless otherwise required by law. Upon deposits held for more than one year, at the option of the Company or the Customer, interest earned may be applied to service bills.

The Company will refund said deposit on notice to discontinue service and after payment in full has been made for all service rendered, or when the Customer shall have paid undisputed bills for service over a period of twelve consecutive months, beginning at any time subsequent to June 1, 1946, and any Customer having secured the return of a deposit shall not be required to make a new deposit unless the service has been discontinued and the Customer's credit standing impaired through failure to comply with tariff provisions, or whenever a Customer has been delinquent, as defined in Title 52 Pa. Code Chapter 56, in the payment of any two consecutive bills, or three or more bills within the preceding 12 months.

**B. CREDIT STANDARDS:****(C)**

The Company will provide residential service to new customer without requiring a security deposit when the applicant meets one of the following requirements.

- **OWNERSHIP OF REAL PROPERTY.** The applicant owns or has entered into an agreement to purchase the property for which he is applying for service.
- **PRIOR UTILITY PAYMENT HISTORY.** The applicant has been a recipient of the Company's sewage disposal service within a period of 48 consecutive months preceding the date of the application and was primarily responsible for payment for such service, so long as:
  1. The service of the applicant was not terminated for nonpayment during the last 12 consecutive months of that prior service.
  2. The applicant does not have an unpaid balance for that prior service.
- **CREDIT INFORMATION.** The applicant provides information demonstrating that he is not an unsatisfactory credit risk. The absence of prior credit history does not, of itself, indicate an unsatisfactory credit risk.

**(C)** Indicates Change

## B. CREDIT STANDARDS (CONTINUED):

(C)

- A customer will be considered a credit risk when he has been delinquent in the payment of any two consecutive bills or three or more bills within the preceding twelve months.

6. LEAKS, STOPPAGES, AND/OR DEFECTIVE PLUMBING

The Company shall not be liable for any damage or expense resulting from leaks, stoppages, or defective plumbing or from any other cause occurring to any premises or within any house or building; and it is expressly stipulated by and between the Company and the Customer that no claims shall be made against the said Company on account of the breaking, stoppage or any damage or expense to any part of the service line lying on said property.

7. PENALTIES FOR UNLAWFUL USE

It will be necessary to have a permit from the Company before making any connection to any main, service line, or pipe controlled by the Company. The Company will seek redress through Clause 5, Section 34, of the Act entitled "The General Corporation Act of 1874" for any violation of this Rule.

8. THE COMPANY CAN CONTROL SERVICE

The Company shall not be liable for a deficiency or failure of service when occasioned by an emergency or to make repairs, connections, or failure from any cause beyond control. The Company reserves the right to restrict service whenever the public welfare may require it.

9. VACATING PREMISES

When the premises are vacated, the Customer must give at least seven (7) days notice to the office of the Company that the service may be terminated and the Customer will specify the date on which it is desired that service be discontinued. In absence of such notice, the Customer will be responsible for the sewage service

(I) Indicates Increase

(C) Indicates Change

9. VACATING PREMISES (continued)

until such notice is given. Customers desiring an abatement from sewage bills shall report same in writing or call in person at the office of the Company. All vacancies shall date seven (7) days from the day reported at the office of the Company. When vacancy is properly reported, an allowance will be made for the period of vacancy, but not for less than one month.

A new application must be made on any change of Customers, on a property as heretofore described, and the Company shall be at liberty to discontinue the service until such new application has been made and approved.

(C) Indicates Change

**Before the**  
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**REYNOLDS DISPOSAL COMPANY**

**SUPPLEMENT NO. 5 to**  
**TARIFF SEWAGE - PA P.U.C. NO. 4**

**ISSUED: June 30, 2020**  
**EFFECTIVE: September 1, 2020**

**with**

**INFORMATION SUBMITTED PURSUANT TO:**  
**TITLE 52 PENNSYLVANIA CODE, SECTION 53.52**

**By**  
**Dennis M. Kalbarczyk**  
**Consultant**

**UTILITY RATE RESOURCES**  
**910 PIKETOWN ROAD**  
**HARRISBURG, PA 17112**  
**utilityrate.dmk@verizon.net**  
**(717)-469-7232**

**CROSS REFERENCE TO INFORMATION SUBMITTED  
PURSUANT TO PA PUBLIC UTILITY CODE REGULATIONS**

**52 Pa. Code Section 53.52(a)**

**(1) THE SPECIFIC REASONS FOR EACH CHANGE.**

Tariff Supplement No. 5 to Tariff Sewage Pa. P.U.C. No. 4 which increase rates to all sewage customers by approximately 48%; changes quarterly billing to monthly; and, provide for additional language to rules and regulation in accord with 52 Pa. Code Section 56.36. See Section A of the filing for more detailed reasons for the changes.

**(2) THE TOTAL NUMBER OF CUSTOMERS SERVED BY THE UTILITY.**

Refer to Section G, Schedule G-3.

**(3) A CALCULATION OF THE NUMBER OF CUSTOMERS, BY TARIFF SUBDIVISION, WHOSE BILLS, WILL BE AFFECTED BY THE CHANGE.**

Refer to Section G, Schedules G-3, and Section K, Schedule K-1; a rate increase is proposed for all customer classes.

**(4) THE EFFECT OF THE CHANGE ON THE UTILITY'S CUSTOMERS.**

Refer to Section A; Section G, Schedules G-1 to 4; Section K, Schedules K-1 and 2; and, Section M, Schedule M-1.

**(5) THE DIRECT OR INDIRECT EFFECT OF THE PROPOSED CHANGE ON THE UTILITY'S REVENUE AND EXPENSES.**

Refer to Section A; Section F, Schedule F-1; Section G, Schedules G-1 and 2; and, Section H, Schedules H-1 and 4.

**(6) THE EFFECT OF THE CHANGE ON THE SERVICE RENDERED BY THE UTILITY.**

None.

**(7) A LIST OF FACTORS CONSIDERED BY THE UTILITY IN ITS DETERMINATION TO MAKE THE CHANGE.**

See Section A.

**(8) STUDIES UNDERTAKEN BY THE UTILITY IN ORDER TO DRAFT ITS PROPOSED CHANGE.**

The instant rate study contained herein provides all information in support of proposed change in rates, i.e., Sections A - M.

- (9) **CUSTOMER POLLS TAKEN AND OTHER DOCUMENTS, WHICH INDICATE CUSTOMER ACCEPTANCE AND DESIRE FOR THE PROPOSED CHANGE. IF THE POLL OR OTHER DOCUMENTS REVEAL DISERNABLE PUBLIC OPPOSITON, AN EXPLANATION OF WHY THE CHANGE IS IN THE PUBLIC INTEREST SHALL BE PROVIDED.**

None.

- (10) **PLANS THE UTILITY HAS FOR INTRODUCING OR IMPLEMENTING THE CHANGES WITH RESPECT TO ITS RATEPAYERS.**

None.

- (11) **FCC, FERC OR COMMISSION ORDERS OR RULINGS APPLICABLE TO THE FILING.**

None.

**52 Pa. Code Section 53.52(b)**

**(1) THE SPECIFIC REASONS FOR EACH INCREASE OR DECREASE.**

Tariff Supplement No. 5 to Tariff Sewage Pa. P.U.C. No. 4 which increase rates to all sewage customers by approximately 48%; changes quarterly billing to monthly; and, provide for additional language to rules and regulation in accord with 52 Pa. Code Section 56.36. See Section A of the filing for more detailed reasons for the changes.

**(2) THE OPERATING INCOME STATEMENT OF THE UTILITY FOR A 12-MONTH PERIOD, THE END OF WHICH MAY NOT BE MORE THAN 120 DAYS PRIOR TO THE FILING.**

Refer to Section H, Schedules H-1 and H-4.

**(3) A CALCULATION OF THE NUMBER OF CUSTOMERS, BY TARIFF SUBDIVISION, WHO'S BILLS, WILL BE INCREASED.**

Refer to Section G, Schedules G-3, and Section K, Schedule K-1; a rate increase is proposed for all customer classes.

**(4) A CALCULATION OF THE TOTAL INCREASES, IN DOLLARS, BY TARIFF SUBDIVISION, PROJECTED TO AN ANNUAL BASIS.**

Refer to Section G, Schedules G-1 and 2, and Section K, Schedules K-1 and 2; a rate increase is proposed for all customer classes.

**(5) A CALCULATION OF THE NUMBER OF CUSTOMERS, BY TARIFF SUBDIVISION, WHO'S BILLS, WILL BE DECREASED.**

No customer tariff rates will decrease, as illustrated in Section G, Schedules G-1, 2, and 4; Section K, Schedules K-1 and 2; and, Section M, Schedule M-1.

**(6) A CALCULATION OF THE TOTAL DECREASES IN DOLLARS, BY TARIFF SUBDIVISION, PROJECTED TO AN ANNUAL BASIS.**

No customer tariff rates will decrease, as illustrated in Section G, Schedules G-1, 2 and 4; Section K, Schedules K-1 and 2; and, Section M, Schedule M-1.

**52 Pa. Code Section 53.52(c)**

- (1) **A STATEMENT SHOWING THE UTILITY'S CALCULATION OF THE RATE OF RETURN OR OPERATING RATIO EARNED IN THE 12-MONTH PERIOD REFERRED TO IN SUBSECTION (b)(2) AND THE ANTICIPATED RATE OF RETURN OR OPERATING RATIO TO BE EARNED WHEN THE TARIFF, REVISION OR SUPPLEMENT BECOMES EFFECTIVE. THE RATE BASE USED IN THIS CALCULATION SHALL BE SUPPORTED BY SUMMARIES OF ORIGINAL COSTS FOR THE RATE OF RETURN CALCULATION.**

Refer to Section A and Section F, Schedule F-1.

- (2) **A DETAILED BALANCE SHEET OF THE UTILITY AS OF THE CLOSE OF THE PERIOD REFERRED TO IN SUBSECTION (b)(2).**

Refer to Section E, Schedules E-1 to E-4.

- (3) **A SUMMARY, BY DETAILED PLANT ACCOUNTS, OF THE BOOK VALUE OF THE PROPERTY OF THE UTILITY AT THE DATE OF THE BALANCE SHEET REQUIRED BY PARAGRAPH (2).**

Refer to Section E, Schedules E-1 to E-4; and, Section J Depreciation Study.

- (4) **A STATEMENT SHOWING THE AMOUNT OF THE DEPRECIATION RESERVE, AT THE DATE OF THE BALANCE SHEET REQUIRED BY PARAGRAPH (2), APPLICABLE TO THE PROPERTY, SUMMARIZED AS REQUIRED BY PARAGRAPH (3).**

Refer to Section E, Schedule E-1 to E-4; and, Section J Depreciation Study.

- (5) **A STATEMENT OF OPERATING INCOME, SETTING FORTH THE OPERATING REVENUES AND EXPENSES BY DETAILED ACCOUNTS FOR THE 12-MONTH PERIOD ENDING ON THE DATE OF THE BALANCE3 SHEET REQUIRED BY PARAGRAPH (2).**

Refer to Section H, Schedules H-1 and H-4.

- (6) **A BRIEF DESCRIPTION OF THE MAJOR CHANGE IN THE OPERATING OR FINANCIAL CONDITION OF THE UTILITY OCCURING BETWEEN THE DATE OF THE BALANCE SHEET REQUIRED BY PARAGRAPH (2) AND THE DATE OF TANSMITTAL OF THE TARIFF, REVISION OR SUPPLEMENT. AS USED IN THIS PARAGRAPH, A MAJOR CHANGE IS ONE, WHICH MATERIALLY ALTERS THE OPERAING OR FINANCIAL CONDITION OF THE UTILITY FROM THAT REFLECTED IN PARAGRAPHS (1-5).**

None.



# **REYNOLDS DISPOSAL COMPANY**

## **Supporting Data Required by The Pennsylvania Public Utility Commission**

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2.	Notice of Proposed Rate Changes	B
3.	Press Release	C
4.	Supplement No. 5 to Tariff Sewage - PA P.U.C. No. 4	D
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6.	Pro Forma Rate Base & Rate of Return	F
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# **REYNOLDS DISPOSAL COMPANY**

## **SECTION A**

### **GENERAL INFORMATION**

## I. WASTEWATER RATE STUDY

In response to the request of the Reynolds Disposal Company (“Company”), we have prepared the following wastewater rate study in support of sewage rates to be charged to customers served by the Company. Title 52 of the Pennsylvania Code requires the Pennsylvania Public Utility Commission (“PA PUC”) to regulate service provided by the Company to those customers.

### A. Introduction

A wastewater rate study or revenue requirement study is the process used to determine the total pro forma level of revenue requirement in accordance with generally accepted ratemaking policy and procedures needed to cover the wastewater company’s cost of providing service. Further, the wastewater rate study includes an analysis of the total revenues under current rates to that of the requirement among the classes of customers under proposed rates as it relates to the necessary revenues to cover the total cost of service.

In short, a revenue requirement study provides the necessary support to demonstrate that the utility will receive a sufficient level of revenues to cover its operating costs and related carrying cost of capital investment along with a reasonable return on its investment to maintain its financial integrity.

### B. Background on Revenue Requirement Study

In simple terms, the revenue requirement study could be referred to as an operating budget which represents the total cost of providing service, which must be recovered through rates.

There are two widely used methodologies for the development of the revenue requirement, the “cash-needs” approach and “utility” approach.

#### 1. “Cash-Needs” Approach

The cash-needs approach assumes revenues must be sufficient to cover all cash needs, including debt obligations which will become due in the test period. The basic components considered under the cash-needs revenue requirement approach generally include: operating & maintenance expense; capital expenditures not financed by debt; and, debt service expenses (principal and interest payments) plus a coverage ratio i.e., a margin of income over and above the debt service to provide a measure of security to loan holders. The total revenue requirement under the cash-needs approach could be expressed as the following formula:

Rev. Req. = O&M + Non-Debt Capital Projects + (Debt Service x 1.25 coverage ratio)

## 2. “Utility” Approach

The utility approach is mandated for investor-owned utilities regulated by state agencies. Generally, the revenue requirement includes operating & maintenance expenses the same as under the cash-needs approach. Where the utility approach differs is how capital expenditures and debt service plus coverage ratio are provided for. Briefly, there are two components that provide for the return associated with capital expenditures or investment in facilities. The “return of” or depreciation expense, and the “return on” or net operating income provide for both the non-debt (cash investment) and debt financed capital expenditures (loan to include - principal, interest, and coverage ratio) requirements.

The “return of” or depreciation expense is the annual loss in value of a utility plant facility over its economic useful life. The “return on” (often referred to as net income or profit) can be somewhat complicated. In general, the amount of net income is determined by multiplying the overall rate of return component, usually expressed as a percentage, times a utility’s net rate base values. The following provides a narrative of the overall rate of return and net rate base components.

The overall rate of return component consists of a return based upon the weighted cost of capital, i.e., debt and equity capital used to finance the utility’s operations. For example, a utility with 45% debt to total capital with a 5% weighted cost of debt would produce a weighted average cost of debt of a 2.25% ( $45\% \times 5\%$ ). Further, assuming the remaining 55% equity to total capital would have a market value return of 10% similar to other utilities; the weighted average return on equity would be 5.5% ( $55\% \times 10\%$ ). Thus, the overall rate of return component would be 7.75% ( $2.25\% \text{ Debt} + 5.5\% \text{ Equity}$ ) to be multiplied times the utility’s net rate base value to determine the return or profit.

Rate base consists of the net book value of the facilities funded by the company which are used to provide service (book cost less accumulated depreciation) plus materials and supplies inventory, along with a cash working capital (“CWC”) allowance. For small water and wastewater companies and municipalities, the PaPUC has accepted what is referred to as the 45-day rule for determining a CWC allowance. This methodology simply recognizes 1/8th ( $45 \text{ days} / 360 \text{ days}$ ) of the

total operating and maintenance expense as the CWC allowance.

The total revenue requirement under the utility approach could be expressed as the following formula:

$$\text{Rev. Req.} = \text{O\&M} + \text{Depreciation Exp.} + (\text{Return} = \text{Rate of Return} \times \text{Rate Base})$$

### C. Results of Wastewater Rate Study

In the instant rate study, we utilized the “utility” approach for the development of the Company’s revenue requirement. Included in the development of the revenue requirement was a review of the books and operations of the Wastewater Company for the calendar year ended December 31, 2019 of which pro forma adjustments were made to reflect operations for a pro forma future test year of December 31, 2020. The study included a review of current and pro forma utility plant assets, financing arrangements, customer levels, operating revenues, operation & maintenance expenses, depreciation expense, and levels of net operating income of which depreciation expense and operating income would provide for the Wastewater Company’s cash needs for debt service and other capital related programs funded by the Company. Under the Company’s current rates set in its prior rate case proceeding assets funded with PennVest and PennWorks loan agreements were excluded from the traditional utility ratemaking approach and included in the revenue requirement determination as a separate debt service requirement, i.e., annual principal and interest payments. Further, assets funded by grant funds from PennVest and PennWorks were also fully excluded from ratemaking consideration. This same approach was utilized in the instant rate case study.

As illustrated in Table-1 below, on a December 31, 2019 per books and Pro Forma Adjusted 2020 basis the Company would realize a negative overall rate of return of 11.718% and 13.364%, respectively. The decline in the overall rate of return is both a factor of the Company’s projected increase in expenses and rate base value investments. By way of example, per books versus pro forma rate base values of \$487,466 and \$827,588, respectively results in an increase of \$340,122 or 70%. In summary, as detailed in the study and discussed later, revenues will need to increase by \$215,646 over current rates of \$446,313 or 48%, to provide a net income level of \$65,048 that when divided by its \$827,588 of rate base investment to produce a 7.86% overall rate of return. The study further shows that in order to provide for the necessary \$215,646 revenue increase base rate

will increase by approximately 55% or \$198,426 while the PennVest Surcharge rate will increase by 20% or \$17,220. The current PennVest surcharge rate only provides \$88,079 of revenues, a shortfall of \$17,220 which is required to cover the \$105,299 annual debt service requirement.

Table-1					
Reynolds Disposal Company – Rate Study Summary					
	Current Rates		Proposed Rates		
	Per Books 12/31/19	Pro Forma 12/31/20	Pro Forma 12/31/20	\$ Increase	% Increase
Tariff Revenues	\$ 357,553	\$ 358,234	\$ 556,661	\$ 198,426	55%
Surcharge Revenues	87,811	88,079	105,299	17,220	20%
Oper. Rev. From Rates	\$ 445,364	\$ 446,313	\$ 661,960	\$ 215,646	48%
Other Revenues	63,299	63,299	63,299		
Total Revenues	\$ 508,663	\$ 509,612	\$ 725,259		
Operating Deductions	460,485	514,911	554,910		
PennVest Debt Serv.	105,299	105,299	105,299		
Net Income/(Loss)	\$( 57,121)	\$(110,958)	\$ 65,408		
Rate Base	\$ 487,466	\$ 827,588	\$ 827,588		
Rate Of Return	(11.718%)	(13.364%)	7.86%		
See Sch. H-1 and H-4 for revenue and expense details, and Sch. F-1 for rate base and rate of return details.					

As shown above, the Reynolds Disposal Company is proposing an across-the-board increase of 55% to current base rates and a 20% increase in the PennVest Surcharge rates; thus, under proposed rates all customers will realize the same increase of approximately 48%. Additionally, the Company is proposing to move from a quarterly billing to a monthly cycle. As proposed base tariff rates and PennVest surcharge rates are to increase by 55% and 20%, respectively the actual increases to the customer groups will vary slightly due to the rounding of rates of the projected revenues and proposed rates will produce an increase of \$215,591 rather than the \$215,646 increase supported by the study, or a \$56 under recovery. Finally, it is important to note that the distribution of the pro forma going forward combined base rate and surcharge rate revenue requirement among the customer groups under the proposed monthly rates remains similar that as under existing quarterly

rates; and, the per centage increase to the customer groups is also approximately the same as the 48% overall increase requested. (See Schedules G-2 and Section K and M of the filing).

The rate study included a review of the level of customers on both a historical and pro forma future test year basis. As detailed in Table-2 the levels of customers have remained relatively unchanged over the calendar years ended December 31, 2017, 2018 and 2019 with slight reductions to the residential customer class. Thus, based upon this analysis the Company's rate study utilized the same customer levels as of December 31, 2019 as the basis for its December 31, 2020 pro forma customer level claim. As a further note, meter service to the Company's seven (7) Trailer Park and twenty-seven (27) Apartment customers contain multiple family units, the Company's tariff provides that each unit is assessed the standard customer charge rate. The number of units can fluctuate from billing period to billing period but still remained somewhat consistent over the December 31, 2019 historic test period, thus the rate study reflected the same numbers for pro forma 2020. Lastly, the Company provides unmetered service to a number of residential and commercial customers and an industrial customer who only uses sewage service for domestic purposes based upon rates charged on an equivalent employee customer count basis. A breakdown of the relative numbers is also shown on the table below and 2019 levels have remained consistent over the years; thus, the 2020 pro forma claim is based upon the historic 2019 period. (See Schedule G-3)

Table-2					
Reynolds Disposal Company – No. Customer Summary					
	As Of				Pro Forma
	12/31/17	12/31/18	12/31/19		12/3/20
Residential	544	540	539		539
Trailer Park*	7	7	7		7
Apartments*	27	27	27		27
Commercial	61	62	62		62
Industrial	23	22	23		23
Public	3	3	3		3
Total Metered	665	661	661		661

*Trailer Park Units			176		176
*Apartment Units			152		152
Unmetered					
Residential	19	18	20		20
Commercial	3	3	3		3
Industrial	1	1	1		1
Total Unmetered	23	22	24		24
Totals	688	683	685		685

In summary, as more fully detailed herein the Company submits that its revenue requirement and proposed revenue increase and rate design balances the interest of its customers and the Company and it recommends that its requested revenue increase and proposed rate design be approved as-filed.

A detail description of the rate study by section is as follows.

1. The Notice of Proposed Rate Changes in Section B of the rate study contains a copy of the PA PUC mandated notice sent to customers served within its service area. This notice explains the impact of the total amount of the \$215,646 or 48% revenue increase over existing revenues, along with an explanation of the impact on a typical bill as it relates to proposed increases in rates as compared to current rates by the individual customer classes. The total bill for a typical residential customer using approximately 9,000 gallons per quarter would increase from \$98.91 to \$146.35, or by 48%. Similarly, the notice provides the impact on the remaining customer class, of which each closely approximates the same 48% increase. Finally, the notice explains the rights of the customer as it relates to the instant rate case filing before the PAPUC.
2. The Press Release in Section C of the rate study is an actual copy sent to local press organizations briefly explaining the Company's request and reasons to increase rates as filed with the PA PUC. The obligation to notify the press regarding rate increases is required under PA PUC regulations.



3. Section D contains the proposed tariff rates, i.e., both rates and references to the change from a quarterly to a monthly billing frequency which need to be implemented to produce the revenue levels and increases described in more detail in this rate study.
4. The Balance Sheet contained in Section E of the rate study is part of the revenue requirement study. This section sets forth the current and pro forma assets, liabilities, and equity in the Company. Schedule E-3 provides a summary of the plant asset values and net book values on a historic and future test year basis; and, Schedule E-4 provides a listing of the pro forma 2020 capital asset additions totaling \$380,700. These factors are utilized in the development of the net rate base values and overall rate of return more fully detailed in Section F - Rate of Return, Pro Forma Plant Values to also include Section J, the depreciation study for the December 31, 2019 historic and December 31, 2020 future test years.
5. Section F, Pro Forma Rate Base and Rate of Return as explained earlier, is a major component in the revenue requirement study. Briefly, Section F shows that the Company's Net Rate Base Value of \$487,466 when compared to actual per books net income loss of \$57,121, would produce a negative overall rate of return of 11.718%. On a pro forma adjusted future test period basis, Schedule F-1 shows that under pro forma current rates with adjustments to expenses and additions to plant asset investments the Company will experience a net income loss of \$110,598 and when divided by the increased pro forma rate base value of \$827,588 will produce a negative return of 13.364%.<sup>1</sup> Based upon the revenue requirement study, a revenue increase of \$215,648 will produce a pro forma net income of \$65,048. Dividing this pro forma net income by the same \$827,588 rate base value will provide a more appropriate overall rate of return of 7.86%.

The Company's overall rate of return proposal is detailed on Schedule F-3. In an effort to minimize controversy, a pro forma hypothetical capital structure of 50% / 50% debt to equity capital structure was utilized. As detailed on Schedule F-3 the historical capital structure was a 8.5% / 91.5% debt to equity ratio, while the pro

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<sup>1</sup> Net plant-in-service value, Inventory, CWC allowance, and removal of PennVest and Grant funded asset values.

forma future test year indicated a 24% / 76% debt to equity ratio.<sup>2</sup>

The cost of debt rate is based upon a projected 5.72% weighted embedded cost of debt at a 50% debt ratio produces a 2.86% average weighted debt cost rate; and, the Company proposes the use of a 10% cost of equity rate and a 50% equity ratio which produces a 5% average weighted equity cost rate – thus, a 7.86% overall rate of return claim.

Generally, the cost of equity rate is one of the more contentious elements within a rate case filing. The Company did not prepare a detailed cost of equity study at the time of submitting its rate filing in an effort to minimize rate case expense, but reserves the right to do so should the case be fully litigated. The requested 10.00% cost of common equity was based in part on the cost of equity returns granted in more recent Commission cases to include a review of Pennsylvania American Water Company Water and Wastewater Division's more recent filing at Docket No. R-2020-3019371 which requested a 10.8% cost of equity rate. The Company submits that its claimed 10.00% cost of equity rate and use of a hypothetical 50% debt / 50% equity capital structures balances the interest of the customers and Company and helps to minimize controversy; and, as shown on Schedule F-3, the calculated overall rate of return of 7.86% should be approved as filed.

6. Section G -Statement of Revenue & Tariff Increases sets forth the current and pro forma number of customers and revenues under existing and proposed rates, as well as the proposed increase by customer class. This section incorporates the results of the revenue requirement study in Section H and Rate Design / Proof of Revenue in Section K.
7. Section H of the revenue requirement study sets forth a summary and detailed income statement for the twelve months ended December 31, 2017, 2018 and 2019 along with pro forma adjustments to reflect pro forma values as of December 31, 2020. The detailed income statement provides information by individual accounts, description, related cost, and appropriate pro forma adjustments, if any. In brief, Schedule H-1 shows that the \$509,612 of current pro forma revenues and \$620,210 of operating expenses will produce a net income loss of \$110,598 and when divided by \$827,588 of rate base will only produce a negative 13.364% overall rate of return. As shown on Schedule H-1, a \$215,646 increase in revenues will produce

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<sup>2</sup> PennVest/PennWorks debt covered under PennVest surcharge rates are excluded from capital structure for ratemaking purposes.

a net operating income level of \$65,048 that when divided by the same \$827,588 in rate base produces a return of 7.86%, as supported by Schedule F-1. Pro forma adjustments are discussed below.

More specifically, all pro forma adjustments are fully detailed and explained on Schedules H-2 and H-3 with supporting information contained in Section I. Briefly, the type of pro forma adjustments reflected on Schedule H-2 includes adjustments to operating revenues due to adjustments and changes supported by the bill frequency analysis in Section L along with supporting schedules identified in Section I, as Schedule I-1.

Schedule H-3 sets forth operating deduction expense adjustments which also reference Section I supporting Schedules briefly described as follows. Schedule I-2, 1.75% payroll increase along with associated ratio increases to pension and payroll taxes due to increase in wages. Schedule I-3, adjusted claims for Sewage Treatment Plant purification testing and sludge removal, Pumping System material and supplies, and General Plant customer premise supplies and expense along with property maintenance expense adjustments – all based upon the historical three year average of 2017 to 2019 book cost in order to develop a normalized claim for the pro forma 2020 period. Schedule I-4 in a somewhat similar fashion utilizes a three-year normalizations adjustment process for Customer Accounting and Collection and Administrative and General Expenses such as: credit card fees and expenses, executive department expenses and business office supplies expenses. Schedule I-4 also shows the removal of charitable expenses which are not allowed for inclusion in the normal ratemaking process. Finally, the Company has also reflected an increased adjustment to Customer Accounting & Collection Expenses for its Billing Department as the 4-quarter billing frequency will change to a 12-month billing cycle; thus, a 2020 pro forma claim based upon three time the 2019 historical cost incurred.

Schedule I-5 provides for the instant rate case expense filing cost estimated at \$150,000 normalized over three years to reflect an annual claim of \$50,000. Schedule I-6 provides supporting information for the necessary depreciation adjustments which is also discussed more fully in Section J of the depreciation study. In brief, appropriate adjustments have been made to reflect an annualized

claim for 2020 pro forma asset values exclusive of any contributed/grant funded assets as well as the removal of PennVest surcharge assets which associated cost are provided for in the PennVest surcharge rate tied exclusively to a rate based upon its associated annual debt service requirement. Finally, Schedules I-8 and 9 provide for adjustments related to the PaPUC assessment and required income taxes associated with the overall increase in rates reflected in the filings revenue requirement claim.

8. Section J, of the rate study contains the current and pro forma Depreciation report as of December 31, 2019 and 2020 for all constructed assets by plant account codes for all wastewater Company facilities, including those financed by the Company, Contributed/Grant funded assets, and PennVest/PennWorks funded assets – which is consistent with Commission accounting requirements. Pro forma plant asset additions in 2020 are clearly noted and are also cross referenced and reflected on Schedule E-4 of the filing.

Commission accounting requirements further require the separate tracking of assets funded by others, such as contributed/grant funded assets to then be reported as a contra account report for the purposes of determining which assets and associated values are then netted against the total plant asset values for purposes of developing the overall rate base value claim for ratemaking purposes. Thus, Section J in a similar fashion provides a separate report which then lists all such contributed/grant assets, to also included PennVest/PennWorks loan funded assets which are provided for under a separate rate charge mechanism as described earlier. The depreciation study results are carried forward to Schedule F-1 for purposes of determining rate base values. As discussed above, Schedule F-1 will reflect the sum results of all assets values shown on Section J less those assets contributed and/or constructed with grant funds along with PennVest/PennWorks funded assets, the sum result which produces the net plant asset rate base value which will be afforded the opportunity to earn a return on (profit) or return of (depreciation) there associated cost values. The results of the depreciation study indicated an annual depreciation expense of \$131,663 of which \$16,180 of contributed/grant assets and \$38,424 of PennVest/PennWork debt financed assets annual depreciation expense was removed for ratemaking purposes to reflect a net depreciation claim of \$77,059

for the test period filing. (See Schedule I-6).

9. Section K, Schedule K-1 contains the rate design proposal and proof of revenue supporting schedules which reflect the overall increase of \$215,614 or 48%. Further, the proof of revenue schedules demonstrate that the rate design for both base rates and the PennVest surcharge will produce the desired increase over current rates. Additionally, Schedule K-2 provides an analysis which demonstrates that the percentage ratio distribution of the associated revenue requirement among the customer classes under proposed monthly rates is approximately the same as that under the percentage ratio distribution of revenues under the current quarterly rate billing frequency.
10. Section L of the rate study contains a Bill Analysis. A bill analysis shows the number of customer bills rendered at various levels of water consumption during a specified period of time by customer class and/or groups. This analysis provides assistance in developing rate design based upon customer usage patterns as it relates to volumetric rate blocks. Further, it also provides a basis for verifying revenues billed under both current and proposed rates, by rate blocks.

Section M provides general customer impact information at both current and proposed rates based upon different usage levels of consumption. This section also provides a typical bill analysis by customer group at current and proposed rates. As the Company proposes to move to a monthly billing frequency the typical bill under proposed rates would be multiplied by three and then compared to that of the typical bill under the current quarterly rates in effect; or conversely the current quarterly bill divided by three and then compared to the proposed monthly rates. By way of discussion, Schedule M-1 demonstrates that the total proposed monthly rates for a typical customer when multiplied by three resulting in the same usage on quarterly basis under current quarterly rates produces the same approximate 48% increase for each of the typical customers within the various customer groups. For the reason discussed here the Company submits that its rate design approach is appropriate and should be approved as-filed.

## II. STATEMENT OF REASONS FOR INCREASE

The Reynolds Disposal Company is proposing the general rate increase in order to restore the Company's rate of return and net operating income to a more reasonable level to recover a return on and a return of the Company's investments in facilities that have occurred and will occur on a pro forma basis since its last general rate increase in 2011. The Company's rate filing reflects new plant asset additions in excess of \$380,000. Under pro forma current rates revenues are insufficient to provide for the necessary revenue stream to cover pro forma expenses and provide for a return on and return of the Company's investments; and, the Company would experience a pro forma net income loss of \$110,598 when divided by the pro forma rate base value of \$827,588 will produce a negative return of 13.364%.

Simply put, a \$215,646 increase in rates as supported by the revenue requirement study will produce an after-tax pro forma net income of \$65,048 and when divided by \$827,588 of net rate base value will produce an overall rate of return of 7.86%.

### III. Background Information

#### A. Corporate History of the Reynolds Disposal Company

Reynolds Disposal Company was organized in 1951 as a for-profit corporation to provide sanitary wastewater service to residents and businesses located near the former Camp Reynolds in Mercer County. Greenville-Reynolds Development Corporation, a not-for-profit corporation engaged in the development and management of three industrial parks in the area is the sole stockholder.

#### B. Scope of Operations

The sewage treatment plant's designed hydraulic loading capacity is 1,250,000 gpd; there are no organic loading capacities. Reynolds Disposal Company does not perform advance treatment. Sludge is aerated and pumped from the clarifiers via the double plunger pump to the digester. Sludge is then pumped from the digester to the drying beds. After allowing drying time, it is then hauled to a landfill. The chemicals added to the process are: Aluminum sulfate to the influent of the treatment plant to reduce the phosphorous content; and, Chlorine to the chlorine detention chamber for disinfection purposes. Conveyance and treatment capacity have not been exceeded nor is it expected to be exceeded within the next five years.

The original collection system was constructed during the 1940's to service the US Army installation known as Camp Reynolds. The original lines were made of vitrified clay and tile. Since then, and in the more recent 15 years lines have been added and replaced with poly-vinyl chloride materials. The Collection System is generally in good condition. Periodic replacement of lines is an on-going part of routine maintenance procedures. The lines are 94.46% gravity-fed and 5.54% pressurized. The system is monitored regularly; ejectors and lift stations are checked daily to ensure smooth operations. As part of the routine maintenance procedures, portions of lines are televised and inspected; and, where appropriate lines are cleaned out, repaired or replaced as needed. The Company has

identified two major projects for improvement: (a) replacement of 1,200 lf of 8” line and manholes, and (b) the slip lining of a 21” line with 2,975 lf of 18” line, of which said line is over 20 feet deep.

In previous years, the Company has performed dye-testing to identify illegal connections and any such illegal connections were eliminated. The Company has policies in place to determine leaks in customers’ service lines and owners are responsible to have their service lines televised to determine if repairs or replacements are needed before the property changes ownership.

Currently, the Company’s service area comprises portions of Pymatuning, Hempfield and Delaware Townships, and service is supplied to 685 customers as of December 31, 2019. The current customer base as of December 31, 2019 is summarized in Table-3 as follows:

Table-3		
Number of Customers		12/31/19
Residential		559
Trailer Park*		7
Apartments*		27
Commercial		65
Industrial		24
Public		3
Total		685
*Trailer Park Units		176
*Apartment Units		152



**REYNOLDS DISPOSAL COMPANY**

**SECTION B**

**NOTICE OF PROPOSED RATE CHANGES**

**REYNOLDS DISPOSAL COMPANY**  
**June 30, 2020**  
**Notice of Proposed Rate Changes**

To Our Customers:

Reynolds Disposal Company is filing a request with the Pennsylvania Public Utility Commission (PUC) to increase your sewage rates as of September 1, 2020. This notice describes the company's rate request, the PUC's role, and what actions you can take.

Reynolds Disposal Company has requested an overall rate increase of \$215,646 per year.

If the company's entire request is approved, the total quarterly bill for a residential customer using 9,000 gallons would increase from \$98.91 to \$146.35 per quarter or by 48%. An unmetered residential customer's bill would increase from \$149.47 to \$221.07 or 48%.

The total bill for a commercial customer using 20,000 gallons would increase from \$183.64 to \$272.48 per quarter or by 48%. An unmetered commercial customer's bill would increase from \$153.10 to \$226.71 or by 48%.

Rates for an industrial customer using 22,000 gallons would increase from \$198.92 to \$294.79 per quarter or by 48%. An unmetered industrial customer's bill for domestic service for each equivalent employee would increase from \$53.12 to \$77.40 or by 46%.

Rates for a public customer using 207,500 gallons would increase from \$1,261.77 to \$1,851.69 per quarter or by 47%.

To find out your customer class or how the requested increase may affect your sewage bill, contact the company at 724-646-1144. The rates requested by the company may be found in Supplement No. 5 to Tariff Sewage Pa P.U.C. No. 4. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A copy of this material is kept at the company's office. Upon request, the company will send you the Statement of Reasons for Supplement No. 5 to Tariff Sewage Pa P.U.C. No. 4, explaining why the rate increase has been requested.

The state agency which approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the company and shown above.

There are three ways to challenge a company's request to change its rates:

1. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before the proposed September 1, 2020 effective date of the rate increase. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a judge.
2. You can send us a letter telling why you object to the requested rate increase. Sometimes there is information in these letters that makes us aware of problems with the company's service or management. This information can be helpful when we investigate the rate request. **Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.**
3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the company's rate increase request and if there is a large number of customers interested in the case. At these hearings you have the opportunity to present your views in person to the PUC judge hearing the case and the company representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the service area of the company.

**For more information, call the PUC at 1-800-692-7830.** You may leave your name and address so you can be notified of any public input hearings that may be scheduled in this case.

**REYNOLDS DISPOSAL COMPANY**  
301 Arlington Drive  
Greenville PA 16125  
724-646-1144

**REYNOLDS DISPOSAL COMPANY**

**SECTION C**

**PRESS RELEASE**

## **PRESS RELEASE**

**June 30, 2020**

### **Notice of Proposed Rate Changes**

Greenville, PA –

On June 30, 2020 Reynolds Disposal Company will file a request with the Pennsylvania Public Utility Commission (PUC) for an approximate 45.4% increase in annual base rate revenues to meet increasing operating costs and necessary capital improvements. The requested annual increase of \$215,646 is proposed to become effective on September 1, 2020.

If the company's entire request is approved, the total quarterly bill for a residential customer using 9,000 gallons would increase from \$98.91 to \$146.35 per quarter or by 48%. An unmetered residential customer's bill would increase from \$149.47 to \$221.07 or 48%.

The total bill for a commercial customer using 20,000 gallons would increase from \$183.64 to \$272.48 per quarter or by 48%. An unmetered commercial customer's bill would increase from \$153.10 to \$226.71 or by 48%.

Rates for an industrial customer using 22,000 gallons would increase from \$198.92 to \$294.79 per quarter or by 48%. An unmetered industrial customer's bill for domestic service for each equivalent employee would increase from \$53.12 to \$77.40 or by 46%.

Rates for a public customer using 207,500 gallons would increase from \$1,261.77 to \$1,851.69 per quarter or by 47%.

The increase is being sought to enable the Company to realize a reasonable rate of return on the Company's fixed capital investment. In addition, the increase would help to fund ongoing operating costs and system improvements such as main sewer line rehabilitation and repairs.

Customers may contact Mr. Bradley R. Gosser, Executive Director, at 724-646-1144 to get further information on the proposed increase.

**REYNOLDS DISPOSAL COMPANY**

**SECTION D**

**SUPPLEMENT NO. 5 TO  
TARIFF SEWAGE - PA P.U.C. NO. 4**

REYNOLDS DISPOSAL COMPANY

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GREENVILLE, MERCER COUNTY, PENNSYLVANIA,

RATES, RULES, AND REGULATIONS

IN

PYMATUNING, DELAWARE, AND HEMPFIELD TOWNSHIPS,

MERCER COUNTY, PENNSYLVANIA

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ISSUED: June 30, 2020

EFFECTIVE: September 1, 2020

BY: BRADLEY R. GOSSER  
EXECUTIVE DIRECTOR/VICE PRESIDENT  
301 ARLINGTON DRIVE  
GREENVILLE, PA 16125

# NOTICE

THIS SUPPLEMENT INCREASES USER RATES AND CHANGES RULES AND REGULATIONS

(SEE PAGE 2)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

THIS TARIFF SUPPLEMENT NO.5 TO TARIFF NO.4 INCREASES RATES FOR ALL SEWER SERVICE IN ALL RATE CLASSES BY APPROXIMATELY 48%.

IT ALSO CHANGES THE QUARTERLY BILLING TO MONTHLY BILLING

IN ADDITION, LANGUAGE IS ADDED TO THE RULES AND REGULATIONS TO INCLUDE THE COMPANY'S CREDIT PROCEDURES IN ACCORDS WITH THE PENNSYLVANIA CODE §56.36

- (I) Indicates Increase
- (D) Indicates Decrease
- (C) Indicates Change

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(C) Indicates Change			
(I) Indicates Increase			



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SCHEDULE OF METER RATESApplication

This schedule is available to all Domestic, Commercial and Public Service customers, based upon water consumed and having metered water supply services.

All customers served under this schedule shall be subject to a monthly customer charge (C)  
of \$12.05, plus a consumption charge based upon the following volumetric rates: (I)

VOLUMETRIC RATES

	Per 1,000 <u>Gallons</u>		
For the first 4,000 gallons per month	\$9.9139	(C)	(I)
For the next 16,000 gallons per month	\$8.8417	(C)	(I)
All over 20,000 gallons per month	\$5.3454	(C)	(I)

Where more than one Residential or Commercial unit (fixed or mobile) is served through a single meter, the charge shall be determined by the average water usage per unit. The average water usage per unit shall be determined by dividing the water registered by the meter by the number of units served through such meter. This average usage is calculated on the above rates and is subject to customer charges the same as any other Residential or Commercial customer. The resulting charge is then multiplied by the units served to determine total charge for such meter.

(C) Indicates Change  
(I) Indicates Increase

SCHEDULE OF METERED RATES  
(CONTINUED)

Application

Sewage rates for Industrial customers shall be charged on the basis of water consumed via metered water supply service.

SCHEDULE OF FLAT RATES

Should an Industrial customer determine and establish to the satisfaction of the Company that the majority of metered water is consumed in the Industrial process and not entering the sanitary sewer lines as sewage or industrial waste, the customer may request Flat Rate Service, whereby, such customer shall be billed on an employee count as provided herein. The Reynolds Disposal Company reserves the right to review the disposition of industrial wastes at any time service is in force.

<u>Industrial Service</u>	<u>Net Rate</u> <u>Per Month</u>	(C)
Per individual employee including employer and employees	\$20.08	(I)

Industrial customers having their own source of water which does enter sewer lines shall furnish metering devices with prior approval of such device by the Company and will be billed on the basis of water consumed.

(C) Indicates Change  
(I) Indicates Increase

SCHEDULE OF FLAT RATES  
(CONTINUED)Domestic and Commercial ServiceDomestic Service

The following flat rate for domestic service shall apply to single family dwellings having their own unmetered water supply. Should a second facility (apartment, mobile home, etc.) be added to an existing service, same shall be billed as an individual domestic unit.

<u>Domestic Service</u>	<u>Per Month</u>	(C)
Each Domestic Unit	\$61.26	(I)

Commercial Service

The quarterly rate for Commercial Service customers having their own source of unmetered water shall be as follows:

Basic commercial customer with no more than two (2) individual (men and women) rest rooms, one (1) floor drain, one (1) supply sink, one (1) utility sink and one (1) drinking fountain shall be classed as single commercial.

Each additional connection (stack tap or floor drain) shall be added at the rate indicated below.

Known heavy users, such as Laundromats, car washes, or other water-intensive customers shall be billed at the same rates as metered customers with such quantities estimated on a monthly basis by a representative of Reynolds Disposal Company.

If such estimates are questioned by the customer, it shall be the responsibility of the customer to furnish metering devices with prior approval of such device by the Company.

<u>Commercial Service</u>	<u>Per Month</u>	(C)
Each Commercial Unit	\$63.14	(I)

(C) Indicates Change  
(I) Indicates Increase

PENNVEST LOAN REPAYMENTAPPLICATION

This schedule applies to all customers regardless of service classification and is applied to all monthly billing, whether based on gallons of usage or flat rate. (C)

RATES

Metered	\$2.3312 per 1,000 gallon	(I)
Unmetered: Residential and Commercial	\$12.43 per month	(C) (I)
Industrial - Per Individual Employee	\$5.72 per month	(C) (I)

STATE TAX ADJUSTMENT SURCHARGE

A surcharge of 0.0% will apply to all services rendered on or after January 1, 2008.

The above surcharge will be recomputed, using the same elements prescribed by the Commission.

- (a) Whenever any of the tax rates used in calculation of the surcharge is changed.
- (b) Whenever the utility makes effective any increased or decreased rates.
- (c) And on March 31, 1986, and each year thereafter.

The above recalculation will be submitted to the Commission within 10 days after the occurrence of the event or date which occasions such recomputation, and that if the recomputed surcharge is less than the one in effect, the Utility will, and if the recomputed surcharge is more than the one then in effect, the Utility may submit with such recomputation, a tariff or supplement to reflect such recomputed surcharge the effective date which shall be 10 days after filing.

(C) Indicates Change  
(I) Indicates Increase

---

**5. DEPOSITS AND CREDIT STANDARDS**

(C)

**A. DEPOSITS:**

The Company reserves the right to require a deposit equal to the estimated gross bill for any single billing period plus one month, the maximum period not to exceed four months, with a minimum of \$100 to secure payment of sewage disposal service rendered and damages to Reynolds Disposal Company property, where the credit of the Customer has not been established to the satisfaction of Title 52 Pa. Code Chapter 56. Upon receiving this deposit, the Company will pay simple interest at the rate of the average of one-year Treasury Bills for September, October, and November of the previous year, unless otherwise required by law. Upon deposits held for more than one year, at the option of the Company or the Customer, interest earned may be applied to service bills.

The Company will refund said deposit on notice to discontinue service and after payment in full has been made for all service rendered, or when the Customer shall have paid undisputed bills for service over a period of twelve consecutive months, beginning at any time subsequent to June 1, 1946, and any Customer having secured the return of a deposit shall not be required to make a new deposit unless the service has been discontinued and the Customer's credit standing impaired through failure to comply with tariff provisions, or whenever a Customer has been delinquent, as defined in Title 52 Pa. Code Chapter 56, in the payment of any two consecutive bills, or three or more bills within the preceding 12 months.

**B. CREDIT STANDARDS:**

(C)

The Company will provide residential service to new customer without requiring a security deposit when the applicant meets one of the following requirements.

- **OWNERSHIP OF REAL PROPERTY.** The applicant owns or has entered into an agreement to purchase the property for which he is applying for service.
- **PRIOR UTILITY PAYMENT HISTORY.** The applicant has been a recipient of the Company's sewage disposal service within a period of 48 consecutive months preceding the date of the application and was primarily responsible for payment for such service, so long as:
  1. The service of the applicant was not terminated for nonpayment during the last 12 consecutive months of that prior service.
  2. The applicant does not have an unpaid balance for that prior service.
- **CREDIT INFORMATION.** The applicant provides information demonstrating that he is not an unsatisfactory credit risk. The absence of prior credit history does not, of itself, indicate an unsatisfactory credit risk.

(C) Indicates Change

## B. CREDIT STANDARDS (CONTINUED):

(C)

- A customer will be considered a credit risk when he has been delinquent in the payment of any two consecutive bills or three or more bills within the preceding twelve months.

6. LEAKS, STOPPAGES, AND/OR DEFECTIVE PLUMBING

The Company shall not be liable for any damage or expense resulting from leaks, stoppages, or defective plumbing or from any other cause occurring to any premises or within any house or building; and it is expressly stipulated by and between the Company and the Customer that no claims shall be made against the said Company on account of the breaking, stoppage or any damage or expense to any part of the service line lying on said property.

7. PENALTIES FOR UNLAWFUL USE

It will be necessary to have a permit from the Company before making any connection to any main, service line, or pipe controlled by the Company. The Company will seek redress through Clause 5, Section 34, of the Act entitled "The General Corporation Act of 1874" for any violation of this Rule.

8. THE COMPANY CAN CONTROL SERVICE

The Company shall not be liable for a deficiency or failure of service when occasioned by an emergency or to make repairs, connections, or failure from any cause beyond control. The Company reserves the right to restrict service whenever the public welfare may require it.

9. VACATING PREMISES

When the premises are vacated, the Customer must give at least seven (7) days notice to the office of the Company that the service may be terminated and the Customer will specify the date on which it is desired that service be discontinued. In absence of such notice, the Customer will be responsible for the sewage service

(I) Indicates Increase

(C) Indicates Change

9. VACATING PREMISES (continued)

until such notice is given. Customers desiring an abatement from sewage bills shall report same in writing or call in person at the office of the Company. All vacancies shall date seven (7) days from the day reported at the office of the Company. When vacancy is properly reported, an allowance will be made for the period of vacancy, but not for less than one month.

A new application must be made on any change of Customers, on a property as heretofore described, and the Company shall be at liberty to discontinue the service until such new application has been made and approved.

(C) Indicates Change

**REYNOLDS DISPOSAL COMPANY**

**SECTION E**

**BALANCE SHEET**



## REYNOLDS DISPOSAL COMPANY

**Balance Sheet**  
**December 31, 2019**

**ASSETS****Utility Plant Assets:**

Utility Plant - In - Service		
Utility Plant at Original Cost	\$ 4,059,577.44	
Accumulated Depreciation	(1,491,779.55)	
Total Net Utility Plant Cost	\$ 2,567,797.89	
Construction Work In Progress	83,303.72	
	-	
Total Net Plant Assets		\$ 2,651,101.61

**Current Assets:**

Cash	\$ 82,378.26	
Accounts Receivable	97,866.15	
Inter-Company Receivable	87,668.31	
Materials and Supplies - Chemicals		
Materials and Supplies - General		
Prepaid Expenses	19,744.84	
Total Current Assets		\$ 287,657.56

**Other Assets:**

Miscellaneous Receivable	\$ 2,600.78	
Deferred Taxes	15,700.00	
Total Other Assets		\$ 18,300.78

**TOTAL ASSETS****\$ 2,957,059.95****LIABILITIES AND EQUITY****Loans:**

Long Term Debt (PennVest/PennWorks)	\$ 726,339.74	
Notes Payable - Intercompany	150,579.05	
Total Long Term Debt		\$ 876,918.79

**Current Liabilities:**

Accounts Payable	\$ 33,439.24	
Accounts Payable - Associated Company	24,342.14	
Customer Advance Deposits	2,424.50	
Accrued Payroll	6,049.27	
Accrued Employee Compensation (Vacation/Absences)	4,210.22	
Line of Credit	3,000.00	
Total Current Liabilities		\$ 73,465.37

**Deferred Credits:**

Deferred Income Taxes	\$ 387,500.00	
Total Deferred Credits		\$ 387,500.00

**Contributed Facilities/Grant Funds**

Contributed Facilities/Grant Funds (Net of Accum. Depr.)

Total Net Value of Contributed Facilities/Grant Funds		\$ -
-------------------------------------------------------	--	------

**Equity:**

Common Stock	\$ 10,000.00	
Paid - In - Capital	660,635.05	
Retained Earnings	948,540.74	
Total Equity		\$ 1,619,175.79

**TOTAL LIABILITIES AND EQUITY****\$ 2,957,059.95**

## REYNOLDS DISPOSAL COMPANY

**Balance Sheet**  
**December 31, 2020**

**ASSETS****Utility Plant Assets:**

Utility Plant - In - Service		
Utility Plant at Original Cost	\$ 4,528,477.44	
Accumulated Depreciation	(1,623,442.78)	
Total Net Utility Plant Cost	\$ 2,905,034.66	
Construction Work In Progress	-	
	-	
Total Net Plant Assets		\$ 2,905,034.66

**Current Assets:**

Cash	\$ 90,377.32	
Accounts Receivable	97,866.15	
Inter-Company Receivable	87,668.31	
Materials and Supplies - Chemicals	-	
Materials and Supplies - General	-	
Prepaid Expenses	19,744.84	
Total Current Assets		\$ 295,656.62

**Other Assets:**

Miscellaneous Receivable	\$ 2,600.78	
Deferred Taxes	15,700.00	
Total Other Assets		\$ 18,300.78

**TOTAL ASSETS** **\$ 3,218,992.06**

**LIABILITIES AND EQUITY****Loans:**

Long Term Debt (PennVest/PennWorks)	\$ 640,776.40	
Notes Payable - Intercompany	110,404.63	
Note Payable - New Construction	291,763.00	
	-	
Total Long Term Debt		\$ 1,042,944.03

**Current Liabilities:**

Accounts Payable	\$ 33,439.24	
Accounts Payable - Associated Company	24,342.14	
Customer Advance Deposits	2,424.50	
Accrued Payroll	6,049.27	
Accrued Employee Compensation (Vacation/Absences)	4,210.22	
Line of Credit	3,000.00	
	-	
Total Current Liabilities		\$ 73,465.37

**Deferred Credits:**

Deferred Income Taxes	\$ 387,500.00	
	-	
Total Deferred Credits		\$ 387,500.00

**Contributed Facilities/Grant Funds**

Contributed Facilities/Grant Funds (Net of Accum. Depr.)	\$ 442,123.45	
Total Net Value of Contributed Facilities/Grant Funds		\$ 442,123.45

**Equity:**

Common Stock	\$ 10,000.00	
Paid - In - Capital	660,635.05	
Retained Earnings	602,324.16	
	-	
Total Equity		\$ 1,272,959.21

**TOTAL LIABILITIES AND EQUITY** **\$ 3,218,992.06**

## REYNOLDS DISPOSAL COMPANY

## Summary of Current and Pro Forma Plant Assets and Contributed/Grant Facilities by Account As December 31, 2018, 2019 and Pro Forma 2020

	Per Books As Of 12/31/18	Additions 12/31/19	Per Books As Of 12/31/19	Pro Forma Adjustments 12/31/20	Pro Forma Adjusted 12/31/20	Pro Forma Additions 12/31/20	Pro Forma Final Adjusted 12/31/20
353.20 INFILTRATION GALLERIES	\$ 744.81	\$ -	\$ 744.81		\$ 744.81		\$ 744.81
353.40 LAND @ PLANT	77.54	-	77.54		77.54		77.54
354.20 BUILDINGS & STRUCTURES	314,191.22	-	314,191.22		314,191.22		314,191.22
354.30 PUMPING STATION STRUCTURE	53,998.73	-	53,998.73		53,998.73		53,998.73
354.70 OTHER GENERAL STRUCTURES	43,506.12	-	43,506.12		43,506.12		43,506.12
361.20 TRANSMISSION MAINS	6,629.41	-	6,629.41		6,629.41		6,629.41
361.21 DISTRIBUTION MAINS	892,701.93	4,451.07	897,153.00	40,500.00	937,653.00	307,200.00	1,244,853.00
363.20 SERVICE PIPES & STOPS	17,322.49	-	17,322.49		17,322.49		17,322.49
370.30 COLLECTION RESERVOIRS	3,626.54	-	3,626.54		3,626.54		3,626.54
370.31 CLEAR WATER BASINS	65.05	-	65.05		65.05		65.05
371.30 PUMPS & PUMP EQUIPMENT	246,356.03	439.74	246,795.77	47,700.00	294,495.77	5,000.00	299,495.77
371.31 OTHER PUMP STATION EQUIPMENT	89,692.19	-	89,692.19		89,692.19		89,692.19
374.50 STORAGE RESERVOIR TANKS	17.74	-	17.74		17.74		17.74
380.40 FILTERS	157,356.13	-	157,356.13		157,356.13		157,356.13
380.41 SEDIMENTATION BASINS	986,808.77	-	986,808.77		986,808.77		986,808.77
380.43 SOFTENING & IRON REMOVAL	4,528.13	-	4,528.13		4,528.13		4,528.13
380.44 AERATION & STERILIZING	1,012,057.07	5,779.70	1,017,836.77		1,017,836.77		1,017,836.77
380.45 CHEMICAL TREATMENT	22,465.99	-	22,465.99		22,465.99		22,465.99
390.70 GENERAL OFFICE EQUIPMENT	27,134.37	-	27,134.37		27,134.37		27,134.37
393.70 OTHER GENERAL EQUIPMENT	148,539.91	-	148,539.91		148,539.91	68,500.00	217,039.91
394.70 LABORATORY PROPERTIES	16,132.43	469.51	16,601.94		16,601.94		16,601.94
395.70 ELECTRIC EQUIPMENT	4,484.82	-	4,484.82		4,484.82		4,484.82
					-		-
Total Utility Plant-In-Service	\$ 4,048,437.42	\$ 11,140.02	\$ 4,059,577.44	\$ 88,200.00	\$ 4,147,777.44	\$ 380,700.00	\$ 4,528,477.44
Accumulated Reserves For Depreciation	(1,365,006.47)	(126,773.08)	(1,491,779.55)	(121,094.23)	(1,612,873.78)	(10,569.00)	(1,623,442.78)
Net Utility Plant-In-Service	\$ 2,683,430.95	\$ (115,633.06)	\$ 2,567,797.89	\$ (32,894.23)	\$ 2,534,903.66	\$ 370,131.00	\$ 2,905,034.66
Contributions-In-Aid-Construction/Grant Funding Assets							
361.21 DISTRIBUTION MAINS	\$ -	\$ -	\$ -	\$ 40,500.00	\$ 40,500.00	\$ -	\$ 40,500.00
371.30 PUMPS & PUMP EQUIPMENT				47,700.00	47,700.00		47,700.00
380.44 AERATION & STERILIZING				530,000.00	530,000.00		530,000.00
Total Contributions/Grant Funding Assets				\$ 618,200.00	\$ 618,200.00	\$ -	\$ 618,200.00
Accumulated Reserves For Depreciation	-	-		(176,076.55)	(176,076.55)		(176,076.55)
Net Plant-In-Service Contributed/Grant Funded Assets	\$ -	\$ -	\$ -	\$ 442,123.45	\$ 442,123.45	\$ -	\$ 442,123.45
Assets Recovered Through Surcharge							
Pennvest Loan #1 Assets - 1991 Fully Amortized	\$ 302,503.79	\$ -	\$ 302,503.79	\$ -	\$ 302,503.79	\$ -	\$ 302,503.79
Pennvest Loan #2/PennWorks 2007	2,148,700.00		2,148,700.00	(530,000.00)	1,618,700.00		1,618,700.00
				-	-		-
	\$ 2,451,203.79		\$ 2,451,203.79	\$ (530,000.00)	\$ 1,921,203.79	\$ -	\$ 1,921,203.79
Accum. Res. For Depr. Pennvest Loan #1	(163,856.23)	(6,050.07)	(169,906.30)	(6,050.08)	(175,956.38)		(175,956.38)
Accum. Res. For Depr. Pennvest Loan #2/PennWorks	(480,851.03)	(42,974.00)	(523,825.03)	96,832.56	(426,992.47)		(426,992.47)
	\$ 1,806,496.53	\$ (49,024.07)	\$ 1,757,472.46	\$ (439,217.52)	\$ 1,318,254.94	\$ -	\$ 1,318,254.94

## REYNOLDS DISPOSAL COMPANY

PRO FORMA 2020 PLANT ASSET ADDITIONS

	<u>PRO FORMA</u> <u>12/31/2020</u>	<u>DEPR</u> <u>LIFE</u>	<u>Plant</u> <u>Asset</u> <u>Additions</u>	<u>Annual</u> <u>Depr.</u> <u>Exp.</u>	<u>Accum.</u> <u>Depr.</u>	<u>Net</u> <u>Book</u> <u>Value</u>
361.21 DISTRIBUTION MAIN ADDITIONS						
1,200' 8" PVC SEWER LINE	12/31/20	50	\$ 63,200	\$ 1,264	\$ 1,264	\$ 61,936
2,975" 18" SEWER LINE	12/31/20	50	238,000	4,760	4,760	233,240
SEWER LINE 25TH AND 26TH STREETS	12/31/20	50	6,000	120	120	5,880
TOTAL 361.21 DISTRIBUTION MAINS ADDITIONS			\$ 307,200	\$ 6,144	\$ 6,144	\$ 301,056
371.30 PUMPS & PUMP EQUIPMENT ADDITIONS						
EJECTOR #1	12/31/20	5	\$ 5,000	\$ 1,000	\$ 1,000	\$ 4,000
393.70 OTHER GENERAL EQUIPMENT ADDITIONS						
Automated Meter Reading System	12/31/20	20	\$ 68,500	\$ 3,425	\$ 3,425	\$ 65,075
TOTALS			<u>\$ 380,700</u>	<u>\$ 10,569</u>	<u>\$ 10,569</u>	<u>\$ 370,131</u>

**REYNOLDS DISPOSAL COMPANY**

**SECTION F**

**PRO FORMA RATE BASE  
&  
RATE OF RETURN**

**REYNOLDS DISPOSAL COMPANY**

Rate Base At Original Cost / Overall Rate of Return Under Current and Proposed Rates

Per Books December 31, 2019 and Pro Forma December 31, 2020

<u>Line</u>	<u>Description</u>	<u>Per Books</u> <u>12/31/19</u>	<u>Pro Forma</u> <u>Current Rates</u> <u>12/31/20</u>	<u>Pro Forma</u> <u>Proposed Rates</u> <u>12/31/20</u>
1	Plant-In-Service	\$ 4,059,577.44	\$ 4,528,477.44	\$ 4,528,477.44
2	Accum. Res. For Depr.	(1,491,779.55)	(1,623,442.78)	(1,623,442.78)
3	Net Plant-In-Service (See Schedule E-3)	\$ 2,567,797.89	\$ 2,905,034.66	\$ 2,905,034.66
Additions:				
4	Inventory - Chemicals (Schedules E-1 and E-2)	\$ -	\$ -	\$ -
5	Inventory - General M&S (Schedules E-1 and E-2)	-	-	-
6	Cash Working Capital (Schedule F2)	48,940.37	54,731.43	54,731.43
Deductions:				
8	Contributions/Grant Funding	\$ -	\$ 618,200.00	\$ 618,200.00
	Accum. Res. For Depr.	-	(176,076.55)	(176,076.55)
	Net of Accumulated Depreciation (See Schedule E-3)	\$ -	\$ 442,123.45	\$ 442,123.45
9	Assets Recovered Through PV/PW Surcharge Rates	\$ 2,451,203.79	\$ 1,921,203.79	\$ 1,921,203.79
	Accum. Res. For Depr.	(693,731.33)	(602,948.85)	(602,948.85)
	Net of Accumulated Depreciation (See Schedule E-3)	\$ 1,757,472.46	\$ 1,318,254.94	\$ 1,318,254.94
10	Deferred Income Taxes Per Books (See Schedules E-1 and 2)	\$ 371,800.00	\$ 371,800.00	\$ 371,800.00
11	Total Rate Base (Lines 3+4+5+6-8-9-10)	<u>\$ 487,465.80</u>	<u>\$ 827,587.70</u>	<u>\$ 827,587.70</u>
<b><u>Rate of Return Per Books 12/31/19</u></b>				
12	Income Adj. Per Books Available For Return	\$ (57,121.36)		
13	Unadjusted Overall Rate Of Return (L12 /L11)	-11.718%		
<b><u>Pro Forma Rate of Return Under Current Rates 12/31/20</u></b>				
14	Pro Forma Income Under Existing Rates Available For Return		\$ (110,597.62)	
15	Overall Rate Of Return (L14 /L11)		-13.364%	
<b><u>Pro Forma Rate Of Return Under Proposed Rates 12/31/20</u></b>				
16	Pro Forma Income Under Proposed Rates Available For Return			\$ 65,048.39
17	Overall Rate Of Return (L16/L11, See Also Schedule F-3)			7.86%

## REYNOLDS DISPOSAL COMPANY

## Cash Working Capital Calculations Under Current and Proposed Rates

Per Books December 31, 2019 and Pro Forma December 31, 2020

<u>Line</u>	<u>Description</u>	Per-Books <u>12/31/19</u>	Pro-Forma Current Rates <u>12/31/20</u>	Pro-Forma Proposed Rates <u>12/31/20</u>
1	Operating Deduction (See Schedule H-1)	\$ 518,508.84	\$ 514,910.56	\$ 514,910.56
2	Less Depreciation Expense (See Schedule H-1)	126,985.88	77,059.15	77,059.15
3	Operating Deductions - CWC Allowance	\$ 391,522.96	\$ 437,851.41	\$ 437,851.41
4	Cash Working Capital Claim (1/8 of Oper. Ded. - CWC Allowance)	\$ 48,940.37	\$ 54,731.43	\$ 54,731.43

## REYNOLDS WATER COMPANY

## Rate Of Return

Hypothetical Capital Structure  
Pro Forma Claim December 31, 2020

Description	Ratio (1)	Weighted Cost (2)	Average Weighted Cost (3)
Debt	50%	5.72%	2.86%
Equity	50%	10.00%	5.00%
Total	100%		7.86%

**Per Books Capital Structure 12/31/19**

Description	Per Books 12/31/19	Ratio	Interest Rates	Weighted Cost
<b><u>Debt Ratio (1):</u></b>				
Automated Meter Reading System Loan	\$ 120,912.64	80.30%	5.81%	4.67%
Backhoe-Intercompany	14,079.14	9.35%	4.75%	0.44%
Vehicle Loan	15,587.27	10.35%	3.09%	0.32%
		0.00%	0.00%	0.00%
Total Debt - Non PennVest/PennWorks Loans	\$ 150,579.05	100.00%		5.43%

**PennVest/PennWorks Loans**

PennVest Loan	\$ 480,834.75	66.20%	3.31%	2.19%
PennWorks Loan	245,504.99	33.80%	2.00%	0.68%
Total PennVest/PennWorks Loans	\$ 726,339.74	100.00%		2.87%

**Debt/Equity Ratio:**

Debt	\$ 150,579.05	8.51%		5.43%
Equity	1,619,175.79	91.49%		
Total	\$ 1,769,754.84	100.00%		

**Pro Forma Capital Structure 12/31/20**

Description	Pro Forma 12/31/20	Ratio	Interest Rates	Weighted Cost
<b><u>Debt Ratio (1):</u></b>				
Automated Meter Reading System Loan	103,460.23	25.73%	5.81%	1.49%
Backhoe-Intercompany	2,014.99	0.50%	4.75%	0.02%
Vehicle Loan	4,929.41	1.23%	3.09%	0.04%
New Construction Loan	291,763.00	72.55%	5.75%	4.17%
Total Debt - Non PennVest/PennWorks Loans	\$ 402,167.63	100.00%		5.72%

**PennVest/PennWorks Loans**

PennVest Loan	\$ 427,453.96	58.85%	3.31%	1.95%
PennWorks Loan	213,322.44	29.37%	2.00%	0.59%
Total PennVest/PennWorks Loans	\$ 640,776.40	88.22%		2.54%

**Debt/Equity Ratio:**

Debt	\$ 402,167.63	24.01%		5.72%
Equity	1,272,959.21	75.99%		
Total	\$ 1,675,126.84	100.00%		



**REYNOLDS DISPOSAL COMPANY**

**SECTION G**

**STATEMENT OF REVENUES AND TARIFF INCREASE**

## REYNOLDS DISPOSAL COMPANY

Comparative Statement Of Operating Revenues  
Twelve Months Ended December 31, 2019 And Pro Forma December 31, 2020 At Current And Proposed Rates

Description	12/31/19 <u>Per Books</u> (1)	Pro Forma <u>Adjustments *</u> (2)	December 31, 2020		
			Pro Forma Adjusted <u>Total</u> (3)	Proposed Base Rate <u>Increase</u> (4)	Proposed Adjusted <u>Total</u> (5)
Operating Revenues					
Metered Sales:					
Residential	\$ 168,839.63	\$ 77.95	\$ 168,917.58	\$ 92,601.81	\$ 261,519.39
Trailer Park	65,983.71	(535.27)	65,448.44	36,342.16	101,790.60
Apartment	41,012.29	-	41,012.29	22,212.19	63,224.48
Commercial	31,313.82	373.68	31,687.50	18,443.31	50,130.81
Industrial	13,026.75	369.18	13,395.93	7,567.19	20,963.12
Public	9,826.11	-	9,826.11	5,726.91	15,553.02
Total Metered Sales	<u>\$ 330,002.31</u>	<u>\$ 285.54</u>	<u>\$ 330,287.85</u>	<u>\$ 182,893.57</u>	<u>\$ 513,181.42</u>
Unmetered Sales:					
Residential	\$ 9,579.87	\$ -	\$ 9,579.87	\$ 5,306.31	\$ 14,886.18
Commercial	1,070.96	391.84	1,462.80	810.24	2,273.04
Industrial	16,899.51	4.21	16,903.72	9,360.92	26,264.64
Total Unmetered Sales	<u>\$ 27,550.34</u>	<u>\$ 396.05</u>	<u>\$ 27,946.39</u>	<u>\$ 15,477.47</u>	<u>\$ 43,423.86</u>
Total Base Rate Revenues	<u>\$ 357,552.65</u>	<u>\$ 681.59</u>	<u>\$ 358,234.24</u>	<u>\$ 198,371.04</u>	<u>\$ 556,605.28</u>
Pennvest Surcharge	87,811.07	267.95	88,079.02	17,219.51	105,298.53
Total Revenue From Rates	<u>\$ 445,363.72</u>	<u>\$ 949.54</u>	<u>\$ 446,313.26</u>	<u>\$ 215,590.55</u>	<u>\$ 661,903.81</u>
Other Revenues:					
Late Payment Charges	1,730.46	-	1,730.46	-	1,730.46
Industrial - Sludge Drop-offs at STP	61,568.50	-	61,568.50	-	61,568.50
Total Operating Revenues	<u><u>\$ 508,662.68</u></u>	<u><u>\$ 949.54</u></u>	<u><u>\$ 509,612.22</u></u>	<u><u>\$ 215,590.55</u></u>	<u><u>\$ 725,202.77</u></u>

\*Refer to Schedules H-1, H-2, H-4 and Supporting Schedule I-1 for explanation of adjustments.  
See Schedule K for Proposed Rates and Proof of Revenue

## REYNOLDS DISPOSAL COMPANY

Comparative Statement Of Operating Revenues  
Calculation Of Proposed Revenues And Percentage Increase By Customer Class

Description	Pro Forma		Percentage Increase	Pro Forma Proposed		
	Existing Rates	Rev. %		Base Rate	Adjusted	Rev. %
	<u>Revenues</u>	<u>To Total</u>		<u>Increase</u>	<u>Total</u>	<u>To Total</u>
	(1)	(2)	(3)	(4)	(5)	(6)
Operating Revenues						
Metered Sales:						
Residential	\$ 168,917.58	47.15%	54.82%	\$ 92,601.81	\$ 261,519.39	46.98%
Trailer Park	65,448.44	18.27%	55.53%	36,342.16	101,790.60	18.29%
Apartment	41,012.29	11.45%	54.16%	22,212.19	63,224.48	11.36%
Commercial	31,687.50	8.85%	58.20%	18,443.31	50,130.81	9.01%
Industrial	13,395.93	3.74%	56.49%	7,567.19	20,963.12	3.77%
Public	9,826.11	2.74%	58.28%	5,726.91	15,553.02	2.79%
Total Metered Sales	\$ 330,287.85	92.20%	55.37%	\$ 182,893.57	\$ 513,181.42	92.20%
Unmetered Sales:						
Residential	\$ 9,579.87	2.67%	55.39%	\$ 5,306.31	\$ 14,886.18	2.67%
Commercial	1,462.80	0.41%	55.39%	810.24	2,273.04	0.41%
Industrial	16,903.72	4.72%	55.38%	9,360.92	26,264.64	4.72%
Total Unmetered Sales	\$ 27,946.39	7.80%	55.38%	\$ 15,477.47	\$ 43,423.86	7.80%
Total Base Rate Revenues	\$ 358,234.24	<u>100.00%</u>	55.37%	\$ 198,371.04	\$ 556,605.28	<u>100.00%</u>
Pennvest Surcharge	88,079.02		19.55%	17,219.51	105,298.53	
Total Revenues From Rates	\$ 446,313.26		48.30%	\$ 215,590.55	\$ 661,903.81	
Other Revenues:						
Late Payment Charges	1,730.46		0.00%	\$ -	1,730.46	
Industrial - Sludge Drop-offs at STP	61,568.50		0.00%	-	61,568.50	
Total Operating Revenues	<u>\$ 509,612.22</u>		42.30%	<u>\$ 215,590.55</u>	<u>\$ 725,202.77</u>	

\*Refer to Schedules H-1, H-2, H-4 and Supporting Schedule I-1 to I-3 for explanation of adjustments.  
See Schedule K for Proposed Rates and Proof of Revenue and Schedule M-1 for Typical Bills

## REYNOLDS DISPOSAL COMPANY

## Number Of Customers by Group

As Of December 31, 2017, December 31, 2018, December 31, 2019: And Pro Forma December 31, 2020

		<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>	Pro Forma <u>12/31/2020</u>
<u>Residential</u>					
Metered		544	540	539	539
Unmetered		19	18	20	20
Total Residential		<u>563</u>	<u>558</u>	<u>559</u>	<u>559</u>
<u>Trailer Park</u>					
Metered	(1)	7	7	7	7
Unmetered		0	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Trailer Park		<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
<u>Apartments</u>					
Metered	(2)	27	27	27	27
Unmetered		0	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Apartments		<u>27</u>	<u>27</u>	<u>27</u>	<u>27</u>
<u>Commercial</u>					
Metered		61	62	62	62
Unmetered		3	3	3	3
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Commercial		<u>64</u>	<u>65</u>	<u>65</u>	<u>65</u>
<u>Industrial</u>					
Metered		23	22	23	23
Unmetered	(3)	1	1	1	1
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Industrial		<u>24</u>	<u>23</u>	<u>24</u>	<u>24</u>
<u>Public</u>					
Metered		3	3	3	3
Unmetered		0	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Public		<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
<u>Totals</u>					
Metered		665	661	661	661
Unmetered		23	22	24	24
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Customers		<u>688</u>	<u>683</u>	<u>685</u>	<u>685</u>

Customers Above Provide Service to Multiple Family Units listed below which are charged at Company's individual unit rat

<u>Trailer Park</u> (1)					
Metered			176	176	
<u>Apartments</u> (2)					
Metered			152	152	

Each mulit-family unit is charged at the Company's individual domestic rates.

Customers Only Uses Wastewater associated with personnel staffing and is not provided metered water service.

<u>Industrial</u> (3)					
Unmetered			109	109	

Rates are charged on a equivelant employee count basis at the Company's associated approved rate.

The Company utilized a claim of 109 for the instant filing; however, due to the recent Covid-19 pandemic current staffing in 2020 has been at a low of 85 equivelant employees.

**REYNOLDS DISPOSAL COMPANY**Current And Proposed Tariff Rates

<u>Current Rates</u>				<u>Proposed Rates</u>			
<u>Quarterly</u>				<u>Monthly</u>			
<u>Base Rates</u>		<u>PV Surcharge</u>		<u>Base Rates</u>		<u>PV Surcharge</u>	
<b><u>Metered Rates</u></b>							
Domestic, Commercial, Industrial and Public Service							
<b><u>Customer Charge</u></b>							
Per Each Unit Served	\$	23.94			\$	12.05	
<b><u>Volumetric Usage per 1,000 Gallons:</u></b>							
All	Gallons		\$ 1.9500	Gallons		\$ 2.3312	
First	10,000	\$ 6.3800		4,000	\$ 9.9139		
Next	40,000	\$ 5.6900		16,000	\$ 8.8417		
Over	50,000	\$ 3.4400		20,000	\$ 5.3454		
<b><u>Flat Rate Charges</u></b>							
Per Each Unit Served							
Domestic	\$	118.27	\$ 31.20	\$	61.26	\$	12.43
Commercial	\$	121.90	\$ 31.20	\$	63.14	\$	12.43
Per Equiv. Empl.							
Industrial	\$	38.77	\$ 14.35	\$	20.08	\$	5.72

# **REYNOLDS DISPOSAL COMPANY**

## **SECTION H**

### **OPERATING STATEMENT AND ADJUSTMENTS**

**REYNOLDS DISPOSAL COMPANY**  
Statement Of Wastewater Income & Deductions  
Twelve Months Ended Per Books December 31, 2019 And Pro Forma December 31, 2020

Description	12/31/19 Per Books (1)	12/31/20 Pro Forma Adjustments (2)	12/31/20 Pro Forma Adjusted Total (3)	Rate Study Base Rate Increase (4)	12/31/20 Proposed Adjusted Total (5)
<b>REVENUES</b>					
Operating Revenues	\$ 357,552.65	\$ 681.59	\$ 358,234.24	\$ 198,426.22	55% \$ 556,660.46
Surcharge Revenues	87,811.07	267.95	88,079.02	17,220.26	20% 105,299.28
Operating Revenues From Rates	\$ 445,363.72	\$ 949.54	\$ 446,313.26	\$ 215,646.48	48% \$ 661,959.74
Late Payment Fees	1,730.46	-	1,730.46	-	0% 1,730.46
Industrial - Sludge Drop-offs at STP	61,568.50	-	61,568.50	-	0% 61,568.50
Total Operating Revenues	\$ 508,662.68	\$ 949.54	\$ 509,612.22	\$ 215,646.48	42% \$ 725,258.70
<b>OPERATING DEDUCTIONS</b>					
Disposal Plant Expenses	\$ 14,265.98	\$ 0.96	\$ 14,266.94	\$ -	\$ 14,266.94
Sewage Treatment Plant Expenses	167,681.15	(16,898.45)	150,782.70	-	150,782.70
Pumping System Expenses:	23,677.25	1,728.76	25,406.01	-	25,406.01
Gathering (Collection) System Expenses:	15,432.94	794.68	16,227.62	-	16,227.62
General System Expenses:	3,116.12	1,924.07	5,040.19	-	5,040.19
Customer Acct.. & Coll. Expenses	14,947.60	4,892.35	19,839.95	-	19,839.95
Administrative & General Exp.	136,861.36	53,668.15	190,529.51	-	190,529.51
Payroll Taxes	12,379.76	217.93	12,597.69	-	12,597.69
PaPUC Assessment	3,160.80	-	3,160.80	1,032.20	4,193.00
	-	-	-	-	-
	-	-	-	-	-
Total Operating Deductions	\$ 391,522.96	\$ 46,328.45	\$ 437,851.41	\$ 1,032.20	\$ 438,883.61
<b>DEPRECIATION &amp; AMORTIZATION</b>					
Depreciation Expense	\$ 126,985.88	\$ (49,926.73)	\$ 77,059.15	\$ -	\$ 77,059.15
	-	-	-	-	-
	-	-	-	-	-
Total Deductions	\$ 518,508.84	\$ (3,598.28)	\$ 514,910.56	\$ 1,032.20	\$ 515,942.76
Net Income Before Taxes	\$ (9,846.16)	\$ 4,547.82	\$ (5,298.34)	\$ 214,614.28	\$ 209,315.94
<b>Income Taxes</b>					
Pa. Corp. Income Taxes	\$ -	\$ -	\$ -	\$ 13,474.02	\$ 13,474.02
Fed. Income Taxes	-	-	-	25,494.23	25,494.23
Deferred Income Taxes	(9,000.00)	9,000.00	-	-	-
Total Income Taxes	\$ (9,000.00)	\$ 9,000.00	\$ -	\$ 38,968.25	\$ 38,968.25
Net Income After Taxes before Surcharge	\$ (846.16)	\$ (4,452.18)	\$ (5,298.34)	\$ 175,646.03	\$ 170,347.69
PennVest/PennWorks Debt Service Charges		105,299.28	105,299.28	-	105,299.28
Net Income After Taxes and Surcharge		\$ (109,751.46)	\$ (110,597.62)	\$ 175,646.03	\$ 65,048.41
<b>2019 PV Paym - PV Depr reflected in above</b> <b>(\$105,299.28 - \$49,024.08)</b>	(56,275.20)				
<b>Adj. 2019 Net Oper. Inc. (Loss) After PV</b> <b>Debt Serv.</b>	\$ (57,121.36)				

Detail by Subcategory shown on Schedule H-4, Adjustment Details On Schedules H-2 and H-3

**REYNOLDS DISPOSAL COMPANY**

Pro Forma Adjustments To Operating Revenues  
For the Pro Forma Twelve Months Ended December 31, 2020

(1)

Pro Forma adjustment to operating revenues based on the sum results of bill analysis for the twelve month period ended 12/31/19; and to reflect the annualized level of revenues for customer gains/losses realized for the twelve months ended 12/31/20. NOTE: The Company does not project any customer gains or losses for the future test year.

Residential	\$ 77.95
Trailer Park	(535.27)
Apartment	-
Commercial	373.68
Industrial	369.18
Public	-
Total Metered Sales	<u>\$ 285.54</u>

Unmetered-Sales

Residential	\$ -
Commercial	391.84
Industrial	4.21
Total Unmetered Sales	<u>\$ 396.05</u>

Total Operating Revenues	<u>\$ 681.59</u>
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Pennvest Surcharge	267.95
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Totals	<u><u>\$ 949.54</u></u>
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( See Supporting Schedule I-1)

Total Operating Revenue Adjustments	<u><u>\$ 949.54</u></u>
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**REYNOLDS DISPOSAL COMPANY**

Pro Forma Adjustments To Operating Expenses  
For the Pro Forma Twelve Months Ended December 31, 2020

- (2) Pro Forma adjustment to accounting department labor to reflect annualized salary of new hire and termination of 2 employee positions by year end 2019.

(See Supporting Schedule I-2) \$ 666.87

Pro Forma adjustment to operating labor cost to reflect a 1.75% increase in payroll for the 2018 pro forma test period.

(See Supporting Schedule I-2)

DP-LABOR	\$ 0.96
STP-LABOR	\$ 603.10
PS-LABOR	\$ 203.45
GS-LABOR	\$ 142.92
METER READING LABOR	\$ -
CUSTOMER COLLECTION LABOR	0.18
CUSTOMER PREMISE SERVICE LABOR	-
BILLING DEPARTMENT SALARIES	180.79
CUST. ACCT. & COLL. LABOR	<u>\$ 180.97</u>
ACCOUNTING DEPARTMENT SALARIES	\$ 524.11
PLANT OFFICE LABOR	3.90
GENERAL PROPERTY-MAINT LABOR	46.53
OFFICERS' WAGES	408.64
DEFERRED VACATION EXPENSE	<u>(13.07)</u>
ADMIN-LABOR	\$ 970.11
Total Payroll Adjustment for Wage Increase	<u><u>\$ 2,101.51</u></u>

- (3) Pro Forma adjustment to pension expense based upon historical per books to total per books operating labor, times pro forma payroll adjustment in item 2.

(See Supporting Schedule I-2) \$ 179.26

**REYNOLDS DISPOSAL COMPANY**

Pro Forma Adjustments To Operating Expenses  
For the Pro Forma Twelve Months Ended December 31, 2020

- |                                                                                                                                                                                                                                        |                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| (4) Pro Forma adjustment to payroll taxes expense based upon historical per books to total per books operating labor, times pro forma payroll adjustment in item 2.<br>(See Supporting Schedule I-2)                                   | \$ 217.93      |
| (5) Pro Forma adjustment to reflect a 12/31/20 normalized claim for STP Purification Testing Expenses based upon a three year average of 12/31/17, 12/31/18, and 12/31/19 historical expenses.<br>(See Supporting Schedule I-3)        | \$ (5,744.07)  |
| (6) Pro Forma adjustment to reflect a 12/31/20 normalized claim for STP Sludge Removal Expenses based upon a three year average of 12/31/17, 12/31/18, and 12/31/19 historical expenses.<br>(See Supporting Schedule I-3)              | \$ (11,757.48) |
| (7) Pro Forma adjustment to reflect a 12/31/20 normalized claim for PS Maintenance Materials & Supplies based upon a three year average of 12/31/17, 12/31/18, and 12/31/19 historical expenses.<br>(See Supporting Schedule I-3)      | \$ 1,525.31    |
| (8) Pro Forma adjustment to reflect a 12/31/20 normalized claim for GS- Customer Premises Supplies & Expense based upon a three year average of 12/31/17, 12/31/18, and 12/31/19 historical expenses.<br>(See Supporting Schedule I-3) | \$ 651.76      |
| (9) Pro Forma adjustment to reflect a 12/31/20 normalized claim for General Property Maintenance Expense based upon a three year average of 12/31/17, 12/31/18, and 12/31/19 historical expenses.<br>(See Supporting Schedule I-3)     | \$ 1,924.07    |
| (10) Pro Forma adjustment to reflect a 12/31/20 normalized claim for Credit Card Fees and Expenses based upon a three year average of 12/31/17, 12/31/18, and 12/31/19 historical expenses.                                            | \$ 577.51      |

**REYNOLDS DISPOSAL COMPANY**

Pro Forma Adjustments To Operating Expenses  
For the Pro Forma Twelve Months Ended December 31, 2020

(See Supporting Schedule I-4)

- |                                                                                                                                                                                                                                                                                         |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <p>(11) Pro Forma adjustment to reflect a 12/31/20 normalized claim for Administrative &amp; General Expenses - Executive Department Expenses based upon a three year average of 12/31/17, 12/31/18, and 12/31/19 historical expenses.<br/>           (See Supporting Schedule I-4)</p> | <p>\$ 1,098.35</p> |
| <p>(12) Pro Forma adjustment to eliminate the 12/31/19 per books charitable contributions expense from the 12/31/20 normalized claim, i.e., a zero claim for ratemaking purposes.<br/>           (See Supporting Schedule I-4)</p>                                                      | <p>\$ (295.24)</p> |
| <p>(13) Pro Forma adjustment to reflect a 12/31/20 normalized claim for Business Office Supplies based upon a three year average of 12/31/17, 12/31/18, and 12/31/19 historical expenses.<br/>           (See Supporting Schedule I-4)</p>                                              | <p>\$ 471.29</p>   |
| <p>(14) Pro Forma adjustment to reflect a 12/31/20 annualized claim for Monthly Billing Department Expenses based upon 12/31/19 Actual Quarterly Billing Department Expenses.<br/>           (See Supporting Schedule I-4)</p>                                                          | <p>\$ 4,711.38</p> |

**REYNOLDS DISPOSAL COMPANY**

Pro Forma Adjustments To Operating Expenses  
For the Pro Forma Twelve Months Ended December 31, 2020

(15)

Pro forma adjustment to reflect a normalized level of rate case expense associated with a fully litigated rate case proceeding for the instant filing. The projected cost reflects the cost for preparing rate study as-filed, cost associated with PaPUC review, and necessary services through litigation period, i.e., prepared testimony, PaPUC hearings, legal briefs, review of ALJ recommended decision, exceptions to ALJ RD, review of Commission final order, and preparation of compliance filing. In general, the required services would include, but not be limited to: rate consultant, consulting engineer, outside accounting and related support services, rate of return consultant, and regulatory legal counsel. The Company reserves the right to amend its rate case claim as necessary based upon the level of services required to support its filing through out the regulatory rate increase process. The \$150,000 rate case expense claim is normalized over a 36 month period.

\$ 50,000.00

(See Supporting Schedule I-5)

- (16) Pro Forma adjustment to reflect a 12/31/20 annualized claim for Depreciation Expenses - based upon Depreciation study for pro forma year 12/31/20 as compared to per books 12/31/19 booked depreciation expenses.

\$ (49,926.73)

(See Supporting Schedule I-6)

Pro Forma adjustment to reflect annualized cost for PennVest and PennWorks debt service requirements associated with related surcharge revenue requirements.

\$ 105,299.28

(See Supporting Schedule I-6)

- (17) Pro Forma adjustment to reflect a normalized claim for State and Federal Income Taxes based upon revenues under current rates for the pro forma test year 12/31/20.

Deferred Income Taxes

\$ 9,000.00

(See Supporting Schedule I-8)

Subtotal Expense Adjustments

\$ 110,701.00

**REYNOLDS DISPOSAL COMPANY**

Pro Forma Adjustments To Operating Expenses  
For the Pro Forma Twelve Months Ended December 31, 2020

(18)

Pro Forma adjustment to reflect a normalized claim for Pa PUC Assessment fee based upon revenues under proposed rates vs. 6/30/17 per books. \$ 1,032.20  
 (See Supporting Schedule I-7)

(19) Pro Forma adjustment to reflect a normalized claim for State and Federal Income Taxes based upon revenues under proposed rates for the pro forma test year 6/30/18.

State Income Taxes	\$	13,474.02
Federal Income Taxes	\$	25,494.23

(See Supporting Schedule I-8)

Subtotal Associated Taxes and Fees Adjustments Going Fwd Rates	\$	40,000.45
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**REYNOLDS DISPOSAL COMPANY**  
Comparative Statement of Wastewater Income Deductions

Twelve Months Ended December 31, 2017, 2018, 2019; and Pro Forma 2020

	Per Books 12-Mth End <u>12/31/17</u>	Per Books 12-Mth End <u>12/31/18</u>	Per Books 12-Mth End <u>12/31/19</u>	Pro Forma Adjustments <u>12/31/20</u>	(Adj.) (Ref)	Pro Forma Adjusted <u>12/31/20</u>	Proposed Base Rate <u>Increase</u>	(Adj.) (Ref)	Pro Forma Base Rate <u>Totals</u>
<b><u>Operating Revenues</u></b>									
<b><u>Metered-Sales</u></b>									
Residential	\$ 168,170.83	\$ 171,703.49	\$ 168,839.63	\$ 77.95	(1)	\$ 168,917.58	\$ 93,563.57	55%	\$ 262,481.15
Trailer Park	65,927.67	72,130.19	65,983.71	(535.27)	(1)	65,448.44	36,251.94	55%	101,700.38
Apartment	33,877.49	40,116.49	41,012.29	-	(1)	41,012.29	22,716.74	55%	63,729.03
Commercial	31,254.83	33,620.50	31,313.82	373.68	(1)	31,687.50	17,551.73	55%	49,239.23
Industrial	17,592.89	15,690.19	13,026.75	369.18	(1)	13,395.93	7,420.02	55%	20,815.95
Public	8,614.70	8,774.24	9,826.11	-	(1)	9,826.11	5,442.69	55%	15,268.80
Total Metered Sales	\$ 325,438.41	\$ 342,035.10	\$ 330,002.31	\$ 285.54		\$ 330,287.85	\$ 182,946.69	55%	\$ 513,234.54
<b><u>Unmetered-Sales</u></b>									
Residential	\$ 8,988.52	\$ 8,633.71	\$ 9,579.87	\$ -	(1)	\$ 9,579.87	\$ 5,306.30	55%	\$ 14,886.17
Commercial	1,070.96	1,070.96	1,070.96	391.84	(1)	1,462.80	810.25	55%	2,273.05
Industrial	18,399.60	14,611.53	16,899.51	4.21	(1)	16,903.72	9,362.98	55%	26,266.70
Total Unmetered Sales	\$ 28,459.08	\$ 24,316.20	\$ 27,550.34	\$ 396.05		\$ 27,946.39	\$ 15,479.53	55%	\$ 43,425.92
Pennvest Surcharge	86,107.71	91,586.01	87,811.07	267.95	(1)	88,079.02	17,220.26	20%	105,299.28
Total Operating Revenue From Rates	\$ 440,005.20	\$ 457,937.31	\$ 445,363.72	\$ 949.54		\$ 446,313.26	\$ 215,646.48	48%	\$ 661,959.74
<b><u>Other:</u></b>									
Late Payment Charges	\$ 1,555.81	\$ 1,586.75	\$ 1,730.46	\$ -		\$ 1,730.46			\$ 1,730.46
Industrial - Sludge Drop-offs at STP	12,316.50	59,570.00	61,568.50	-		61,568.50			61,568.50
Total Other	\$ 13,872.31	\$ 61,156.75	\$ 63,298.96	\$ -		\$ 63,298.96	\$ -		\$ 63,298.96
<b>Total Operating Revenues</b>	<b>\$ 453,877.51</b>	<b>\$ 519,094.06</b>	<b>\$ 508,662.68</b>	<b>\$ 949.54</b>	<b>(1)</b>	<b>\$ 509,612.22</b>	<b>\$ 215,646.48</b>	<b>42%</b>	<b>\$ 725,258.70</b>
<b><u>Disposal Plant Expenses</u></b>									
DP-LABOR	\$ 11.45	\$ 68.48	\$ 54.88	\$ 0.96	(2)	\$ 55.84			\$ 55.84
DP-POWER PURCHASED	2,391.33	2,640.99	2,206.94			2,206.94			2,206.94
DP-COLLECTION OPERATING M&S	8,830.39	9,712.71	12,004.16			12,004.16			12,004.16
	-	-	-			-			-
Total Disposal Plant Expenses	\$ 11,233.17	\$ 12,422.18	\$ 14,265.98	\$ 0.96		\$ 14,266.94	\$ -		\$ 14,266.94
<b><u>Sewage Treatment Plant Expenses</u></b>									
STP-LABOR	\$ 32,694.00	\$ 35,588.58	\$ 34,463.07	\$ 603.10	(2)	\$ 35,066.17			\$ 35,066.17
STP-PURIFICATION CHEMICALS	19,580.40	21,904.30	22,270.10			22,270.10			22,270.10

**REYNOLDS DISPOSAL COMPANY**  
Comparative Statement of Wastewater Income Deductions

Twelve Months Ended December 31, 2017, 2018, 2019; and Pro Forma 2020

	Per Books 12-Mth End <u>12/31/17</u>	Per Books 12-Mth End <u>12/31/18</u>	Per Books 12-Mth End <u>12/31/19</u>	Pro Forma Adjustments <u>12/31/20</u>	(Adj.) <u>(Ref)</u>	Pro Forma Adjusted <u>12/31/20</u>	Proposed Base Rate <u>Increase</u>	(Adj.) <u>(Ref)</u>	Pro Forma Base Rate <u>Totals</u>
STP-PURIFICATION M&S	14,349.56	14,008.97	16,409.90			16,409.90			16,409.90
STP-PURIFICATION MAINT M&S	2,770.22	2,320.89	3,369.70			3,369.70			3,369.70
STP-COLLECTION MAINT M&S	201.59	6.75	-			-			-
STP-PURIFICATION TESTING	17,301.83	17,326.54	25,930.29	(5,744.07)	(5)	20,186.22			20,186.22
STP-SLUDGE REMOVAL	12,017.50	17,815.11	32,552.52	(11,757.48)	(6)	20,795.04			20,795.04
STP-POWER PURCHASED	29,200.92	30,742.30	31,810.90			31,810.90			31,810.90
STP-CONSULTANTING SERVICES	-	682.58	874.67			874.67			874.67
STP-ENGINEERING	-	531.24	-			-			-
	-	-	-			-			-
Total Sewage Treatment Plant Expenses	\$ 128,116.02	\$ 140,927.26	\$ 167,681.15	\$ (16,898.45)		\$ 150,782.70	\$ -		\$ 150,782.70
<b><u>Pumping System Expenses:</u></b>									
PS-LABOR	\$ 11,553.01	\$ 11,810.02	\$ 11,626.09	\$ 203.45	(2)	\$ 11,829.54			\$ 11,829.54
PS-SUPPLIES & EXPENSE	1,951.12	1,654.82	1,848.23			1,848.23			1,848.23
PS-MAINT M&S	4,715.82	3,331.36	1,735.62	1,525.31	(7)	3,260.93			3,260.93
PS-POWER PURCHASED	5,541.01	5,645.59	5,286.74			5,286.74			5,286.74
DEP / PUC MISCELLANEOUS EXPENSE	2,968.77	1,445.00	3,180.57			3,180.57			3,180.57
	-	-	-			-			-
Total Pumping System Expenses	\$ 26,729.73	\$ 23,886.79	\$ 23,677.25	\$ 1,728.76		\$ 25,406.01	\$ -		\$ 25,406.01
<b><u>Gathering (Collection) System Exp:</u></b>									
GS-LABOR	\$ 7,109.58	\$ 7,019.07	\$ 8,167.00	\$ 142.92	(2)	\$ 8,309.92			\$ 8,309.92
GS- SUPPLIES & EXPENSE	3,508.29	4,070.88	4,038.19			4,038.19			4,038.19
GS-CUSTOMER PREMISE SUPPLIES & EXPENSE	213.09	2,339.73	298.77	651.76	(8)	950.53			950.53
GS-COLLECTION MAIN MAINT M&S	1,007.49	1,472.99	2,273.55			2,273.55			2,273.55
GS-SERVICE LINE MAINT M&S	1,478.68	217.30	655.43			655.43			655.43
	-	-	-			-			-
Total Gathering (Collection) System Expenses	\$ 13,317.13	\$ 15,119.97	\$ 15,432.94	\$ 794.68		\$ 16,227.62	\$ -		\$ 16,227.62
<b><u>General System Expenses:</u></b>									
DRAFTING DEPARTMENT SUPPLIES	-	-	23.42			23.42			23.42
PLANT OFFICE SUPPLIES	396.58	64.08	116.58			116.58			116.58
GENERAL PROPERTY MAINTENANCE	1,765.28	5,495.56	744.32	1,924.07	(9)	2,668.39			2,668.39
SMALL TOOLS (up to \$199)	-	79.57	-			-			-
SUPERVISOR'S VEHICLE REIM	236.00	236.00	20.00			20.00			20.00
EDUCATION/TRAINING EXPENSE	2,017.86	833.60	984.98			984.98			984.98
PLANT OFFICE EXPENSE	510.47	706.48	609.71			609.71			609.71
DRAFTING DEPARTMENT EXPENSES	800.14	1,937.03	617.11			617.11			617.11
	-	-	-			-			-

**REYNOLDS DISPOSAL COMPANY**  
Comparative Statement of Wastewater Income Deductions

Twelve Months Ended December 31, 2017, 2018, 2019; and Pro Forma 2020

	Per Books 12-Mth End <u>12/31/17</u>	Per Books 12-Mth End <u>12/31/18</u>	Per Books 12-Mth End <u>12/31/19</u>	Pro Forma Adjustments <u>12/31/20</u>	(Adj.) <u>(Ref)</u>	Pro Forma Adjusted <u>12/31/20</u>	Proposed Base Rate Increase	(Adj.) <u>(Ref)</u>	Pro Forma Base Rate <u>Totals</u>
Total General System Expenses	\$ 5,726.33	\$ 9,352.32	\$ 3,116.12	\$ 1,924.07		\$ 5,040.19	\$ -		\$ 5,040.19
<b><u>Customer Accounting &amp; Coll. Expenses:</u></b>									
CUST. ACCT. & COLL. LABOR	\$ 9,130.88	\$ 9,247.14	\$ 10,341.49	\$ 180.97	(2)	\$ 10,522.46			\$ 10,522.46
METER READING SUPPLIES	2,640.40	2,125.53	2,070.30			2,070.30			2,070.30
CREDIT INVESTIGATIONS	-	-	12.23			12.23			12.23
BILLING ADJUSTMENTS	16.75	1,676.23	167.89			167.89			167.89
BILLING DEPARTMENT EXPENSES	1,920.80	1,704.68	2,355.69	4,711.38	(14)	7,067.07			7,067.07
	-	-	-			-			-
Total Customer Accounting & Collection Expenses	\$ 13,708.83	\$ 14,753.58	\$ 14,947.60	\$ 4,892.35		\$ 19,839.95	\$ -		\$ 19,839.95
<b><u>Administrative and General Expenses:</u></b>									
ACCOUNTING DEPARTMENT SALARIES	\$ 18,849.44	\$ 26,433.42	\$ 29,282.48	\$ 1,190.98	(2)	\$ 30,473.46			\$ 30,473.46
PLANT OFFICE LABOR	320.54	434.96	222.90	3.90	(2)	226.80			226.80
GENERAL PROPERTY-MAINT LABOR	2,439.07	3,196.67	2,658.72	46.53	(2)	2,705.25			2,705.25
OFFICERS' WAGES	21,461.80	22,500.13	23,350.81	408.64	(2)	23,759.45			23,759.45
INSURANCE-EMPLOYEES	19,431.47	22,249.97	21,926.40			21,926.40			21,926.40
PENSION EXPENSE	8,244.86	9,365.61	10,186.59	179.26	(3)	10,365.85			10,365.85
DEFERRED VACATION EXPENSE	356.25	566.58	(746.78)	(13.07)	(2)	(759.85)			(759.85)
BUSINESS OFFICE SUPPLIES	2,314.42	2,342.04	1,621.30	471.29	(13)	2,092.59			2,092.59
COMPUTER SUPPLIES	118.88	515.36	777.81			777.81			777.81
AUDITING EXPENSES	5,610.00	6,800.00	6,000.00			6,000.00			6,000.00
PAYROLL PROCESSING FEE	1,596.16	1,311.39	1,361.46			1,361.46			1,361.46
LEGAL EXPENSES	972.50	3,320.00	335.00			335.00			335.00
RENT EXPENSE	7,500.00	7,500.00	7,500.00			7,500.00			7,500.00
INSURANCE-VEHICLE	1,296.63	1,778.18	2,084.14			2,084.14			2,084.14
INSURANCE-GENERAL LIABILITY	1,522.69	1,569.52	5,175.83			5,175.83			5,175.83
INSURANCE-WORKMANS COMP	2,196.44	3,011.67	3,842.39			3,842.39			3,842.39
INSURANCE-COMPANY	11,108.24	10,245.06	10,649.21			10,649.21			10,649.21
ADVERTISING EXPENSE	553.25	567.74	751.23			751.23			751.23
PUC GENERAL EXPENSE	-	1,325.00	7.70			7.70			7.70
UNCOLLECTIBLE CUSTOMER ACCOUNTS	1,404.36	365.34	1,797.94			1,797.94			1,797.94
CHARITABLE CONTRIBUTIONS	273.33	230.33	295.24	(295.24)	(12)	-			-
CREDIT CARD FEES AND EXPENSES	4,092.42	1,689.54	2,024.71	577.51	(10)	2,602.22			2,602.22
BUSINESS OFFICE EXPENSES	4,769.10	3,030.38	3,191.20			3,191.20			3,191.20
EXECUTIVE DEPARTMENT EXPENSES	4,082.03	2,819.17	1,803.08	1,098.35	(11)	2,901.43			2,901.43
INJURIES & DAMAGES	-	8,212.00	-			-			-
MISC GENERAL EXPENSE	363.14	306.42	306.15			306.15			306.15
COMPUTER EXPENSE	389.85	1,426.24	260.85			260.85			260.85



**REYNOLDS DISPOSAL COMPANY**  
Comparative Statement of Wastewater Income Deductions

Twelve Months Ended December 31, 2017, 2018, 2019; and Pro Forma 2020

	Per Books 12-Mth End <u>12/31/17</u>	Per Books 12-Mth End <u>12/31/18</u>	Per Books 12-Mth End <u>12/31/19</u>	Pro Forma Adjustments <u>12/31/20</u>	(Adj.) (Ref)	Pro Forma Adjusted <u>12/31/20</u>	Proposed Base Rate Increase	(Adj.) (Ref)	Pro Forma Base Rate Totals
INTER-COMPANY SERVICE	-	-	-			-			-
SCHOOLING/SEMINARS	-	125.00	195.00			195.00			195.00
RATE CASE NORMALIZATION EXPENSE	-	-	-	50,000.00	(15)	50,000.00			50,000.00
	-	-	-			-			-
Total Administrative & General Expenses	\$ 121,266.87	\$ 143,237.72	\$ 136,861.36	\$ 53,668.15		\$ 190,529.51	\$ -		\$ 190,529.51
<b><u>Taxes Other:</u></b>									
PAYROLL TAXES	\$ 10,358.42	\$ 11,539.03	\$ 12,379.76	\$ 217.93	(4)	\$ 12,597.69			\$ 12,597.69
PUC ASSESSMENT EXPENSE	2,388.50	2,576.50	3,160.80			3,160.80	1,032.20	(18)	4,193.00
	-	-	-			-			-
Total Taxes Other	\$ 12,746.92	\$ 14,115.53	\$ 15,540.56	\$ 217.93		\$ 15,758.49	\$ 1,032.20		\$ 16,790.69
<b><u>Depreciation/Amortization Expenses:</u></b>									
DEPRECIATION	\$ 116,267.66	\$ 125,592.43	\$ 126,985.88	(49,926.73)	(16)	77,059.15			77,059.15
	-	-	-			-			-
Total Depreciation/Amortization Expense	\$ 116,267.66	\$ 125,592.43	\$ 126,985.88	\$ (49,926.73)		\$ 77,059.15	\$ -		\$ 77,059.15
<b>Total Operating Deductions</b>	<b>\$ 449,112.66</b>	<b>\$ 499,407.78</b>	<b>\$ 518,508.84</b>	<b>\$ (3,598.28)</b>		<b>\$ 514,910.56</b>	<b>\$ 1,032.20</b>		<b>\$ 515,942.76</b>
<b>Net Oper. Inc./ (Loss) Before Inc. Taxes</b>	<b>\$ 4,764.85</b>	<b>\$ 19,686.28</b>	<b>\$ (9,846.16)</b>	<b>\$ 4,547.82</b>		<b>\$ (5,298.34)</b>	<b>\$ 214,614.28</b>		<b>\$ 209,315.94</b>
<b><u>Income Taxes:</u></b>									
STATE TAX EXPENSE	\$ -	\$ -	\$ -			\$ -	\$ 13,474.02	(19)	\$ 13,474.02
FEDERAL TAX EXPENSE	-	-	-			-	25,494.23	(19)	25,494.23
DEFERRED TAX EXPENSES	(42,500.00)	100.00	(9,000.00)	9,000.00	(17)	-			-
	-	-	-			-			-
Total Income Taxes	\$ (42,500.00)	\$ 100.00	\$ (9,000.00)	\$ 9,000.00		\$ -	\$ 38,968.25		\$ 38,968.25
<b>Net Oper. Inc./ (Loss) After Inc Taxes</b>	<b>\$ 47,264.85</b>	<b>\$ 19,586.28</b>	<b>\$ (846.16)</b>	<b>\$ (4,452.18)</b>		<b>\$ (5,298.34)</b>	<b>\$ 175,646.03</b>		<b>\$ 170,347.69</b>
<b><u>Debt Service Assoc. W/ Surch. Rate</u></b>									
PennVest/PennWorks Debt Serv. Chrg.				\$ 105,299.28		105,299.28			105,299.28
<b>Net Oper. Inc. (Loss) After Debt Serv.</b>	<b>\$ 47,264.85</b>	<b>\$ 19,586.28</b>	<b>\$ (846.16)</b>	<b>\$ (109,751.46)</b>		<b>\$ (110,597.62)</b>	<b>\$ 175,646.03</b>		<b>\$ 65,048.41</b>
<b>2019 PV Paym - PV Depr reflected in above (\$105,299.28 - \$49,024.08)</b>			<b>(56,275.20)</b>						
<b>Adj. 2019 Net Oper. Inc. (Loss) After PV Debt Serv.</b>			<b>\$ (57,121.36)</b>						

# **REYNOLDS DISPOSAL COMPANY**

## **SECTION I**

### **SUPPORTING ADJUSTMENT SCHEDULES**

**REYNOLDS DISPOSAL COMPANY - PRO FORMA ADJUSTMENTS BILL ANALYSIS TO PER BOOK REVENUES**

Schedule I-1-1

Twelve Months Ended December 31, 2019 Per Books and Pro Forma 2020

	No. Qtr. Billing Units			Qtrly Rate  <u>Charge</u>	Block Usage				Cust. Charge  Revenues	Block Rates and Revenues				Pro Forma			
	No.	Total	Total		1st	2nd	3rd	Total						Total	Per	Pro	
	<u>Cust.</u>	<u>Units</u>	<u>Annual</u>		<u>0-10,000</u>	<u>Next 40,000</u>	<u>Over 50,000</u>	<u>Gallons</u>		1st	2nd	3rd	Total	Revenues	Books	Forma Adj.	
<b><u>Operating Revenues</u></b>										<b>\$</b>	<b>6.3800</b>	<b>\$</b>	<b>5.6900</b>	<b>\$</b>	<b>3.4400</b>		
<b><u>Metered-Sales</u></b>																	
Residential	539	539	2,166	\$23.94	14,945,200	3,784,100	52,800	18,782,100	\$51,854.04	\$95,350.38	\$21,531.53	\$181.63	\$117,063.54	\$168,917.58	\$168,839.63	\$77.95	
Trailer Park	7	176	695	\$23.94	6,598,000	1,172,667	12,333	7,783,000	16,638.30	42,095.24	6,672.47	42.43	48,810.14	65,448.44	65,983.71	(535.27)	
Apartment	27	152	608	\$23.94	3,964,000	205,000	0	4,169,000	14,555.52	25,290.32	1,166.45	0.00	26,456.77	41,012.29	41,012.29	0.00	
Commercial	62	62	261	\$23.94	1,219,100	1,802,100	2,153,300	5,174,500	6,248.34	7,777.86	10,253.95	7,407.35	25,439.16	31,687.50	31,313.82	373.68	
Industrial	23	23	95	\$23.94	675,100	889,900	509,000	2,074,000	2,274.30	4,307.14	5,063.53	1,750.96	11,121.63	13,395.93	13,026.75	369.18	
Public	3	3	12	\$23.94	86,600	320,000	2,083,000	2,489,600	287.28	552.51	1,820.80	7,165.52	9,538.83	9,826.11	9,826.11	0.00	
Total Metered Sales	661	955	3837		27,488,000	8,173,767	4,810,433	40,472,200	\$91,857.78	\$175,373.45	\$46,508.73	\$16,547.89	\$238,430.07	\$330,287.85	\$330,002.31	\$285.54	
<b><u>Unmetered-Sales</u></b>																	
Residential	20	20	81	\$118.27					\$9,579.87					\$9,579.87	\$9,579.87	\$0.00	
Commercial	3	3	12	\$121.90					1,462.80					1,462.80	1,070.96	391.84	
Industrial - Equiv. Empl.	1	109	436	\$38.77					16,903.72					16,903.72	16,899.51	4.21	
Total Unmetered Sales	24	132	529						\$27,946.39					\$27,946.39	\$27,550.34	\$396.05	
Operating Revenues	685	1087	4366		27,488,000	8,173,767	4,810,433	40,472,200	\$119,804.17	\$175,373.45	\$46,508.73	\$16,547.89	\$238,430.07	\$358,234.24	\$357,552.65	\$681.59	
<b><u>Pennvest Surcharge</u></b>																	
<b><u>Metered-Sales</u></b>										<b>\$</b>	<b>1.9500</b>	<b>\$</b>	<b>1.9500</b>	<b>\$</b>	<b>1.9500</b>		
Residential	539	539	2,166		14,945,200	3,784,100	52,800	18,782,100	\$0.00	\$29,143.14	\$7,379.00	\$102.96	\$36,625.10	\$36,625.10			
Trailer Park	7	176	695		6,598,000	1,172,667	12,333	7,783,000	0.00	12,866.10	2,286.70	24.05	15,176.85	15,176.85			
Apartment	27	152	608		3,964,000	205,000	0	4,169,000	0.00	7,729.80	399.75	0.00	8,129.55	8,129.55			
Commercial	62	62	261		1,219,100	1,802,100	2,153,300	5,174,500	0.00	2,377.25	3,514.10	4,198.94	10,090.29	10,090.29			
Industrial	23	23	95		675,100	889,900	509,000	2,074,000	0.00	1,316.45	1,735.31	992.55	4,044.31	4,044.31			
Public	3	3	12		86,600	320,000	2,083,000	2,489,600	0.00	168.87	624.00	4,061.85	4,854.72	4,854.72			
Total Metered Sales	661	955	3837		27,488,000	8,173,767	4,810,433	40,472,200	\$0.00	\$53,601.61	\$15,938.86	\$9,380.35	\$78,920.82	\$78,920.82			
<b><u>Unmetered-Sales</u></b>																	
Residential	20	20	81	\$31.20					\$2,527.20					\$2,527.20			
Commercial	3	3	12	\$31.20					374.40					374.40			
Industrial - Equiv. Empl.	1	109	436	\$14.35					6,256.60					6,256.60			
Total Unmetered Sales	24	132	529						\$9,158.20					\$9,158.20			
Pennvest Surcharge	685	1087	4366		27,488,000	8,173,767	4,810,433	40,472,200	\$9,158.20	\$53,601.61	\$15,938.86	\$9,380.35	\$78,920.82	\$88,079.02	\$87,811.07	\$267.95	

## REYNOLDS DISPOSAL COMPANY

Pro Forma 12/31/20 Payroll, Pension, and Payroll Tax Expense Adjustments

	Per Books 12/31/2019	Pro Forma Adj.	Pro Forma 12/31/2019	% Increase 1.75%	Pro Forma 12/31/2020
DP-LABOR	\$ 54.88	\$ -	\$ 54.88	\$ 0.96	\$ 55.84
STP-LABOR	\$ 34,463.07	\$ -	\$ 34,463.07	\$ 603.10	\$ 35,066.17
PS-LABOR	\$ 11,626.09	\$ -	\$ 11,626.09	\$ 203.45	\$ 11,829.54
GS-LABOR	\$ 8,167.00	\$ -	\$ 8,167.00	\$ 142.92	\$ 8,309.92
CUST. ACCT. & COLL. LABOR	\$ 10,341.49	\$ -	\$ 10,341.49	\$ 180.97	\$ 10,522.46
ACCOUNTING DEPARTMENT SALARIES	29,282.48	666.87	29,949.35	524.11	29,806.59
PLANT OFFICE LABOR	222.90		222.90	3.90	226.80
GENERAL PROPERTY-MAINT LABOR	2,658.72		2,658.72	46.53	2,705.25
OFFICERS' WAGES	23,350.81		23,350.81	408.64	23,759.45
DEFERRED VACATION EXPENSE	(746.78)		(746.78)	(13.07)	(759.85)
Total Payroll	<u>\$ 119,420.66</u>	<u>\$ 666.87</u>	<u>\$ 120,087.53</u>	<u>\$ 2,101.51</u>	<u>\$ 121,522.17</u>
Pro Forma Payroll Adjustment				\$ 2,101.51	
12/31/19 Per Books Pension Exp. as a Ratio				<u>8.53%</u>	
To 12/31/19 Per Books Payroll					
Pension Expense	<u>\$ 10,186.59</u>			<u>\$ 179.26</u>	<u>\$ 10,365.85</u>
Pro Forma Payroll Adjustment				\$ 2,101.51	
12/31/19 Per Books Payroll Tax Exp. as a Ratio				<u>10.37%</u>	
To 12/31/19 Per Books Payroll					
Payroll Taxes	<u>\$ 12,379.76</u>			<u>\$ 217.93</u>	<u>\$ 12,597.69</u>

**Staffing Changes in 2019**

	Per Books 12/31/2019	Pro Forma Adj.	Pro Forma 12/31/2019
New Acct. Clerk Salary Start 8/14/19	\$ 3,576.92	\$ 7,224.52	\$ 10,801.44
Prior Acct. Clerk Salary End 6/14/19	5,618.03	(5,618.03)	-
Prior Admin. Assist. Salary Posit. Terminated	939.62	(939.62)	-
Impact on Staffing Change for Acct. Dept.	<u>\$ 10,134.57</u>	<u>\$ 666.87</u>	<u>\$ 10,801.44</u>

**REYNOLDS DISPOSAL COMPANY**

Pro Forma 12/31/20 Adjustments To Maintenance Material & Supplies:  
Sewage Treatment Plant, Pumping System, Gathering System, and General Plant

**STP-PURIFICATION TESTING**Based upon 3 year normalization period of historical cost:

Per Books	12/31/2017	\$	17,301.83
Per Books	12/31/2018		17,326.54
Per Books	12/31/2019		25,930.29
3 Yr Total		\$	<u>60,558.66</u>
Pro Forma Claim	3 Year Avg.	\$	20,186.22
Per Books	12/31/2019		25,930.29
Pro Forma Adjustment		\$	<u>(5,744.07)</u>

**STP-SLUDGE REMOVAL**Based upon 3 year normalization period of historical cost:

Per Books	12/31/2017	\$	12,017.50
Per Books	12/31/2018		17,815.11
Per Books	12/31/2019		32,552.52
3 Yr Total		\$	<u>62,385.13</u>
Pro Forma Claim	3 Year Avg.	\$	20,795.04
Per Books	12/31/2019		32,552.52
Pro Forma Adjustment		\$	<u>(11,757.48)</u>

**PS-MAINT M&S**Based upon 3 year normalization period of historical cost:

Per Books	12/31/2017	\$	4,715.82
Per Books	12/31/2018		3,331.36
Per Books	12/31/2019		1,735.62
3 Yr Total		\$	<u>9,782.80</u>
Pro Forma Claim	3 Year Avg.	\$	3,260.93
Per Books	12/31/2019		1,735.62
Pro Forma Adjustment		\$	<u>1,525.31</u>

**GS-CUSTOMER PREMISE SUPPLIES & EXPENSE**Based upon 3 year normalization period of historical cost:

Per Books	12/31/2017	\$	213.09
Per Books	12/31/2018		2,339.73
Per Books	12/31/2019		298.77
3 Yr Total		\$	<u>2,851.59</u>
Pro Forma Claim	3 Year Avg.	\$	950.53
Per Books	12/31/2019		298.77
Pro Forma Adjustment		\$	<u>651.76</u>

**GENERAL PROPERTY MAINTENANCE**Based upon 3 year normalization period of historical cost:

Per Books	12/31/2017	\$	1,765.28
Per Books	12/31/2018		5,495.56
Per Books	12/31/2019		744.32
3 Yr Total		\$	<u>8,005.16</u>
Pro Forma Claim	3 Year Avg.	\$	2,668.39
Per Books	12/31/2019		744.32
Pro Forma Adjustment		\$	<u>1,924.07</u>

**REYNOLDS DISPOSAL COMPANY**

Pro Forma 12/31/20 Adjustments To  
Customer Account & Collection Expenses and Admin. & General Expenses

**CREDIT CARD FEES AND EXPENSES Normalization Adjustment**

Based upon 3 year normalization period of historical cost:

Per Books	12/13/2017	\$	4,092.42	
Per Books	12/31/2018		1,689.54	
Per Books	12/31/2019		2,024.71	
3 Yr Total		\$	<u>7,806.67</u>	
Pro Forma Claim	3 Year Avg.	\$	2,602.22	
Per Books	12/31/2019		2,024.71	
Pro Forma Adjustment		\$	<u>577.51</u>	

**EXECUTIVE DEPARTMENT EXPENSES Normalization Adjustment**

Based upon 3 year normalization period of historical cost:

Per Books	12/31/2017	\$	4,082.03	
Per Books	12/31/2018		2,819.17	
Per Books	12/31/2019		1,803.08	
3 Yr Total		\$	<u>8,704.28</u>	
Pro Forma Claim	3 Year Avg.	\$	2,901.43	
Per Books	12/31/2019		1,803.08	
Pro Forma Adjustment		\$	<u>1,098.35</u>	

**CHARITABLE CONTRIBUTIONS Removal Adjustment**

Adjustment to eliminate from annual expense claim:

Pro Forma Claim		\$	-	
Per Books	12/31/2019		295.24	
Pro Forma Adjustment		\$	<u>(295.24)</u>	

**BUSINESS OFFICE SUPPLIES EXPENSES**

Based upon 3 year normalization period of historical cost:

Per Books	12/31/2017	\$	2,314.42	
Per Books	12/31/2018		2,342.04	
Per Books	12/31/2019		1,621.30	
3 Yr Total		\$	<u>6,277.76</u>	
Pro Forma Claim	3 Year Avg.	\$	2,092.59	
Per Books			1,621.30	
Pro Forma Adjustment		\$	<u>471.29</u>	

**Customer Accounting & Coll. Expenses:**

Based upon 2019 Quarterly Billing Normalized to Reflect Monthly Billing in 2020:

	4 Qtrs Billings		Mthly		Pro Forma
	<u>Per Books</u>		<u>Annualized</u>		<u>Adjustment</u>
BILLING DEPT EXP	\$ 2,355.69	\$	7,067.07	\$	4,711.38

**REYNOLDS DISPOSAL COMPANY**Pro Forma Analysis of Rate Case Expense Claim

	<u>Estimated Cost of Rate Case Proceeding</u>		<u>Total Estimated Cost For Litigated Case</u>
	<u>To File</u>	<u>Review &amp; Litigation</u>	
Legal	\$ 15,000.00	\$ 50,000.00	\$ 65,000.00
Consulting	15,000.00	25,000.00	40,000.00
Engineering	2,500.00	2,500.00	5,000.00
Accounting	2,500.00	2,500.00	5,000.00
Rate of Return	-	20,000.00	20,000.00
Expenses	5,000.00	10,000.00	15,000.00
Total	<u>\$ 40,000.00</u>	<u>\$ 110,000.00</u>	<u>\$ 150,000.00</u>
Normalization Period in Months			<u>36</u>
Rate per Month			<u>\$ 4,166.67</u>
Number of Annual Months			<u>12</u>
Pro Forma Annualized Rate Case Expense Claim			<u>\$ 50,000.00</u>
Rate Case Expenses per books 12/31/19			<u>-</u>
Pro Forma Rate Case Adjustment and Annualized Claim			<u><u>\$ 50,000.00</u></u>

**REYNOLDS DISPOSAL COMPANY**Pro Forma Annualization of Depreciation Expense Claim

Pro Forma Depr. Exp. for 2020 Plant Assets (See Sch. J Pg 12)	\$ 131,663.23
Pro Forma CIAC/Grant Depr. Exp. for 2020 Plant Assets (See Sch. J Pg 13)	(16,180.00)
Pro Forma PV/PW Assets Covered Under Separate Surcharge Rates (Sch J. Pg13)	(38,424.08)
Total Pro Forma Depreciation Expense Ratemaking Claim 12/31/20	\$ 77,059.15
Depreciation Expense Per Books Twelve Months Ended 12/31/19	126,985.88
Total Pro Forma Depreciation Expense Adjustment	<u>\$ (49,926.73)</u>

**2020 PennVest/PennWorks Debt Service Requirements related to Surcharge Rev. Req.**

PennVest Principal Payments	\$ 53,380.79
PennVest Interest Payments	15,119.77
Total PennVest Debt Service Requirements	<u>\$ 68,500.56</u>
PennWorks Principal Payments	\$ 32,182.55
PennWorks Interest Payments	4,616.17
Total PennWorks Debt Service Requirements	<u>\$ 36,798.72</u>
Total PennVest/PennWoks Debt Service Requirements	<u><b>\$ 105,299.28</b></u>



**REYNOLDS DISPOSAL COMPANY**Pro Forma PUC Assessment at Proposed Rates

Revenues at Proposed Rates Subject to PaPUC Assessment	\$	723,528.27
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**PaPUC Assessment Factors:**

Pa PUC	0.004206187214	
Office Of Consumer Advocate	0.001366996958	
Small Business Advocate	0.000162780343	
Damage Prevention Committee	0.000059307687	
Total PaPUC Assessment Rate		0.005795272202
Total Pro Forma Claim	\$	4,193.00
Per Books 12/31/19		3,160.80
Pro Forma PaPUC Assessment Adjustment	\$	1,032.20

## REYNOLDS DISPOSAL COMPANY

Pro Forma Corporate Income Tax Under Existing Rates

	<u>Per Books</u>	<u>Adjustment</u>	<u>Pro Forma Existing Rates</u>	<u>Pro Forma Proposed Rates</u>
Pro Forma Net Income (Loss) Before Tax Net Income - per rate filing	\$ (9,846.16)		\$ (110,597.62)	\$ 104,016.64
Other Income	7,971.17		8,081.57	\$ 8,081.57
Interest/Dividend Income	1,102.49		1,102.49	1,102.49
Other Income	9,073.66		9,184.06	\$ 9,184.06
<b><u>PV/PW Surcharge Taxable Income</u></b>				
Surcharge Revenue			\$ 105,299.28	\$ 105,299.28
PV/PW Interest Expense			(19,735.94)	(19,735.94)
PV/PW Depreciation Expense			(38,424.08)	(38,424.08)
Taxable Income PV/PW Surcharge			\$ 47,139.26	\$ 47,139.26
Total Adjusted Income/(Loss)	\$ (772.50)		\$ (54,274.30)	\$ 160,339.96
Deduct Per Books Int. Exp. /Pro Forma Non PV/PW Int. Exp.	(33,461.45)		(25,464.86)	(25,464.86)
Total Adjustments Income/(Deduction)	(33,461.45)		(25,464.86)	(25,464.86)
Pro Forma Before Tax Net Income/(Loss)	\$ (34,233.95)		\$ (79,739.16)	\$ 134,875.10
<b><u>Calculation of Pa Taxes:</u></b>				
Pa. Taxable Income	\$ -		\$ -	\$ 134,875.10
Pa Corp. Tax Rate	9.99%		9.99%	9.99%
Pa Corp. Taxes / Adjustment	\$ -		\$ -	\$ 13,474.02
<b><u>Calculation of Fed Taxes:</u></b>				
Fed. Taxable Income	\$ -		\$ -	\$ 121,401.08
Fed Corp. Tax Rate			21.00%	21.00%
Fed Corp. Taxes / Adjustment	\$ (9,000.00)	\$ 9,000.00	\$ -	\$ 25,494.23
Total Taxes	\$ (9,000.00)		\$ -	\$ 38,968.25
Net Income/(Loss) After Taxes	\$ (25,233.95)		\$ (79,739.16)	\$ 95,906.85
Pro Forma Net Income (Loss) Before Tax Net Income - per rate filing	\$ (9,846.16)		\$ (110,597.62)	\$ 104,016.64
Pa Corp. Taxes	\$ -		\$ -	\$ 13,474.02
Fed Corp. Taxes	(9,000.00)		-	25,494.23
Total State and Federal Taxes	\$ (9,000.00)		\$ -	\$ 38,968.25
Net Above the Line Income/(Loss) - Ratemaking Basis	\$ (846.16)		\$ (110,597.62)	\$ 65,048.39

## (1) Calculation of Tax Rates/Gross Up Tax Rates:

Applicable Combined Pa & Fed Tax Rate

Formula T=PaTaxRate + (1-PaTaxRate)Fed Tax Rate

Pa Tax Rate	9.99%
Fed Tax Rate	21.00%
T (Tax Rate)	28.8921%

Tax Gross up Rate to be applied to each dollar of net income or taxable revenue

Formula for Gross Up Rate	1
	1-Tax Rate
Gross Up Rate	1.406313504

**REYNOLDS DISPOSAL COMPANY**

**SECTION J**

**DEPRECIATION REPORT STUDY**

**AS OF DECEMBER 31, 2019**

**AND PRO FORMA DECEMBER 31, 2020**

**REYNOLDS DISPOSAL COMPANY**

**SECTION J**

**DEPRECIATION REPORT STUDY**

**AS OF DECEMBER 31, 2019**

**AND PRO FORMA DECEMBER 31, 2020**

**SUMMARY SCHEDULES**

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report

FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report										PRO FORMA 2020 VALUES							
FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3				2019	ADJUSTED	DEPR		ADJUSTED	BOOK VALUE							ADJUSTED	BOOK VALUE
				ACQUISITION	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19		ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20
	SUB-TOTAL 353.20 INFILTRATION GALLERIES			744.81	744.81	0.00		744.81	0.00		0.00	0.00	744.81	0.00	0.00	744.81	\$0.00
	SUB-TOTAL 354.20 BUILDINGS AND STRUCTURES			314,191.22	74,804.70	6,298.93		81,103.63	233,087.59		0.00	0.00	314,191.22	6,298.93	0.00	87,402.56	226,788.67
	SUB-TOTAL 354.30 PUMPING STATION STRUCTURES			53,998.76	43,097.60	1,034.02		44,131.62	9,867.11		0.00	0.00	53,998.76	997.34	0.00	45,128.97	8,869.79
	SUB-TOTAL 354.70 OTHER GENERAL STRUCTURES			43,506.12	41,614.73	193.99		41,808.72	1,697.40		0.00	0.00	43,506.12	193.99	0.00	42,002.71	1,503.41
	SUB-TOTAL 361.20 TRANSMISSION MAINS			6,629.41	2,824.23	207.76		3,031.99	3,597.42		0.00	0.00	6,629.41	207.76	0.00	3,239.75	3,389.66
	SUB-TOTAL 361.21 DISTRIBUTION MAINS			897,153.00	343,117.15	17,933.40		361,050.55	536,102.50		307,200.00	40,500.00	1,244,853.00	23,860.33	0.00	384,910.88	859,942.11
	SUB-TOTAL 363.20 SERVICES PIPES AND STOPS			17,322.49	9,383.97	258.52		9,642.48	7,680.02		0.00	0.00	17,322.49	256.13	0.00	9,898.61	7,423.88
	SUB-TOTAL 370.30 COLLECTION RESERVOIRS			3,626.55	1,754.68	599.00		2,353.68	1,272.87		0.00	0.00	3,626.55	599.00	0.00	2,952.68	673.87
	SUB-TOTAL 370.31 CLEAR WATER BASINS			65.05	65.05	0.00		65.05	0.00		0.00	0.00	65.05	0.00	0.00	65.05	0.00
	SUB-TOTAL 371.30 PUMPS AND PUMP EQUIPMENT			246,795.77	128,091.60	22,145.58		150,024.38	96,771.38		5,000.00	47,700.00	299,495.77	21,893.63	0.00	171,918.01	127,577.76
	SUB-TOTAL 371.31 OTHER PUMP STATION EQUIPMENT			89,692.19	21,357.07	2,030.61		23,387.69	66,304.52		0.00	0.00	89,692.19	1,894.79	0.00	25,282.48	64,409.71
	SUB-TOTAL 374.50 STORAGE RESERVOIR TANKS			17.74	17.74	0.00		17.74	0.00		0.00	0.00	17.74	0.00	0.00	17.74	0.00
	SUB-TOTAL 380.40 FILTERS			157,356.13	35,417.83	3,863.49		39,281.32	118,074.81		0.00	0.00	157,356.13	3,863.49	0.00	43,144.80	114,211.33
	SUB-TOTAL 380.41 SEDIMENTATION BASINS			986,808.77	277,129.01	20,889.70		298,018.71	688,790.08		0.00	0.00	986,808.77	20,889.70	0.00	318,908.41	667,900.36
	SUB-TOTAL 380.43 SOFTENING AND IRON REMOVAL			4,528.13	3,464.01	90.56		3,554.57	973.56		0.00	0.00	4,528.13	90.56	0.00	3,645.14	882.99
	SUB-TOTAL 380.44 AERATION AND STERILIZATION			1,017,836.77	231,440.61	22,869.21		254,309.82	763,526.95		0.00	0.00	1,017,836.77	23,081.37	0.00	277,391.19	740,445.57
	SUB-TOTAL 380.45 CHEMICAL TREATMENT			22,465.99	11,887.29	2,846.47		14,733.75	7,732.24		0.00	0.00	22,465.99	2,838.18	0.00	17,571.93	4,894.06
	SUB-TOTAL 390.70 GENERAL OFFICE EQUIPMENT			27,134.37	20,943.13	1,472.71		22,415.84	4,718.53		0.00	0.00	27,134.37	1,413.99	0.00	23,829.82	3,304.55
	SUB-TOTAL 393.70 OTHER GENERAL EQUIPMENT			148,539.91	95,097.14	24,193.13		119,290.28	29,249.64		68,500.00	0.00	217,039.91	23,166.55	0.00	142,456.82	74,583.10
	SUB-TOTAL 394.70 LABORATORY PROPERTIES			16,601.94	15,619.42	58.80		15,678.22	923.72		0.00	0.00	16,601.94	117.49	0.00	15,795.71	806.23

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report

FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report										PRO FORMA 2020 VALUES								
FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3				2019	ADJUSTED	DEPR		ADJUSTED	BOOK VALUE								ADJUSTED	BOOK VALUE
				ACQUISITION	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY	
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19		ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20	
SUB-TOTAL 395.70 ELECTRIC EQUIPMENT				4,484.82	4,484.82	0.00		4,484.82	0.00		0.00	0.00	4,484.82	0.00	0.00		4,484.82	0.00
ADJUSTMENTS								2,649.89	-2,649.89								2,649.89	-2,649.89
TOTAL PROPERTY TO DEPRECIATE				4,059,499.94	1,362,356.58	126,985.88		1,491,779.55	2,567,720.45		380,700.00	88,200.00	4,528,399.94	131,663.23	-		1,623,442.78	\$2,904,957.16
353.40	LAND @ PLANT (COST OF SUBDIVISION @ PLANT/GARAGE)			77.50					77.50				77.50				77.50	
TOTALS				4,059,577.44	1,365,006.47	126,985.88	-	1,491,779.55	2,567,797.95			88,200.00	4,528,477.44	131,663.23	-		1,623,442.78	\$2,905,034.66

CIAC GRANT FUNDED ASSETS																
361.21	GRDC IDP GRANT FUNDS	08/31/14	50	-40,500.00	0.00	0.00		0.00	-40,500.00			-40,500.00	-810.00		-5,265.00	-35,235.00
371.30	GRDC IDP GRANT FUNDS	08/31/14	10	-47,700.00	0.00	0.00		0.00	-47,700.00			-47,700.00	-4,770.00		-31,005.00	-16,695.00
380.44	GROWING GREEN GRANT	10/01/07	50	0.00	0.00	0.00		0.00	0.00		-130,000.00	-130,000.00	-2,600.00		-34,292.17	-95,707.83
380.44	PENNWORKS GRANT	10/01/07	50	0.00	0.00	0.00		0.00	0.00		-400,000.00	-400,000.00	-8,000.00		-105,514.38	-294,485.62
	SUB-TOTAL 380.44 GROWING GREEN/PENNWORKS GRANT FUNDING			0.00	0.00	0.00	0.00	0.00	0.00	0.00	-530,000.00	-530,000.00	-10,600.00	0.00	-139,806.55	-390,193.45
	TOTAL CIAC/GRANT FUNDING			(88,200.00)	-	-	-	-	(88,200.00)	-	(530,000.00)	(618,200.00)	(16,180.00)	-	(176,076.55)	-\$442,123.45

ASSETS FUNDED THROUGH SURCHARGE RATES																
354.20	TREATMENT PLANT UPGRADE - PV / PW	10/01/07	50	148,716.82	33,281.08	2,974.34		36,255.42	112,461.40			148,716.82	2,974.34		39,229.75	109,487.07
354.20	ELECTRIC UPGRADE - PV / PW	10/01/07	50	57,327.00	12,828.88	1,146.54		13,975.42	43,351.58			57,327.00	1,146.54		15,121.96	42,205.04
354.20	BLOWER BUILDING - PV / PW	10/01/07	50	98,440.00	22,029.80	1,968.80		23,998.60	74,441.40			98,440.00	1,968.80		25,967.40	72,472.60
371.31	FLOW SPLITTER BOXES - PV / PW	10/01/07	50	36,980.30	8,275.67	739.61		9,015.27	27,965.03			36,980.30	739.61		9,754.88	27,225.42
371.31	PROCESS PIPING - DUCTILE IRON PIPE - PV / PW	10/01/07	50	24,830.35	5,556.68	496.61		6,053.28	18,777.07			24,830.35	496.61		6,549.89	18,280.46
371.31	PROCESS PIPING - STAINLESS STEEL PIPE - PV / PW	10/01/07	50	13,905.08	3,111.76	278.10		3,389.86	10,515.22			13,905.08	278.10		3,667.96	10,237.12
371.31	PROCESS PIPING - VALVES - PV / PW	10/01/07	50	10,925.27	2,444.92	218.51		2,663.42	8,261.85			10,925.27	218.51		2,881.93	8,043.34
380.40	BIO-FILTER - PV / PW	10/01/07	50	122,786.00	27,477.92	2,455.72		29,933.64	92,852.36			122,786.00	2,455.72		32,389.36	90,396.64
380.41	SLUDGE DRYING BEDS (6) - PV / PW	10/01/07	50	431,643.48	96,596.07	8,632.87		105,228.94	326,414.54			431,643.48	8,632.87		113,861.80	317,781.68
380.41	PRIMARY SETTLING TANK - PV / PW	10/01/07	50	116,192.45	26,002.34	2,323.85		28,326.19	87,866.26			116,192.45	2,323.85		30,650.04	85,542.41
380.41	SECONDARY SETTLING TANK - PV / PW	10/01/07	50	279,122.07	62,463.86	5,582.44		68,046.30	211,075.77			279,122.07	5,582.44		73,628.74	205,493.33
380.44	GREASE AERATION TANK - PV / PW	10/01/07	50	91,769.83	20,536.86	1,835.40		22,372.26	69,397.57			91,769.83	1,835.40		24,207.66	67,562.17
380.44	CHLORINE DETENTION TANK - PV / PW	10/01/07	50	101,785.13	22,778.23	2,035.70		24,813.93	76,971.20			101,785.13	2,035.70		26,849.63	74,935.50
380.44	DIGESTER - PV/ PW	10/01/07	50	303,686.95	67,961.13	6,073.74		74,034.87	229,652.08			303,686.95	6,073.74		80,108.61	223,578.34
380.44	CENTRIFUGAL PUMPS (4) - PV / PW	10/01/07	50	105,626.69	23,637.87	2,112.53		25,750.41	79,876.28			105,626.69	2,112.53		27,862.94	77,763.75
380.44	POSITIVE DISPLACEMENT PUMP PIPING - PV / PW	10/01/07	50	39,620.25	8,866.46	792.41		9,658.86	29,961.39			39,620.25	792.41		10,451.27	29,168.99
380.44	AERATORS (2) - PV / PW	10/01/07	50	66,006.45	14,771.42	1,320.13		16,091.55	49,914.90			66,006.45	1,320.13		17,411.68	48,594.77

**REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report**
**FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3**

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report										PRO FORMA 2020 VALUES							
FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3				2019	ADJUSTED	DEPR		ADJUSTED	BOOK VALUE						ADJUSTED	BOOK VALUE	
				ACQUISITION	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19		ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20
380.44	CROSS COLLECTORS (4) - PV / PW (a) PV/PW Funded	10/01/07	50	99,335.88	22,230.10	1,986.72		24,216.82	75,119.06				99,335.88	1,986.72		26,203.54	73,132.34
	Total PV/PW Funded Project Cost			2,148,700.00	480,851.03	42,974.00		523,825.03	1,624,874.96	0.00	0.00		2,148,700.00	42,974.00		566,799.03	1,581,900.97
	Grant Funds																
380.44	GROWING GREEN GRANT	10/01/07	50	0.00	0.00	0.00		0.00	0.00		-130,000.00		-130,000.00	-2,600.00		-34,292.17	-95,707.83
380.44	PENNWORKS GRANT	10/01/07	50	0.00	0.00	0.00		0.00	0.00		-400,000.00		-400,000.00	-8,000.00		-105,514.38	-294,485.62
380.44	Total GROWING GREEN /PENNWORKS Grant Funding			0.00	0.00	0.00		0.00	0.00	0.00	-530,000.00		-530,000.00	-10,600.00		-139,806.55	-390,193.45
PV Ln#2 \$1,018,700 / PW Ln \$600,000 Asset Totals For Surcharge				2,148,700.00	480,851.03	42,974.00		523,825.03	1,624,874.96	0.00	-530,000.00		1,618,700.00	32,374.00		426,992.47	1,191,707.52
361.21	SEWER LINES - PENNVEST	12/91	50	183,062.36	99,158.78	3,661.25		102,820.03	80,242.33				183,062.36	3,661.25		106,481.27	76,581.09
361.21	MANHOLE COVERS - PENNVEST	12/91	50	8,308.38	4,500.38	166.17		4,666.55	3,641.83				8,308.38	166.17		4,832.72	3,475.66
380.41	CHAINS & FLIGHT- PENNVEST - PRIMARY T330	12/91	50	30,949.54	16,764.33	618.99		17,383.32	13,566.22				30,949.54	618.99		18,002.31	12,947.23
380.41	W PRIMARY - PENNVEST	12/91	50	80,183.51	43,432.73	1,603.67		45,036.40	35,147.11				80,183.51	1,603.67		46,640.07	33,543.44
PennVest Loan #1 - Fully Amortized No Surcharge Requirement				302,503.79	163,856.23	6,050.08		169,906.30	132,597.49				302,503.79	6,050.08		175,956.38	126,547.42
Total Assets Funded Through Surcharge Rates				2,451,203.79	644,707.25	49,024.08		693,731.33	1,757,472.45		-530,000.00		1,921,203.79	38,424.08	0.00	602,948.85	1,318,254.94

**REYNOLDS DISPOSAL COMPANY**

**SECTION J**

**DEPRECIATION REPORT STUDY**

**AS OF DECEMBER 31, 2019**

**AND PRO FORMA DECEMBER 31, 2020**

**DETAIL DEPRECIATION STUDY SCHEDULES**



REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report

FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3

										PRO FORMA 2020 VALUES						
		2019		ADJUSTED		DEPR	ADJUSTED		BOOK VALUE							
		ACQUISITION		ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19	ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20
353.20	INFILTRATION GALLERIES	09/52	50	\$176.98	176.98	0.00		176.98	\$0.00			\$176.98	\$0.00		176.98	\$0.00
353.20	STEPPING STONES	03/58	50	6.00	6.00	0.00		6.00	0.00			6.00	0.00		6.00	\$0.00
353.20	INFILTRATION GALLERIES	09/60	50	37.50	37.50	0.00		37.50	0.00			37.50	0.00		37.50	\$0.00
353.20	INFILTRATION GALLERIES	09/61	50	165.25	165.25	0.00		165.25	0.00			165.25	0.00		165.25	\$0.00
353.20	INFILTRATION GALLERIES	03/62	50	353.00	353.00	0.00		353.00	0.00			353.00	0.00		353.00	\$0.00
353.20	INFILTRATION GALLERIES	12/62	50	6.08	6.08	0.00		6.08	0.00			6.08	0.00		6.08	\$0.00
SUB-TOTAL 353.20 INFILTRATION GALLERIES				744.81	744.81	0.00		744.81	0.00	0.00	0.00	744.81	0.00	0.00	744.81	\$0.00
354.20	GARAGE DOOR/ROOF/WALL REPAIR	12/56	50	370.12	370.12	0.00		370.12	0.00			370.12	0.00		370.12	0.00
354.20	BUILDINGS & STRUCTURES	12/64	50	323.31	323.31	0.00		323.31	0.00			323.31	0.00		323.31	0.00
354.20	REPLACE BROILER IN PUMP HOUSE	03/91	50	2,045.01	1,134.98	40.90		1,175.88	869.13			2,045.01	40.90		1,216.78	828.23
354.20	TREATMENT PLANT UPGRADE - PV / PW	10/01/07	50	148,716.82	33,281.08	2,974.34		36,255.42	112,461.40			148,716.82	2,974.34		39,229.75	109,487.07
354.20	ELECTRIC UPGRADE - PV / PW	10/01/07	50	57,327.00	12,828.88	1,146.54		13,975.42	43,351.58			57,327.00	1,146.54		15,121.96	42,205.04
354.20	BLOWER BUILDING - PV / PW	10/01/07	50	98,440.00	22,029.80	1,968.80		23,998.60	74,441.40			98,440.00	1,968.80		25,967.40	72,472.60
354.20	PUMPHOUSE (OLD) ROOF RESHINGLED	02/01/08	10	5,148.96	5,148.96	0.00		5,148.96	0.00			5,148.96	0.00		5,148.96	0.00
354.20	RECLASS DEFERRED SALARIES	12/31/09		-1,547.00	-1,547.00	0.00		-1,547.00	0.00			-1,547.00	0.00		-1,547.00	0.00
354.20	PUMPHOUSE ELECTRIC PANEL REPLACED	07/01/11	20	3,367.00	1,234.57	168.35		1,402.92	1,964.08			3,367.00	168.35		1,571.27	1,795.73
SUB-TOTAL 354.20 BUILDINGS AND STRUCTURES				314,191.22	74,804.70	6,298.93		81,103.63	233,087.59	0.00	0.00	314,191.22	6,298.93	0.00	87,402.56	226,788.67
354.30	PUMPING STATION STRUCTURES	12/58	50	1,061.52	1,061.52	0.00		1,061.52	0.00			1,061.52	0.00		1,061.52	0.00
354.30	PUMPING STATION STRUCTURES	06/60	50	670.79	670.79	0.00		670.79	0.00			670.79	0.00		670.79	0.00
354.30	PUMPING STATION STRUCTURES	12/61	50	35.20	35.20	0.00		35.20	0.00			35.20	0.00		35.20	0.00
354.30	PUMPING STATION STRUCTURES	09/62	50	4,616.84	4,616.81	0.00		4,616.81	0.00			4,616.84	0.00		4,616.81	0.03
354.30	PUMPING STATION STRUCTURES	03/64	50	13.19	13.19	0.00		13.19	0.00			13.19	0.00		13.19	0.00
354.30	PUMPING STATION STRUCTURES	09/66	50	16,407.76	16,407.76	0.00		16,407.76	0.00			16,407.76	0.00		16,407.76	0.00
354.30	PUMPING STATION STRUCTURES	06/67	50	22.00	22.00	0.00		22.00	0.00			22.00	0.00		22.00	0.00
354.30	PUMPING STATION STRUCTURES	06/68	50	19.10	19.10	0.00		19.10	0.00			19.10	0.00		19.10	0.00
354.30	PUMPING STATION STRUCTURES	06/73	50	8,564.79	7,793.56	171.30		7,964.86	599.93			8,564.79	171.30		8,136.16	428.63
354.30	PUMPING STATION STRUCTURES	09/74	50	34.00	30.09	0.68		30.77	3.23			34.00	0.68		31.45	2.55
354.30	BACK FLOW PREVENTOR	06/89	50	515.24	304.02	10.31		314.33	200.91			515.24	10.30		324.64	190.60
354.30	HEATER 30,000 BTU	12/99	20	426.92	407.34	19.58		426.92	0.00			426.92	0.00		426.92	0.00
354.30	HEATER 20,000 BTU	12/99	20	372.92	355.83	17.09		372.92	0.00			372.92	0.00		372.92	0.00
354.30	PUMPHOUSE PLUMBING	01/01	30	3,276.12	1,956.57	109.20		2,065.77	1,210.35			3,276.12	109.20		2,174.98	1,101.14
354.30	PUMPHOUSE SIDING & WINDOWS	08/15/07	25	17,646.49	9,087.94	705.86		9,793.80	7,852.69			17,646.49	705.86		10,499.65	7,146.84
354.30	PUMPHOUSE SUMP PUMP	06/23/13	5	315.88	315.88	0.00		315.88	0.00			315.88	0.00		315.88	0.00
SUB-TOTAL 354.30 PUMPING STATION STRUCTURES				53,998.76	43,097.60	1,034.02		44,131.62	9,867.11	0.00	0.00	53,998.76	997.34	0.00	45,128.97	8,869.79
354.70	NEW ELECTRIC POLE - SECONDARY TANK	07/96	20	669.11	669.11	0.00		669.11	0.00			669.11	0.00		669.11	0.00
354.70	SECURITY GATE AT PLANT	10/03	25	4,849.76	2,958.37	193.99		3,152.36	1,697.40			4,849.76	193.99		3,346.35	1,503.41

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report

FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report									PRO FORMA 2020 VALUES								
FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3				2019	ADJUSTED	DEPR		ADJUSTED	BOOK VALUE						ADJUSTED	BOOK VALUE	
				ACQUISITION	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19		ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20
354.70	N DIGESTER CONVERTED TO A HOLDING TANK	12/01/08	5	37,987.25	37,987.25	0.00		37,987.25	0.00				37,987.25	0.00		37,987.25	0.00
SUB-TOTAL 354.70 OTHER GENERAL STRUCTURES				43,506.12	41,614.73	193.99		41,808.72	1,697.40		0.00	0.00	43,506.12	193.99	0.00	42,002.71	1,503.41
361.20	TRANSMISSIONS MAINS	09/62	50	310.61	310.61	0.00		310.61	0.00				310.61	0.00		310.61	0.00
361.20	EJECTOR #3 TO MANHOLE	09/62	50	112.00	112.00	0.00		112.00	0.00				112.00	0.00		112.00	0.00
361.20	GRAVITY INTAKE CONDUITS & SUCTION MAINS	06/63	50	174.33	174.33	0.00		174.33	0.00				174.33	0.00		174.33	0.00
361.20	AQUADUCTS & SUPPLIES MAINS	06/63	50	132.67	132.67	0.00		132.67	0.00				132.67	0.00		132.67	0.00
361.20	MANHOLE INSTALLED AT DISCHARGE TO RIVER	07/01/08	25	4,488.04	1,884.98	179.52		2,064.50	2,423.54				4,488.04	179.52		2,244.02	2,244.02
361.20	MANHOLE (9) REPLACED AT PLANT	05/15/11	50	1,411.76	209.65	28.24		237.88	1,173.88				1,411.76	28.24		266.12	1,145.64
SUB-TOTAL 361.20 TRANSMISSION MAINS				6,629.41	2,824.23	207.76		3,031.99	3,597.42		0.00	0.00	6,629.41	207.76	0.00	3,239.75	3,389.66
361.21	8" SEWER SHENANGO DR & 16TH ST	06/60	50	1,059.94	1,059.94	0.00		1,059.94	0.00				1,059.94	0.00		1,059.94	0.00
361.21	SANITARY SEWER	08/60	50	14,430.00	14,430.00	0.00		14,430.00	0.00				14,430.00	0.00		14,430.00	0.00
361.21	DISTRIBUTIONS MAINS	12/60	50	27,755.58	27,755.58	0.00		27,755.58	0.00				27,755.58	0.00		27,755.58	0.00
361.21	SEWER INSTALL 4TH ST	07/61	50	1,985.00	1,985.00	0.00		1,985.00	0.00				1,985.00	0.00		1,985.00	0.00
361.21	DISTRIBUTIONS MAINS	03/66	50	8,333.02	8,333.02	0.00		8,333.02	0.00				8,333.02	0.00		8,333.02	0.00
361.21	SEWER INSTALL MANHOLES	12/66	50	2,438.10	2,438.10	0.00		2,438.10	0.00				2,438.10	0.00		2,438.10	0.00
361.21	SEWER INSTALL EDGEWOOD DR & RT 18	03/70	50	9,488.60	9,251.38	189.77		9,441.15	47.45				9,488.60	47.45		9,488.60	0.00
361.21	SEWER INSTALL RR & RT 18	03/70	50	21,803.31	21,065.27	436.07		21,501.33	301.98				21,803.31	301.98		21,803.31	0.00
361.21	SEWER INSTALL MANHOLES	03/73	50	840.50	769.06	16.81		785.87	54.63				840.50	16.81		802.68	37.82
361.21	MILLER TR PARK-ENG CHARGES	12/75	50	50.00	43.08	1.00		44.08	5.92				50.00	1.00		45.08	4.92
361.21	NEW MANHOLE 11 ST.	07/76	50	463.37	393.09	9.27		402.36	61.01				463.37	9.27		411.63	51.74
361.21	NEW MANHOLE 10 ST.	06/77	50	154.79	128.48	3.10		131.57	23.22				154.79	3.10		134.67	20.12
361.21	RELIEF LINE 19TH & ARLINGTON	06/78	50	15,495.71	12,551.52	309.91		12,861.44	2,634.27				15,495.71	309.91		13,171.35	2,324.36
361.21	NEW MANHOLE 1307 BRENTWOOD	06/78	50	700.18	567.14	14.00		581.15	119.03				700.18	14.00		595.15	105.03
361.21	CLEAN OUT 9TH-10TH ST.	07/80	50	153.71	118.10	3.07		121.18	32.53				153.71	3.07		124.25	29.46
361.21	14TH ST. SEWER BYPASS	01/80	50	2,913.97	2,268.04	58.28		2,326.32	587.65				2,913.97	58.28		2,384.60	529.37
361.21	CHANGE LINE FROM 10" TO 12"	04/81	50	4,188.36	3,155.23	83.77		3,239.00	949.36				4,188.36	83.77		3,322.76	865.60
361.21	NEW LINE @ 10TH & BRENTWOOD	11/83	50	1,897.52	1,331.43	37.95		1,369.38	528.14				1,897.52	37.95		1,407.33	490.19
361.21	NEW DIST. LINE 22 & 23RD ST	12/84	50	1,191.64	812.30	23.83		836.13	355.51				1,191.64	23.83		859.97	331.67
361.21	NEW MANHOLE 13TH ST.	10/84	50	4,853.76	3,316.74	97.08		3,413.81	1,439.95				4,853.76	97.08		3,510.89	1,342.87
361.21	TWO MANHOLES	06/85	50	541.69	362.94	10.83		373.77	167.92				541.69	10.83		384.60	157.09
361.21	DIST LINE 10TH ST	12/89	50	1,845.64	1,073.55	36.91		1,110.46	735.18				1,845.64	36.91		1,147.38	698.26
361.21	DIST. LINE BRENTWOOD DR.	12/90	50	6,165.57	3,462.99	123.31		3,586.30	2,579.27				6,165.57	123.31		3,709.61	2,455.96
361.21	SEWER LINES - PENNVEST	12/91	50	183,062.36	99,158.78	3,661.25		102,820.03	80,242.33				183,062.36	3,661.25		106,481.27	76,581.09
361.21	SEWER LINES	12/91	50	28,587.27	15,484.77	571.75		16,056.52	12,530.75				28,587.27	571.75		16,628.26	11,959.01
361.21	MANHOLE COVERS - PENNVEST	12/91	50	8,308.38	4,500.38	166.17		4,666.55	3,641.83				8,308.38	166.17		4,832.72	3,475.66
361.21	MAIN REPLACED 10TH & BRENTWOOD	12/92	50	1,057.42	551.63	21.15		572.77	484.65				1,057.42	21.15		593.92	463.50
361.21	MAIN REPLACED BRENTWOOD & ARLINGTON	12/92	50	1,804.20	941.19	36.08		977.27	826.93				1,804.20	36.08		1,013.36	790.84

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report

FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report										PRO FORMA 2020 VALUES								
FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3				2019	ADJUSTED	DEPR		ADJUSTED	BOOK VALUE								ADJUSTED	BOOK VALUE
				ACQUISITION	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY	
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19		ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20	
361.21	SEWER LINE RELOC. MANHOLE	09/93	50	454.52	229.53	9.09		238.62	215.90				454.52	9.09		247.71	206.81	
361.21	SEWER MAIN- RT 18	09/94	50	215.73	104.63	4.31		108.94	106.79				215.73	4.31		113.26	102.47	
361.21	SEWER MAIN- LOT 65 REY MHP	09/94	50	318.50	154.47	6.37		160.84	157.66				318.50	6.37		167.21	151.29	
361.21	SEWER MAIN- 512 SHENANGO	09/94	50	265.62	128.82	5.31		134.13	131.49				265.62	5.31		139.44	126.18	
361.21	10" SEWER MAIN - 569' ALONG RT 18	10/96	50	4,232.10	1,883.28	84.64		1,967.92	2,264.18				4,232.10	84.64		2,052.56	2,179.54	
361.21	SEWER LINE-2ND ST APPROX. 65'	06/98	50	1,336.92	550.39	26.74		577.12	759.80				1,336.92	26.74		603.86	733.06	
361.21	SEWER MAINS REPLACED 3032'	11/98	50	92,776.30	37,288.43	1,855.53		39,143.96	53,632.34				92,776.30	1,855.53		40,999.48	51,776.82	
361.21	SEWER LINE REPLACEMENT	08/99	50	10,420.96	4,081.56	208.42		4,289.98	6,130.98				10,420.96	208.42		4,498.40	5,922.56	
361.21	SEWER LINE REPLACED-REYNOLDS RD	06/01	50	6,180.33	2,173.41	123.61		2,297.02	3,883.31				6,180.33	123.61		2,420.62	3,759.71	
361.21	SEWER LINE REPLACED-10TH ST	07/01	50	752.13	261.98	15.04		277.02	475.11				752.13	15.04		292.06	460.07	
361.21	SEWER LINE REPLACED-SHENANGO DR	08/01	50	703.45	244.45	14.07		258.51	444.94				703.45	14.07		272.58	430.87	
361.21	SEWER LINE 877' REPLACED BETWEEN 23RD & 24TH	12/01	50	19,991.34	6,863.81	399.83		7,263.64	12,727.70				19,991.34	399.83		7,663.47	12,327.87	
361.21	MANHOLE LB-3 REHABILITATED ON EDGEWOOD DR	09/02	50	822.50	268.68	16.45		285.13	537.37				822.50	16.45		301.58	520.92	
361.21	MANHOLE LC-3 REHABILITATED ON EDGEWOOD DR	09/02	50	822.50	268.68	16.45		285.13	537.37				822.50	16.45		301.58	520.92	
361.21	MANHOLE MA-3 REHABILITATED ON EDGEWOOD DR	09/02	50	822.50	268.68	16.45		285.13	537.37				822.50	16.45		301.58	520.92	
361.21	MANHOLE MB-3 REHABILITATED ON EDGEWOOD DR	09/02	50	822.50	268.68	16.45		285.13	537.37				822.50	16.45		301.58	520.92	
361.21	MANHOLE MC-2 REHABILITATED ON EDGEWOOD DR	09/02	50	822.50	268.68	16.45		285.13	537.37				822.50	16.45		301.58	520.92	
361.21	SEWER MAIN 25' REPLACED ON GRANT RD	09/02	50	2,119.44	692.34	42.39		734.73	1,384.71				2,119.44	42.39		777.12	1,342.32	
361.21	45' OF 4" MAIN AT 1006 ARLINGTON	04/03	50	1,408.79	442.59	28.18		470.76	938.03				1,408.79	28.18		498.94	909.85	
361.21	26' OF 18" MAIN ON COLT RD	09/03	50	1,739.79	533.54	34.80		568.33	1,171.46				1,739.79	34.80		603.13	1,136.66	
361.21	LINE EXT ON EDGEWOOD DR TO MEDICAL CLINIC	12/03	50	12,193.39	3,678.34	243.87		3,922.20	8,271.19				12,193.39	243.87		4,166.07	8,027.32	
361.21	SLIPLINE 276' OF 8" MAIN ON BRENTWOOD DR	12/03	50	10,059.52	3,034.63	201.19		3,235.82	6,823.70				10,059.52	201.19		3,437.01	6,622.51	
361.21	295' OF 8" MAIN REPLACED ON BRENTWOOD DRIVE (	04/04/05	50	3,995.17	1,171.93	79.90		1,251.83	2,743.34				3,995.17	79.90		1,331.73	2,663.44	
361.21	350' OF 8" MAIN REPLACED ON MAPLE DRIVE (JOB #0	06/04/05	50	3,038.23	881.06	60.76		941.83	2,096.40				3,038.23	60.76		1,002.59	2,035.64	
361.21	50' OF 8" MAIN REPLACED ON MAPLE DRIVE (JOB #04	09/04/05	50	1,335.35	380.59	26.71		407.30	928.06				1,335.35	26.71		434.00	901.35	
361.21	215' OF 8" MAIN REPLACE ON EDGEWOOD DRIVE	02/28/06	50	3,067.66	787.44	61.35		848.79	2,218.87				3,067.66	61.35		910.14	2,157.52	
361.21	MAIN RELOCATED ON WEST 13TH STREET	04/01/06	50	1,185.74	302.40	23.71		326.11	859.63				1,185.74	23.71		349.83	835.91	
361.21	MAIN REPLACED AT 4 ARLINGTON DRIVE EXTENSION	04/01/06	50	2,835.67	723.13	56.71		779.84	2,055.83				2,835.67	56.71		836.56	1,999.11	
361.21	MAIN REPLACED AT 10TH STREET	07/01/08	50	605.79	127.22	12.12		139.33	466.46				605.79	12.12		151.45	454.34	
361.21	40' OF 8" MAIN REPLACED EDGEWOOD DRIVE	12/31/09	50	5,120.17	947.23	102.40		1,049.63	4,070.54				5,120.17	102.40		1,152.04	3,968.13	
361.21	367' OF 6" MAIN REPLACED - GEALY PROPTY TO 10TH	09/01/10	50	8,091.60	1,335.12	161.83		1,496.95	6,594.65				8,091.60	161.83		1,658.78	6,432.82	
361.21	400' OF 8" MAIN REPLACED NEAR 40 EDGEWOOD DR	10/01/10	50	4,856.76	793.27	97.14		890.41	3,966.35				4,856.76	97.14		987.54	3,869.22	
361.21	277' OF 8" MAIN RELOCATED ON REYNOLDS ROAD	12/31/11	50	16,596.52	2,323.51	331.93		2,655.44	13,941.08				16,596.52	331.93		2,987.37	13,609.15	
361.21	350' OF 8" MAIN RELOCATED ON SHENANGO DRIVE	12/31/11	50	6,468.74	905.62	129.37		1,035.00	5,433.74				6,468.74	129.37		1,164.37	5,304.37	
361.21	11' OF 21" MAIN REPLACED IN FRONT OF 3777 N HER	12/31/11	50	5,323.81	745.33	106.48		851.81	4,472.00				5,323.81	106.48		958.29	4,365.52	
361.21	190' OF 6" MAIN REPLACED BETWEEN SHENANGO DR	06/01/12	50	5,485.48	722.26	109.71		831.97	4,653.51				5,485.48	109.71		941.68	4,543.80	
361.21	168' OF 8" MAIN REPLACED IN FRONT OF VFW - EDGE	12/31/13	50	6,438.13	647.01	128.76		775.77	5,662.36				6,438.13	128.76		904.54	5,533.59	
361.21	522 REYNOLDS ROAD REPLACED 8" MAIN	12/31/13	50	2,164.87	243.31	43.30		286.60	1,878.27				2,164.87	43.30		329.90	1,834.97	
361.21	REY IND PARK RD & CRESTVIEW DR - 75' LATERAL 6" (	07/01/14	50	4,560.73	410.46	91.21		501.67	4,059.06				4,560.73	91.21		592.89	3,967.84	

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FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report										PRO FORMA 2020 VALUES							
FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3				2019	ADJUSTED	DEPR		ADJUSTED	BOOK VALUE						ADJUSTED	BOOK VALUE	
				ACQUISITION	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19		ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20
361.21	REY IND PARK RD & CRESTVIEW DR- 234' OF 8" MAIN	07/01/14	50	13,278.62	1,195.07	265.57		1,460.64	11,817.98				13,278.62	265.57		1,726.21	11,552.41
361.21	REY IND PARK RD & CRESTVIEW DR- 210' OF 10" MAI	07/01/14	50	12,661.88	1,139.57	253.24		1,392.81	11,269.07				12,661.88	253.24		1,646.05	11,015.83
361.21	857 REYNOLDS INDUSTRIAL PARK RD MANHOLE	07/01/14	50	3,770.21	339.32	75.40		414.72	3,355.49				3,770.21	75.40		490.13	3,280.08
361.21	172 CRESTVIEW DRIVE MANHOLE	07/01/14	50	3,770.21	339.32	75.40		414.72	3,355.49				3,770.21	75.40		490.13	3,280.08
361.21	MANHOLE #32-A TOP	07/01/14	50	2,403.77	216.34	48.08		264.42	2,139.35				2,403.77	48.08		312.49	2,091.28
361.21	1207 ARLINGTON DR - 182' OF 8" MAIN	10/01/14	50	2,783.15	236.57	55.66		292.24	2,490.92				2,783.15	55.66		347.90	2,435.25
361.21	857 REYNOLDS INDUSTRIAL PARK RD - 62' OF 6" MAIN	10/01/14	50	1,397.72	118.81	27.95		146.76	1,250.96				1,397.72	27.95		174.72	1,223.00
361.21	GRDC IDP GRANT FUNDS	08/31/14	50	-40,500.00	0.00	0.00		0.00	-40,500.00			40,500.00	0.00	0.00		0.00	0.00
361.21	DCED IDP GRANT AUDIT EXPENSE	10/01/14	50	600.00	51.00	12.00		63.00	537.00				600.00	12.00		75.00	525.00
361.21	MAIN BETWEEN MANHOLES P4&P8- BETWEEN ARLIN	10/01/15	50	5,766.57	374.82	115.33		490.16	5,276.41				5,766.57	115.33		605.49	5,161.08
361.21	MAIN ALONG ARROW ELECTRIC & LANDFRIED PAVIN	10/01/15	50	1,378.04	89.57	27.56		117.13	1,260.91				1,378.04	27.56		144.69	1,233.35
361.21	REYNOLDS INDUSTRIAL PARK SEWER LINES	2014	50	263,723.25	23,735.10	5,274.47		29,009.56	234,713.69				263,723.25	5,274.47		34,284.03	229,439.23
361.21	MAIN EXTENSION (KEYSTONE HEALTH) EDGEWOOD E	11/01/16	50	2,634.22	114.15	52.68		166.83	2,467.39				2,634.22	52.68		219.52	2,414.70
361.21	MAIN REPLACED 30' OF 24" BEHIND LANDFRIED ALON	11/01/16	50	3,595.09	156.12	71.90		228.03	3,367.06				3,595.09	71.90		299.93	3,295.16
361.21	MAIN SUIPLINED 116FT OF 6" AT 10TH & BRENTWOOI	11/01/17	50	7,536.81	175.86	150.74		326.59	7,210.22				7,536.81	150.74		477.33	7,059.48
361.21	MAIN SUIPLINED 60FT OF 4" AT 10TH & BRENTWOOD	11/01/17	50	3,882.60	90.58	77.65		168.23	3,714.37				3,882.60	77.65		245.89	3,636.71
361.21	BRIDGE SEWER MAIN HEAT TAPE	04/01/18	5	1,998.45	299.77	399.69		699.46	1,298.99				1,998.45	399.69		1,099.15	899.30
361.21	MAIN REPLACED 50FT OF 8" AT 1403 BRENTWOOD	09/30/19	50	4,451.07	0.00	29.67		29.67	4,421.40				4,451.07	89.02		118.69	4,332.38
361.21	1,200' 8" PVC SEWER LINE	12/31/20	50					0.00	0.00		63,200.00		63,200.00	1,264.00		1,264.00	61,936.00
361.21	2,975" 18" SEWER LINE	12/31/20	50					0.00	0.00		238,000.00		238,000.00	4,760.00		4,760.00	233,240.00
361.21	SEWER LINE 25TH AND 26TH STREETS	12/31/20	50					0.00	0.00		6,000.00		6,000.00	120.00		120.00	5,880.00
SUB-TOTAL 361.21 DISTRIBUTION MAINS				897,153.00	343,117.15	17,933.40		361,050.55	536,102.50		307,200.00	40,500.00	1,244,853.00	23,860.33	0.00	384,910.88	859,942.11
363.20	SERVICE PIPES & STOPS	09/51	50	568.86	568.86	0.00		568.86	0.00				568.86	0.00		568.86	0.00
363.20	SERVICE PIPES & STOPS	03/53	50	150.86	150.86	0.00		150.86	0.00				150.86	0.00		150.86	0.00
363.20	SERVICE PIPES & STOPS	03/54	50	167.01	167.01	0.00		167.01	0.00				167.01	0.00		167.01	0.00
363.20	SERVICE PIPES & STOPS	03/55	50	84.47	84.47	0.00		84.47	0.00				84.47	0.00		84.47	0.00
363.20	SERVICE PIPES & STOPS	03/56	50	7.15	7.15	0.00		7.15	0.00				7.15	0.00		7.15	0.00
363.20	SERVICE PIPES & STOPS	09/57	50	34.20	34.20	0.00		34.20	0.00				34.20	0.00		34.20	0.00
363.20	SERVICE PIPES & STOPS	06/58	50	11.50	11.50	0.00		11.50	0.00				11.50	0.00		11.50	0.00
363.20	SANITARY SEWER INSTALLATION	02/59	50	2,563.69	2,563.69	0.00		2,563.69	0.00				2,563.69	0.00		2,563.69	0.00
363.20	SERVICE PIPES & STOPS	06/60	50	171.00	171.00	0.00		171.00	0.00				171.00	0.00		171.00	0.00
363.20	SERVICE PIPES & STOPS	09/61	50	71.09	71.09	0.00		71.09	0.00				71.09	0.00		71.09	0.00
363.20	SERVICE PIPES & STOPS	06/63	50	220.73	220.73	0.00		220.73	0.00				220.73	0.00		220.73	0.00
363.20	SERVICE PIPES & STOPS	03/64	50	15.72	15.72	0.00		15.72	0.00				15.72	0.00		15.72	0.00
363.20	SERVICE PIPES & STOPS	06/65	50	528.64	528.64	0.00		528.64	0.00				528.64	0.00		528.64	0.00
363.20	SERVICE PIPES & STOPS	06/66	50	512.69	512.69	0.00		512.69	0.00				512.69	0.00		512.69	0.00
363.20	SERVICE PIPES & STOPS	03/70	50	198.99	193.42	3.98		197.40	1.62				198.99	1.59		198.99	0.00
363.20	SERVICE PIPES & STOPS	12/74	50	91.77	80.91	1.84		82.75	9.02				91.77	1.84		84.58	7.19

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FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report										PRO FORMA 2020 VALUES								
FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3				2019	ADJUSTED	DEPR		ADJUSTED	BOOK VALUE								ADJUSTED	BOOK VALUE
				ACQUISITION	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY	
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19		ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20	
363.20	NEW PLASTIC SEWER SERV LINE	10/76	50	44.69	37.69	0.89		38.58	6.11				44.69	0.89		39.47	5.22	
363.20	MANHOLE @ REYNOLDS MHP	12/77	50	584.37	480.15	11.69		491.84	92.53				584.37	11.69		503.53	80.84	
363.20	STUDY OF LINE PLACEMENT	09/78	50	17.05	13.72	0.34		14.06	2.99				17.05	0.34		14.40	2.65	
363.20	EXT. HOOK UP TO SEWER	12/80	50	29.90	22.78	0.60		23.38	6.52				29.90	0.60		23.98	5.92	
363.20	LABOR	09/81	50	10.02	7.47	0.20		7.67	2.35				10.02	0.20		7.87	2.15	
363.20	INSTALL SEWER PIPE AND LABOR	11/82	50	881.47	636.13	17.63		653.76	227.71				881.47	17.63		671.39	210.08	
363.20	SERV LINE- QUALITY STEEL - BLDG 30-31 GRDC	08/89	50	109.48	64.23	2.19		66.42	43.06				109.48	2.19		68.61	40.87	
363.20	CLEAN OUT INSTALLED @ 107 CIRCLE DR	03/02	50	570.22	191.97	11.40		203.37	366.85				570.22	11.40		214.77	355.45	
363.20	CLEAN OUT INSTALLED @ 1106 ARLINGTON DR	09/02	50	2,498.30	816.10	49.97		866.07	1,632.23				2,498.30	49.97		916.03	1,582.27	
363.20	CLEAN OUT INSTALLED @ 1112 ARLINGTON DR	09/02	50	2,498.30	816.10	49.97		866.07	1,632.23				2,498.30	49.97		916.03	1,582.27	
363.20	42' OF 6" LATERAL AT 1305 BRENTWOOD	04/03	50	1,089.82	343.30	21.80		365.09	724.73				1,089.82	21.80		386.89	702.93	
363.20	56 EDGEWOOD DR	09/03	50	383.89	117.16	7.68		124.83	259.06				383.89	7.68		132.51	251.38	
363.20	65' OF 6" AT 58 EDGEWOOD DR	09/03	50	236.87	72.66	4.74		77.40	159.47				236.87	4.74		82.14	154.73	
363.20	MH MA-2 TOWARD 23RD ST	09/03	50	312.40	95.80	6.25		102.05	210.35				312.40	6.25		108.30	204.10	
363.20	SERVICE LINE INSTALLED AT PACIFIC PRIDE RIP ROAD	12/31/09	50	593.25	109.76	11.87		121.62	471.63				593.25	11.87		133.49	459.77	
363.20	GREENVILLE METALS METER IN THE POWER BUILDING	04/30/13	35	118.50	18.95	3.39		22.33	96.17				118.50	3.39		25.72	92.78	
363.20	SHEETZ NEW SERVICE LINE - 56FT	07/01/15	35	1,540.33	154.03	44.01		198.04	1,342.29				1,540.33	44.01		242.05	1,298.28	
363.20	DOLLAR GENERAL NEW SERVICE LINE	07/01/18	50	405.26	4.05	8.11		12.16	393.10				405.26	8.11		20.26	385.00	
SUB-TOTAL 363.20 SERVICES PIPES AND STOPS				17,322.49	9,383.97	258.52		9,642.48	7,680.02		0.00	0.00	17,322.49	256.13	0.00	9,898.61	7,423.88	
370.30	COLLECTING RESERV. & INTAKE WELLS	06/52	50	45.29	45.29	0.00		45.29	0.00				45.29	0.00		45.29	0.00	
370.30	COLLECTING RESERV. & INTAKE WELLS	12/54	50	295.82	295.82	0.00		295.82	0.00				295.82	0.00		295.82	0.00	
370.30	COLLECTING RESERV. & INTAKE WELLS	06/60	50	34.96	34.96	0.00		34.96	0.00				34.96	0.00		34.96	0.00	
370.30	COLLECTING RESERV. & INTAKE WELLS	06/61	50	255.48	255.48	0.00		255.48	0.00				255.48	0.00		255.48	0.00	
370.30	FLOW METER	02/15/17	5	2,995.00	1,123.13	599.00		1,722.13	1,272.87				2,995.00	599.00		2,321.13	673.87	
SUB-TOTAL 370.30 COLLECTION RESERVOIRS				3,626.55	1,754.68	599.00		2,353.68	1,272.87		0.00	0.00	3,626.55	599.00	0.00	2,952.68	673.87	
370.31	CLEAR WATER BASINS	09/63	50	65.05	65.05	0.00		65.05	0.00				65.05	0.00		65.05	0.00	
SUB-TOTAL 370.31 CLEAR WATER BASINS				65.05	65.05	0.00		65.05	0.00		0.00	0.00	65.05	0.00	0.00	65.05	0.00	
371.30	EJECTOR #3	10/62	50	664.42	664.42	0.00		664.42	0.00				664.42	0.00		664.42	0.00	
371.30	INSTALL OF NEW CONTROLS	11/78	50	310.93	249.26	6.22		255.48	55.45				310.93	6.22		261.70	49.23	
371.30	ROTARY PUMP REPAIR	10/81	50	2,094.50	1,556.91	41.89		1,598.80	495.70				2,094.50	41.89		1,640.69	453.81	
371.30	EJECT. #2 NEW COMPRESSOR	12/88	50	1,187.61	714.54	23.75		738.29	449.32				1,187.61	23.75		762.05	425.56	
371.30	EJECTOR #4	12/89	50	2,152.14	1,251.83	43.04		1,294.87	857.27				2,152.14	43.04		1,337.91	814.23	
371.30	EJECTOR #4 - 4" CK VALVE INTAKE	12/90	50	539.27	302.90	10.79		313.68	225.59				539.27	10.79		324.47	214.80	
371.30	PUMP ELECTRICAL SUPPLY	03/91	50	907.93	503.90	18.16		522.06	385.87				907.93	18.16		540.22	367.71	
371.30	EJECTOR TANK	09/98	30	1,380.81	935.86	46.03		981.89	398.92				1,380.81	46.03		1,027.91	352.90	
371.30	VALVES FOR PUMPHOUSE	11/98	20	4,518.33	4,518.33	0.00		4,518.33	0.00				4,518.33	0.00		4,518.33	0.00	

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FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3				2019	ADJUSTED	DEPR		ADJUSTED	BOOK VALUE						ADJUSTED	BOOK VALUE	
				ACQUISITION	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19		ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20
371.30	NEW DOUBLE PLUNGER PUMP	12/98	45	25,755.32	11,446.24	572.34		12,018.58	13,736.74				25,755.32	572.34		12,590.92	13,164.40
371.30	COMPRESSOR/PLUNGER PUMP	01/99	15	488.88	488.88	0.00		488.88	0.00				488.88	0.00		488.88	0.00
371.30	EJECTOR #4 CHECK VALVE	09/99	10	1,777.38	1,777.38	0.00		1,777.38	0.00				1,777.38	0.00		1,777.38	0.00
371.30	GRINDER PUMPS REBUILT (2)	12/99	10	1,976.06	1,976.06	0.00		1,976.06	0.00				1,976.06	0.00		1,976.06	0.00
371.30	EJECTOR #4 TRANSFORMER/DISCHARGE LINE	03/00	20	2,401.57	2,261.52	120.08		2,381.60	19.97				2,401.57	19.97		2,401.57	0.00
371.30	RECIRCULATING PUMP	01/31/06	25	16,995.51	8,724.36	679.82		9,404.18	7,591.33				16,995.51	679.82		10,084.00	6,911.51
371.30	EJECTOR #3 SUMP PUMP	12/01/06	10	399.62	399.62	0.00		399.62	0.00				399.62	0.00		399.62	0.00
371.30	EJECTOR #5 REPLACED	02/28/06	25	4,051.47	3,349.12	162.06		3,511.18	540.29				4,051.47	162.06		3,673.24	378.23
371.30	RECIRCULATING PUMP	07/01/09	25	37,793.84	14,361.66	1,511.75		15,873.42	21,920.42				37,793.84	1,511.75		17,385.17	20,408.67
371.30	BYPASS PUMP	10/01/09	25	3,483.35	1,288.84	139.33		1,428.17	2,055.18				3,483.35	139.33		1,567.50	1,915.85
371.30	DOUBLE PLUNGER PUMP REBUILT	04/01/10	25	12,493.73	4,372.80	499.75		4,872.55	7,621.18				12,493.73	499.75		5,372.30	7,121.43
371.30	EJECTOR #6 PUMP REPAIRED	06/01/10	25	2,250.96	772.83	90.04		862.87	1,388.09				2,250.96	90.04		952.90	1,298.06
371.30	EJECTOR #6 ELECTRIC PANEL REPLACED	06/01/10	25	6,898.07	2,368.33	275.92		2,644.26	4,253.81				6,898.07	275.92		2,920.18	3,977.89
371.30	RECIRCULATING PUMP BOWL AND SHAFT ((2006) REF	12/31/11	25	23,663.34	6,625.74	946.53		7,572.27	16,091.07				23,663.34	946.53		8,518.80	15,144.54
371.30	EJECTOR #4 VALVE, STARTER, AND PUMP (1999) REPL	12/31/11	25	3,591.20	1,218.32	174.05		1,179.57	2,411.63				3,591.20	143.65		1,323.22	2,267.98
371.30	EJECTOR #4 COMPRESSOR REPLACED	06/01/12	10	1,993.00	1,303.75	199.30		1,503.05	489.95				1,993.00	199.30		1,702.35	290.65
371.30	DOUBLE PLUNGER PUMP SEAT AND BOWL REPLACED	10/01/12	25	1,297.78	324.45	51.91		376.36	921.42				1,297.78	51.91		428.27	869.51
371.30	RECIRCULATING PUMP BEARINGS	05/01/14	5	3,811.00	3,302.86	508.14		3,811.00	0.00				3,811.00	0.00		3,811.00	0.00
371.30	EJECTOR #1 REPLACED	07/01/14	10	47,700.00	19,080.00	4,770.00		23,850.00	23,850.00				47,700.00	4,770.00		28,620.00	19,080.00
371.30	GRDC IDP GRANT FUNDS	08/31/14	10	-47,700.00	0.00	0.00		0.00	-47,700.00			47,700.00	0.00	0.00		0.00	0.00
371.30	EJECTOR #5 PUMP REPLACED	01/01/15	10	4,153.78	1,661.49	415.38		2,076.87	2,076.91				4,153.78	415.38		2,492.25	1,661.53
371.30	TRASH PUMP	10/01/15	10	11,162.50	3,627.81	1,116.25		4,744.06	6,418.44				11,162.50	1,116.25		5,860.31	5,302.19
371.30	DOUBLE PLUNGER PUMP PACKING SET/CONNECTING	10/01/15	5	2,996.63	1,947.81	599.33		2,547.13	449.50				2,996.63	449.50		2,996.63	0.00
371.30	EJECTOR #1 REPLACED	10/01/15	10	26,198.18	8,514.40	2,619.82		11,134.22	15,063.96				26,198.18	2,619.82		13,754.04	12,444.14
371.30	DOUBLE PLUNGER PUMP HOUSING, RODS, ETC	04/01/16	3	5,633.75	5,164.27	469.48		5,633.75	0.00				5,633.75	0.00		5,633.75	0.00
371.30	SLUDGE PRO DOUBLE DISC PUMP	11/01/16	5	25,763.46	10,734.77	5,152.69		15,887.47	9,875.99				25,763.46	5,152.69		21,040.16	4,723.30
371.30	WASTEWATER PUMP HOIST, BASE & CABLE	08/15/18	5	1,579.20	118.44	315.84		434.28	1,144.92				1,579.20	315.84		750.12	829.08
371.30	EJECTOR #3 PUMP MOTOR REPLACED	05/01/18	10	1,222.04	81.47	122.20		203.67	1,018.37				1,222.04	122.20		325.88	896.16
371.30	PUMP MOTOR - 4" HYDRAULIC	10/01/18	5	2,008.51	100.43	401.70		502.13	1,506.38				2,008.51	401.70		903.83	1,104.68
371.30	EJECTOR #4 STARTER REPLACED	01/24/19	25	1,199.70	0.00	41.99		41.99	1,157.71				1,199.70	47.99		89.98	1,109.72
371.30	EJECTOR #1	12/31/20	5		0.00			0.00	0.00		5,000.00		5,000.00	1,000.00		1,000.00	4,000.00
SUB-TOTAL 371.30 PUMPS AND PUMP EQUIPMENT				246,795.77	128,091.60	22,145.58		150,024.38	96,771.38		5,000.00	47,700.00	299,495.77	21,893.63	0.00	171,918.01	127,577.76
371.31	EJECT #4 ALARM/PART RETIRE '95	10/94	50	41.03	19.83	0.82		20.65	20.38				41.03	0.82		21.47	19.56
371.31	EJECTOR #4 ALARM SYSTEM	10/94	50	330.04	159.51	6.60		166.11	163.93				330.04	6.60		172.71	157.33
371.31	EJECT #6 ALARM/PART RETIRE '95	10/94	50	596.03	288.08	11.92		300.00	296.03				596.03	11.92		311.92	284.11
371.31	EJECTOR #6 ALARM SYSTEM	10/94	50	340.64	164.64	6.81		171.45	169.19				340.64	6.81		178.27	162.37
371.31	SURGE PROTECTORS (7)	09/95	8	260.88	260.88	0.00		260.88	0.00				260.88	0.00		260.88	0.00
371.31	FLOW SPLITTER BOXES - PV / PW	10/01/07	50	36,980.30	8,275.67	739.61		9,015.27	27,965.03				36,980.30	739.61		9,754.88	27,225.42

**REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report**
**FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3**

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report										PRO FORMA 2020 VALUES							
FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3				2019	ADJUSTED	DEPR		ADJUSTED	BOOK VALUE						ADJUSTED	BOOK VALUE	
				ACQUISITION	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19		ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20
371.31	PROCESS PIPING - DUCTILE IRON PIPE - PV / PW	10/01/07	50	24,830.35	5,556.68	496.61		6,053.28	18,777.07				24,830.35	496.61		6,549.89	18,280.46
371.31	PROCESS PIPING - STAINLESS STEEL PIPE - PV / PW	10/01/07	50	13,905.08	3,111.76	278.10		3,389.86	10,515.22				13,905.08	278.10		3,667.96	10,237.12
371.31	PROCESS PIPING - VALVES - PV / PW	10/01/07	50	10,925.27	2,444.92	218.51		2,663.42	8,261.85				10,925.27	218.51		2,881.93	8,043.34
371.31	RECLASS DEFERRED SALARIES	12/31/09		-440.75	-440.75	0.00		-440.75	0.00				-440.75	0.00		-440.75	0.00
371.31	EJECTOR ALARM DIALER REPLACED	02/01/12	5	565.12	565.12	0.00		565.12	0.00				565.12	0.00		565.12	0.00
371.31	EJECTOR #1 ALARM DIALER	07/01/15	5	1,358.20	950.74	271.64		1,222.38	135.82				1,358.20	135.82		1,358.20	0.00
SUB-TOTAL 371.31 OTHER PUMP STATION EQUIPMENT				89,692.19	21,357.07	2,030.61		23,387.69	66,304.52		0.00	0.00	89,692.19	1,894.79	0.00	25,282.48	64,409.71
374.50	STORAGE RESV, TANKS, & STANDPIPES	06/63	50	17.74	17.74	0.00		17.74	0.00				17.74	0.00		17.74	0.00
SUB-TOTAL 374.50 STORAGE RESERVOIR TANKS				17.74	17.74	0.00		17.74	0.00		0.00	0.00	17.74	0.00	0.00	17.74	0.00
380.40	BIO-FILTER - PV / PW	10/01/07	50	122,786.00	27,477.92	2,455.72		29,933.64	92,852.36				122,786.00	2,455.72		32,389.36	90,396.64
380.40	RECLASS DEFERRED SALARIES	12/31/09		-624.00	-624.00	0.00		-624.00	0.00				-624.00	0.00		-624.00	0.00
380.40	TRICKLING FILTER CENTER COLUMN REPLACED	12/01/12	25	35,194.13	8,563.91	1,407.77		9,971.68	25,222.45				35,194.13	1,407.77		11,379.44	23,814.69
SUB-TOTAL 380.40 FILTERS				157,356.13	35,417.83	3,863.49		39,281.32	118,074.81		0.00	0.00	157,356.13	3,863.49	0.00	43,144.80	114,211.33
380.41	NEW CROSS CHAIN & CEMENT WORK/T-326 SCNDRY	09/85	50	6,913.17	4,593.76	138.26		4,732.02	2,181.15				6,913.17	138.26		4,870.29	2,042.88
380.41	SECONDARY-NEW CHAINS AND FLIGHTS	06/89	50	9,286.27	5,454.53	185.73		5,640.26	3,646.01				9,286.27	185.73		5,825.98	3,460.29
380.41	REFURBISH PRIMARY TANK	12/91	50	6,712.37	3,638.04	134.25		3,772.29	2,940.08				6,712.37	134.25		3,906.53	2,805.84
380.41	CHAINS & FLIGHT- PENNVEST - PRIMARY T330	12/91	50	30,949.54	16,764.33	618.99		17,383.32	13,566.22				30,949.54	618.99		18,002.31	12,947.23
380.41	W PRIMARY - PENNVEST	12/91	50	80,183.51	43,432.73	1,603.67		45,036.40	35,147.11				80,183.51	1,603.67		46,640.07	33,543.44
380.41	SWITCH TANK REPAIR	10/01	20	4,611.64	3,958.33	230.58		4,188.91	422.73				4,611.64	230.58		4,419.49	192.15
380.41	SECONDARY TANK T-326 FLIGHTS REPLACED	11/02	20	12,837.45	10,376.94	641.87		11,018.81	1,818.64				12,837.45	641.87		11,660.68	1,176.77
380.41	PRIMARY TANK WEAR SHOES REPLACED	10/01/06	10	1,078.66	1,078.66	0.00		1,078.66	0.00				1,078.66	0.00		1,078.66	0.00
380.41	SLUDGE DRYING BEDS (6) - PV / PW	10/01/07	50	431,643.48	96,596.07	8,632.87		105,228.94	326,414.54				431,643.48	8,632.87		113,861.80	317,781.68
380.41	PRIMARY SETTLING TANK - PV / PW	10/01/07	50	116,192.45	26,002.34	2,323.85		28,326.19	87,866.26				116,192.45	2,323.85		30,650.04	85,542.41
380.41	SECONDARY SETTLING TANK - PV / PW	10/01/07	50	279,122.07	62,463.86	5,582.44		68,046.30	211,075.77				279,122.07	5,582.44		73,628.74	205,493.33
380.41	PRIMARY TANK SHOES	06/01/08	5	736.00	736.00	0.00		736.00	0.00				736.00	0.00		736.00	0.00
380.41	DRYING BEDS REPAIRED (GROUTED AND CAULKED)	12/01/08	5	1,722.00	1,722.00	0.00		1,722.00	0.00				1,722.00	0.00		1,722.00	0.00
380.41	PRIMARY TANK WEAR SHOES REPLACED	06/01/09	5	497.50	497.50	0.00		497.50	0.00				497.50	0.00		497.50	0.00
380.41	SECONDARY TANK WEAR SHOES REPLACED	06/01/09	5	497.50	497.50	0.00		497.50	0.00				497.50	0.00		497.50	0.00
380.41	RECLASS DEFERRED SALARIES	12/31/09		-4,203.60	-4,203.60	0.00		-4,203.60	0.00				-4,203.60	0.00		-4,203.60	0.00
380.41	PRIMARY TANK FLIGHTS (10)	06/01/10	25	1,810.00	621.43	72.40		693.83	1,116.17				1,810.00	72.40		766.23	1,043.77
380.41	PRIMARY TANK FLIGHTS AND CHAINS (5)	11/01/10	25	556.34	181.74	22.25		203.99	352.35				556.34	22.25		226.25	330.09
380.41	SECONDARY TANK FLIGHTS AND CHAINS (5)	11/01/10	25	556.34	181.74	22.25		203.99	352.35				556.34	22.25		226.25	330.09
380.41	SECONDARY TANK MOTOR POWER SURGE PROTECTC	05/15/11	10	729.89	556.54	72.99		629.53	100.36				729.89	72.99		702.52	27.37
380.41	PRIMARY TANK MOTOR POWER SURGE PROTECTOR	05/15/11	10	729.89	556.54	72.99		629.53	100.36				729.89	72.99		702.52	27.37
380.41	SECONDARY CROSS COLLECTOR MOTOR POWER SURC	05/15/11	10	729.89	556.54	72.99		629.53	100.36				729.89	72.99		702.52	27.37
380.41	PRIMARY TANK BUILDING ROOF SHINGLES REPLACED	04/01/16	20	813.09	111.80	40.65		152.45	660.64				813.09	40.65		193.11	619.98

**REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report**

**FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3**

									PRO FORMA 2020 VALUES						
ACCT #	DESCRIPTION	ACQUISITION		2019	ADJUSTED	DEPR	ADJUSTED	BOOK VALUE	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	BOOK VALUE
		DATE	YEARS	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	OF PROPERTY							
				COST	@ 12-31-18	2019	DISP	@ 12-31-19		ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20
380.41	PRIMARY TANK DRIVE CHAINS	03/15/17	5	1,051.66	376.84	210.33		587.17			1,051.66	210.33		797.51	254.15
380.41	SECONDARY TANK DRIVE CHAINS	03/15/17	5	1,051.66	376.84	210.33		587.17			1,051.66	210.33		797.51	254.15
	SUB-TOTAL 380.41 SEDIMENTATION BASINS			986,808.77	277,129.01	20,889.70		298,018.71	0.00	0.00	986,808.77	20,889.70	0.00	318,908.41	667,900.36
380.43	NEW BUILDING- SLUDGE HOUSE	09/80	50	4,528.13	3,464.01	90.56		3,554.57			4,528.13	90.56		3,645.14	882.99
	SUB-TOTAL 380.43 SOFTENING AND IRON REMOVAL			4,528.13	3,464.01	90.56		3,554.57	0.00	0.00	4,528.13	90.56	0.00	3,645.14	882.99
380.44	COMPRESSION HYDRANT-5' (2)	09/90	50	532.35	300.79	10.65		311.43			532.35	10.65		322.08	210.27
380.44	COMPRESSION HYDRANT-6' (1)	09/90	50	273.47	154.51	5.47		159.98			273.47	5.47		165.45	108.02
380.44	BLDG T-334 ADDITION	11/98	25	14,215.04	11,466.78	568.60		12,035.39			14,215.04	568.60		12,603.99	1,611.05
380.44	GRINDER ROOM FURNACE	03/03	20	934.71	740.03	46.74		786.77			934.71	46.74		833.50	101.21
380.44	BAR SCREEN STORAGE BIN	10/04	20	1,223.34	927.14	61.17		988.31			1,223.34	61.17		1,049.47	173.87
380.44	GREASE AERATION TANK - PV / PW	10/01/07	50	91,769.83	20,536.86	1,835.40		22,372.26			91,769.83	1,835.40		24,207.66	67,562.17
380.44	CHLORINE DETENTION TANK - PV / PW	10/01/07	50	101,785.13	22,778.23	2,035.70		24,813.93			101,785.13	2,035.70		26,849.63	74,935.50
380.44	DIGESTER - PV/ PW	10/01/07	50	303,686.95	67,961.13	6,073.74		74,034.87			303,686.95	6,073.74		80,108.61	223,578.34
380.44	CENTRIFUGAL PUMPS (4) - PV / PW	10/01/07	50	105,626.69	23,637.87	2,112.53		25,750.41			105,626.69	2,112.53		27,862.94	77,763.75
380.44	POSITIVE DISPLACEMENT PUMP PIPING - PV / PW	10/01/07	50	39,620.25	8,866.46	792.41		9,658.86			39,620.25	792.41		10,451.27	29,168.99
380.44	AERATORS (2) - PV / PW	10/01/07	50	66,006.45	14,771.42	1,320.13		16,091.55			66,006.45	1,320.13		17,411.68	48,594.77
380.44	CROSS COLLECTORS (4) - PV / PW (a) PV/PW Funded	10/01/07	50	99,335.88	22,230.10	1,986.72		24,216.82			99,335.88	1,986.72		26,203.54	73,132.34
380.44	CROSS COLLECTORS (4) - PV / PW (b) Company Funded	10/01/07	50	35,854.82	8,023.85	717.10		8,740.95			35,854.82	717.10		9,458.05	26,396.77
380.44	BAR SCREEN	09/01/09	50	133,944.55	25,449.47	2,678.89		28,128.36			133,944.55	2,678.89		30,807.25	103,137.30
380.44	RECLASS DEFERRED SALARIES	12/31/09		-4,287.65	-4,287.65	0.00		-4,287.65			-4,287.65	0.00		-4,287.65	0.00
380.44	BAR SCREEN SPROCKETS AND CHAINS	06/01/15	10	1,724.68	618.01	172.47		790.48			1,724.68	172.47		962.95	761.73
380.44	AERATOR #2 BLOWER MOTOR	07/01/16	5	1,878.40	939.20	375.68		1,314.88			1,878.40	375.68		1,690.56	187.84
380.44	BAR SCREEN ROOM HEATER	04/01/16	3	5,974.57	5,476.69	497.88		5,974.57			5,974.57	0.00		5,974.57	0.00
380.44	BLOWER MOTOR	02/01/17	5	1,636.98	627.49	327.40		954.88			1,636.98	327.40		1,282.28	354.70
380.44	BLOWER MOTOR	09/01/18	5	1,720.92	114.73	344.18		458.91			1,720.92	344.18		803.10	917.82
380.44	DIGESTER DIFFUSERS REPLACED	11/15/18	10	8,599.71	107.50	859.97		967.47			8,599.71	859.97		1,827.44	6,772.27
380.44	AERATION TANK BLOWER	11/27/19	5	1,784.70	0.00	29.75		29.75			1,784.70	356.94		386.69	1,398.01
380.44	CROSS COLLECTOR HEAD SHAFT & SPROCKET/FLIGHT	12/19/19	10	3,995.00	0.00	16.65		16.65			3,995.00	399.50		416.15	3,578.85
	SUB-TOTAL 380.44 AERATION AND STERILIZATION			1,017,836.77	231,440.61	22,869.21		254,309.82	0.00	0.00	1,017,836.77	23,081.37	0.00	277,391.19	740,445.57
380.45	CHEMICAL TREATMENT PLANT	03/53	50	360.00	360.00	0.00		360.00			360.00	0.00		360.00	0.00
380.45	CHEMICAL TREATMENT PLANT	12/58	50	632.53	632.53	0.00		632.53			632.53	0.00		632.53	0.00
380.45	CHEMICAL TREATMENT PLANT	06/62	50	276.12	276.12	0.00		276.12			276.12	0.00		276.12	0.00
380.45	CHEMICAL TREATMENT PLANT	03/64	50	23.54	23.54	0.00		23.54			23.54	0.00		23.54	0.00
380.45	CHEMICAL TREATMENT PLANT	03/65	50	1,141.67	1,141.67	0.00		1,141.67			1,141.67	0.00		1,141.67	0.00
380.45	NEW WATER LINE TO CHLORINATOR	02/78	50	188.97	154.33	3.78		158.11			188.97	3.78		161.89	27.08
380.45	CHEMICAL TREATMENT	12/81	50	2,566.75	1,903.68	51.34		1,955.01			2,566.75	51.34		2,006.35	560.41



REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report

FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report										PRO FORMA 2020 VALUES								
FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3				2019	ADJUSTED	DEPR		ADJUSTED	BOOK VALUE								ADJUSTED	BOOK VALUE
				ACQUISITION	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY	
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19		ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20	
380.45	CHLORINATOR INSTALLED	12/97	7	1,829.72	1,829.72	0.00		1,829.72	0.00				1,829.72	0.00		1,829.72	0.00	
380.45	SHUTTER EXHAUST FAN	12/00	20	890.53	805.19	44.53		849.71	40.82				890.53	40.82		890.53	0.00	
380.45	CHLORINE SCALE	12/00	20	1,096.05	991.02	54.80		1,045.82	50.23				1,096.05	50.23		1,096.05	0.00	
380.45	ALUM PUMP	09/01/16	5	475.80	226.01	95.16		321.17	154.63				475.80	95.16		416.33	59.47	
380.45	GAS CHLORINATOR	08/01/17	5	1,761.80	499.18	352.36		851.54	910.26				1,761.80	352.36		1,203.90	557.90	
380.45	GAS CHLORINATOR MODEL 216	08/01/17	5	2,725.15	772.13	545.03		1,317.16	1,407.99				2,725.15	545.03		1,862.19	862.96	
380.45	DUAL ELECTRIC SCALE MODEL ECS-402	08/01/17	5	1,887.00	534.65	377.40		912.05	974.95				1,887.00	377.40		1,289.45	597.55	
380.45	GAS AUTOMATICE CHLORINATOR	08/01/17	5	6,102.57	1,729.06	1,220.51		2,949.58	3,152.99				6,102.57	1,220.51		4,170.09	1,932.48	
380.45	ALUM PUMP (SPARE)	12/01/18	5	507.79	8.46	101.56		110.02	397.77				507.79	101.56		211.58	296.21	
SUB-TOTAL 380.45 CHEMICAL TREATMENT				22,465.99	11,887.29	2,846.47		14,733.75	7,732.24		0.00	0.00	22,465.99	2,838.18	0.00	17,571.93	4,894.06	
390.70	GEN. OFFICE EQUIP	06/62	5	152.62	152.62	0.00		152.62	0.00				152.62	0.00		152.62	0.00	
390.70	TABLE/CHAIRS FOR MEETINGS @ RDC	08/78	5	112.49	112.49	0.00		112.49	0.00				112.49	0.00		112.49	0.00	
390.70	CALCULATOR ACCTING DEPT.	10/88	5	274.54	274.54	0.00		274.54	0.00				274.54	0.00		274.54	0.00	
390.70	RDC PLANT OFFICE CHAIR	11/89	5	252.38	252.38	0.00		252.38	0.00				252.38	0.00		252.38	0.00	
390.70	DESK HASKELL BLK W\TEAK TOP	11/92	5	789.49	789.49	0.00		789.49	0.00				789.49	0.00		789.49	0.00	
390.70	EXEC DESK CHAIR W\ARMS	09/92	5	416.81	416.81	0.00		416.81	0.00				416.81	0.00		416.81	0.00	
390.70	LATERAL FILE	02/95	5	492.90	492.90	0.00		492.90	0.00				492.90	0.00		492.90	0.00	
390.70	FILE CABINET 2 DRAWER	01/98	5	171.92	171.92	0.00		171.92	0.00				171.92	0.00		171.92	0.00	
390.70	NETWORK WIRING	02/99	5	784.42	784.42	0.00		784.42	0.00				784.42	0.00		784.42	0.00	
390.70	KEY BOX LABOR & OVERHEAD	02/99	12	192.77	192.77	0.00		192.77	0.00				192.77	0.00		192.77	0.00	
390.70	DROP BOX CABINET	11/99	20	222.04	212.79	9.25		222.04	0.00				222.04	0.00		222.04	0.00	
390.70	FILE CABINET 4 DRAWER LEGAL	04/00	10	168.54	168.54	0.00		168.54	0.00				168.54	0.00		168.54	0.00	
390.70	OFFICE CHAIR - NO ARMS - FRONT WINDOW	01/01	3	165.90	165.90	0.00		165.90	0.00				165.90	0.00		165.90	0.00	
390.70	OFFICE CHAIR - ARMS - TMH	01/01	3	214.66	214.66	0.00		214.66	0.00				214.66	0.00		214.66	0.00	
390.70	CBSW BILLING SOFTWARE	08/01/08	5	5,650.00	5,650.00	0.00		5,650.00	0.00				5,650.00	0.00		5,650.00	0.00	
390.70	CBSW BILLING SOFTWARE DATE CONVERSION	08/01/08	5	484.56	484.56	0.00		484.56	0.00				484.56	0.00		484.56	0.00	
390.70				0.00	0.00	0.00		0.00	0.00				0.00	0.00		0.00	0.00	
390.70	LAPTOP COMPUTER FOR DRAFTING DEPARTMENT	04/01/12	5	2,576.67	2,576.67	0.00		2,576.67	0.00				2,576.67	0.00		2,576.67	0.00	
390.70	CANON IRC2020 COPIER / FAX / SCANNER	05/01/12	5	4,869.64	4,869.64	0.00		4,869.64	0.00				4,869.64	0.00		4,869.64	0.00	
390.70	DRAFTING PRINTER HP DESIGNJET T520 36" WIDE (50	09/23/13	5	1,478.48	1,478.48	0.00		1,478.48	0.00				1,478.48	0.00		1,478.48	0.00	
390.70	REFRIGERATOR FOR LUNCHROOM	06/01/14	5	593.60	544.13	49.47		593.60	0.00				593.60	0.00		593.60	0.00	
390.70	DELL DESKTOP COMPUTER WITH MONITOR	08/01/17	5	1,167.87	330.89	233.57		564.47	603.40				1,167.87	233.57		798.04	369.83	
390.70	DELL DESKTOP COMPUTER WITH MONITOR	08/01/17	5	1,167.87	330.89	233.57		564.47	603.40				1,167.87	233.57		798.04	369.83	
390.70	DELL DESKTOP COMPUTER WITH MONITOR	05/15/18	5	940.46	117.56	188.09		305.65	634.81				940.46	188.09		493.74	446.72	
390.70	LANIER sp8400 PRINTER (BILLING DEPT)	10/15/18	5	3,793.74	158.07	758.75		916.82	2,876.92				3,793.74	758.75		1,675.57	2,118.17	
SUB-TOTAL 390.70 GENERAL OFFICE EQUIPMENT				27,134.37	20,943.13	1,472.71		22,415.84	4,718.53		0.00	0.00	27,134.37	1,413.99	0.00	23,829.82	3,304.55	
393.70	OTHER GEN. EQUIP	06/62	50	683.74	683.74	0.00		683.74	0.00				683.74	0.00		683.74	0.00	

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FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report										PRO FORMA 2020 VALUES							
FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3				2019	ADJUSTED	DEPR		ADJUSTED	BOOK VALUE								
				ACQUISITION	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19		ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20
393.70	OTHER GEN. EQUIP	06/64	50	221.05	221.05	0.00		221.05	0.00				221.05	0.00		221.05	0.00
393.70	OTHER GEN. EQUIP	03/66	50	1,157.79	1,157.78	0.00		1,157.78	0.01				1,157.79	0.01		1,157.79	0.00
393.70	OTHER GEN. EQUIP	12/67	50	3,698.86	3,698.86	0.00		3,698.86	0.00				3,698.86	0.00		3,698.86	0.00
393.70	OTHER GEN. EQUIP	03/68	50	163.54	163.54	0.00		163.54	0.00				163.54	0.00		163.54	0.00
393.70	OTHER GEN. EQUIP	06/70	50	95.64	92.77	1.91		94.68	0.96				95.64	0.96		95.64	0.00
393.70	OTHER GEN. EQUIP	03/71	50	750.00	716.25	15.00		731.25	18.75				750.00	15.00		746.25	3.75
393.70	OTHER GEN. EQUIP	12/72	50	263.16	242.55	5.26		247.81	15.35				263.16	5.26		253.07	10.09
393.70	OTHER GEN. EQUIP	06/73	50	144.42	131.43	2.89		134.31	10.11				144.42	2.89		137.20	7.22
393.70	OTHER GEN. EQUIP	09/74	50	127.15	112.53	2.54		115.07	12.08				127.15	2.54		117.61	9.54
393.70	PIPE STOPPERS	08/76	50	169.00	143.09	3.38		146.47	22.53				169.00	3.38		149.85	19.15
393.70	SNAKE FOR SNAKING OUT SEWER LINES	05/78	50	69.45	56.38	1.39		57.76	11.69				69.45	1.39		59.15	10.30
393.70	CONCRETE VIBRATOR	09/79	50	358.00	281.03	7.16		288.19	69.81				358.00	7.16		295.35	62.65
393.70	FIRE HOSE	03/80	50	200.00	155.00	4.00		159.00	41.00				200.00	4.00		163.00	37.00
393.70	WENCH & TRIPOD W\ HARNESS	03/94	15	1,530.16	1,530.16	0.00		1,530.16	0.00				1,530.16	0.00		1,530.16	0.00
393.70	3" DITCH PUMP FOR VEHICLE #60	01/96	5	478.06	478.06	0.00		478.06	0.00				478.06	0.00		478.06	0.00
393.70	SEWER KING-CABLE MACHINE VEHICLE #57	07/98	20	11,208.00	11,208.00	0.00		11,208.00	0.00				11,208.00	0.00		11,208.00	0.00
393.70	WORK AREA AHEAD SIGNS	09/98	10	329.99	329.99	0.00		329.99	0.00				329.99	0.00		329.99	0.00
393.70	EYE WASH STATION	11/00	10	347.22	347.22	0.00		347.22	0.00				347.22	0.00		347.22	0.00
393.70	SEWER CLEANING MACHINE	04/01	4	211.08	211.08	0.00		211.08	0.00				211.08	0.00		211.08	0.00
393.70	SAFETY DITCH BOX	05/31/05	20	3,516.00	2,387.95	175.80		2,563.75	952.25				3,516.00	175.80		2,739.55	776.45
393.70	GAS MONITOR CALIBRATION KIT	05/31/07	5	429.63	429.63	0.00		429.63	0.00				429.63	0.00		429.63	0.00
393.70	SEWER KING MOTOR REPLACED VEHICLE #57	12/31/11	20	461.08	161.38	23.05		184.43	276.65				461.08	23.05		207.49	253.59
393.70	SEWER LINE CAMERA	09/01/12	10	10,072.00	6,378.93	1,007.20		7,386.13	2,685.87				10,072.00	1,007.20		8,393.33	1,678.67
393.70	ROTOTILLER (LABOR & OVERHEAD TO ORDER) DELIVE	08/05/13	5	22.92	22.92	0.00		22.92	0.00				22.92	0.00		22.92	0.00
393.70	BACKHOE JCB 3CX-14 DOWNPAYMENT - DELIVERY IN	12/09/13	7	1,000.00	671.43	142.86		814.29	185.71				1,000.00	142.86		957.14	42.86
393.70	BACKHOE JCB 3CX-14 BALANCE	03/01/14	7	39,902.26	28,026.58	5,700.32		33,726.90	6,175.36				39,902.26	5,700.32		39,427.23	475.03
393.70	JETTER #63 WITH HOSES AND MISCELLANEOUS PARTS	10/01/14	5	28,396.83	24,137.30	4,259.53		28,396.83	0.00				28,396.83	0.00		28,396.83	0.00
393.70	STIHL CUT OFF SAW	05/01/14	5	1,006.10	939.03	67.07		1,006.10	0.00				1,006.10	0.00		1,006.10	0.00
393.70	HOSE FOR CLEANING TANKS	12/01/14	5	676.61	552.57	124.04		676.61	0.00				676.61	0.00		676.61	0.00
393.70	ROTOTILLER DELIVERED IN 2014 NOT BILLED UNTIL 2014	01/01/14	5	1,431.00	1,431.00	0.00		1,431.00	0.00				1,431.00	0.00		1,431.00	0.00
393.70	STIHL WEEDEATER	07/01/17	5	384.99	115.50	77.00		192.50	192.49				384.99	77.00		269.49	115.50
393.70	KOHLER WELDER	08/01/17	5	3,290.00	932.17	658.00		1,590.17	1,699.83				3,290.00	658.00		2,248.17	1,041.83
393.70	2018 FORD F150 PICK UP TRUCK	06/01/18	3	35,744.18	6,950.26	11,914.73		18,864.99	16,879.19				35,744.18	11,914.73		30,779.71	4,964.47
393.70	Automated Meter Reading System	12/31/20	20			0.00		0.00	0.00		68,500.00		68,500.00	3,425.00		3,425.00	65,075.00
SUB-TOTAL 393.70 OTHER GENERAL EQUIPMENT				148,539.91	95,097.14	24,193.13		119,290.28	29,249.64		68,500.00	0.00	217,039.91	23,166.55	0.00	142,456.82	74,583.10
394.70	LABORATORY PREP	09/64	50	718.17	718.17	0.00		718.17	0.00				718.17	0.00		718.17	0.00
394.70	FISHER WATER BATH	09/90	50	579.34	327.33	11.59		338.92	240.42				579.34	11.59		350.51	228.83
394.70	FLASK AND HOLDER	09/90	50	110.00	62.15	2.20		64.35	45.65				110.00	2.20		66.55	43.45

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FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3

REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report										PRO FORMA 2020 VALUES								
FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3				2019	ADJUSTED	DEPR		ADJUSTED	BOOK VALUE							ADJUSTED	BOOK VALUE	
				ACQUISITION	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY	
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19		ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20	
394.70	LAB CONSULTING	09/90	50	490.00	276.85	9.80		286.65	203.35				490.00	9.80		296.45	193.55	
394.70	SPECTROPHOTOMETER	06/00	10	1,695.00	1,695.00	0.00		1,695.00	0.00				1,695.00	0.00		1,695.00	0.00	
394.70	ELECTRODE STAND & STIRRER	06/00	15	192.50	192.50	0.00		192.50	0.00				192.50	0.00		192.50	0.00	
394.70	PH METER BENCHTOP	06/00	10	660.00	660.00	0.00		660.00	0.00				660.00	0.00		660.00	0.00	
394.70	INCUBATOR REGULATOR	09/01	10	645.00	645.00	0.00		645.00	0.00				645.00	0.00		645.00	0.00	
394.70	MICROSCOPE W/ILLUMINATOR	04/03	10	1,806.79	1,806.79	0.00		1,806.79	0.00				1,806.79	0.00		1,806.79	0.00	
394.70	ANALYTICAL SCALE	08/03	15	1,164.95	1,164.95	0.00		1,164.95	0.00				1,164.95	0.00		1,164.95	0.00	
394.70	LAB REFRIGERATOR	10/01/06	10	397.50	397.50	0.00		397.50	0.00				397.50	0.00		397.50	0.00	
394.70	B O D INCUBATOR	02/28/07	5	2,011.86	2,011.86	0.00		2,011.86	0.00				2,011.86	0.00		2,011.86	0.00	
394.70	DISSOLVED OXYGEN METER	02/28/07	5	1,278.24	1,278.24	0.00		1,278.24	0.00				1,278.24	0.00		1,278.24	0.00	
394.70	DISSOLVED OXYGEN PROBE	02/28/07	5	521.64	521.64	0.00		521.64	0.00				521.64	0.00		521.64	0.00	
394.70	DISSOLVED OXYGEN MEMBRANE KIT	02/28/07	5	91.33	91.33	0.00		91.33	0.00				91.33	0.00		91.33	0.00	
394.70	B O D ASPIRATOR	02/28/07	5	211.39	211.39	0.00		211.39	0.00				211.39	0.00		211.39	0.00	
394.70	FECAL COLIFORM BATH	02/28/07	5	1,684.32	1,684.32	0.00		1,684.32	0.00				1,684.32	0.00		1,684.32	0.00	
394.70	WIDE MOUTH NALGENE JARS (4)	02/28/07	5	54.26	54.26	0.00		54.26	0.00				54.26	0.00		54.26	0.00	
394.70	PETRI DISH RACK	02/28/07	5	162.02	162.02	0.00		162.02	0.00				162.02	0.00		162.02	0.00	
394.70	CONDUCTIVITY METER SENSIONS	02/28/07	5	659.00	659.00	0.00		659.00	0.00				659.00	0.00		659.00	0.00	
394.70	NIFT THERMOMETER	02/01/08	5	575.53	575.53	0.00		575.53	0.00				575.53	0.00		575.53	0.00	
394.70	CHLORINE COLORIMETER	08/01/14	2	423.59	423.59	0.00		423.59	0.00				423.59	0.00		423.59	0.00	
394.70	CHLORINE COLORIMETER	08/14/19	5	469.51	0.00	35.21		35.21	434.30				469.51	93.90		129.11	340.40	
SUB-TOTAL 394.70 LABORATORY PROPERTIES				16,601.94	15,619.42	58.80		15,678.22	923.72		0.00	0.00	16,601.94	117.49	0.00	15,795.71	806.23	
395.70	ELECTRICAL EQUIP	09/53	50	51.02	51.02	0.00		51.02	0.00				51.02	0.00		51.02	0.00	
395.70	ELECTRICAL EQUIP	12/60	50	92.29	92.29	0.00		92.29	0.00				92.29	0.00		92.29	0.00	
395.70	ELECTRICAL EQUIP	09/62	50	107.17	107.17	0.00		107.17	0.00				107.17	0.00		107.17	0.00	
395.70	EJECTOR #3	10/62	50	384.34	384.34	0.00		384.34	0.00				384.34	0.00		384.34	0.00	
395.70	POWER CONDITIONER AT BLOWER BUILDING	05/31/07	5	3,850.00	3,850.00	0.00		3,850.00	0.00				3,850.00	0.00		3,850.00	0.00	
SUB-TOTAL 395.70 ELECTRIC EQUIPMENT				4,484.82	4,484.82	0.00		4,484.82	0.00		0.00	0.00	4,484.82	0.00	0.00	4,484.82	0.00	
ADJUSTMENTS								2,649.89	-2,649.89									
TOTAL PROPERTY TO DEPRECIATE				4,059,499.94	1,362,356.58	126,985.88		1,491,779.55	2,567,720.45		380,700.00	88,200.00	4,528,399.94	131,663.23	-	1,623,442.78	\$2,904,957.16	
353.40	LAND @ PLANT (COST OF SUBDIVISION @ PLANT/GARAGE)			77.50					77.50			77.50						77.50
TOTALS				4,059,577.44	1,365,006.47	126,985.88	-	1,491,779.55	2,567,797.95		88,200.00	4,528,477.44	131,663.23	-	1,623,442.78	\$2,905,034.66		

CIAC GRANT FUNDED ASSETS																
361.21	GRDC IDP GRANT FUNDS	08/31/14	50	-40,500.00	0.00	0.00		0.00	-40,500.00			-40,500.00	-810.00		-5,265.00	-35,235.00
371.30	GRDC IDP GRANT FUNDS	08/31/14	10	-47,700.00	0.00	0.00		0.00	-47,700.00			-47,700.00	-4,770.00		-31,005.00	-16,695.00
380.44	GROWING GREEN GRANT	10/01/07	50	0.00	0.00	0.00		0.00	0.00		-130,000.00	-130,000.00	-2,600.00		-34,292.17	-95,707.83

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REYNOLDS DISPOSAL COMPANY - Section J Depreciation Study Report										PRO FORMA 2020 VALUES							
FOR PROPERTY IN SERVICE AT 12/31/19 AND PRO FORMA 12/3				2019	ADJUSTED	DEPR		ADJUSTED	BOOK VALUE								
				ACQUISITION	ORIGINAL	ACCUM DEPR	EXPENSE	LESS	ACCUM DEPR	OF PROPERTY	ASSET	PRO FORMA	ORIGINAL	DEPR	LESS	ACCUM DEPR	OF PROPERTY
ACCT #	DESCRIPTION	DATE	YEARS	COST	@ 12-31-18	2019	DISP	@ 12-31-19	@ 12-31-19		ADDITIONS	ADJ.	COST	EXPENSE	DISP	@ 12-31-20	@ 12-31-20
380.44	PENNWORKS GRANT	10/01/07	50	0.00	0.00	0.00		0.00	0.00			-400,000.00	-400,000.00	-8,000.00		-105,514.38	-294,485.62
SUB-TOTAL 380.44 GROWING GREEN/PENNWORKS GRANT FUNDING				0.00	0.00	0.00	0.00	0.00	0.00		0.00	-530,000.00	-530,000.00	-10,600.00	0.00	-139,806.55	-390,193.45
TOTAL CIAC/GRANT FUNDING				(88,200.00)	-	-	-	-	(88,200.00)		-	(530,000.00)	(618,200.00)	(16,180.00)	-	(176,076.55)	-\$442,123.45
ASSETS FUNDED THROUGH SURCHARGE RATES																	
354.20	TREATMENT PLANT UPGRADE - PV / PW	10/01/07	50	148,716.82	33,281.08	2,974.34		36,255.42	112,461.40				148,716.82	2,974.34		39,229.75	109,487.07
354.20	ELECTRIC UPGRADE - PV / PW	10/01/07	50	57,327.00	12,828.88	1,146.54		13,975.42	43,351.58				57,327.00	1,146.54		15,121.96	42,205.04
354.20	BLOWER BUILDING - PV / PW	10/01/07	50	98,440.00	22,029.80	1,968.80		23,998.60	74,441.40				98,440.00	1,968.80		25,967.40	72,472.60
371.31	FLOW SPLITTER BOXES - PV / PW	10/01/07	50	36,980.30	8,275.67	739.61		9,015.27	27,965.03				36,980.30	739.61		9,754.88	27,225.42
371.31	PROCESS PIPING - DUCTILE IRON PIPE - PV / PW	10/01/07	50	24,830.35	5,556.68	496.61		6,053.28	18,777.07				24,830.35	496.61		6,549.89	18,280.46
371.31	PROCESS PIPING - STAINLESS STEEL PIPE - PV / PW	10/01/07	50	13,905.08	3,111.76	278.10		3,389.86	10,515.22				13,905.08	278.10		3,667.96	10,237.12
371.31	PROCESS PIPING - VALVES - PV / PW	10/01/07	50	10,925.27	2,444.92	218.51		2,663.42	8,261.85				10,925.27	218.51		2,881.93	8,043.34
380.40	BIO-FILTER - PV / PW	10/01/07	50	122,786.00	27,477.92	2,455.72		29,933.64	92,852.36				122,786.00	2,455.72		32,389.36	90,396.64
380.41	SLUDGE DRYING BEDS (6) - PV / PW	10/01/07	50	431,643.48	96,596.07	8,632.87		105,228.94	326,414.54				431,643.48	8,632.87		113,861.80	317,781.68
380.41	PRIMARY SETTLING TANK - PV / PW	10/01/07	50	116,192.45	26,002.34	2,323.85		28,326.19	87,866.26				116,192.45	2,323.85		30,650.04	85,542.41
380.41	SECONDARY SETTLING TANK - PV / PW	10/01/07	50	279,122.07	62,463.86	5,582.44		68,046.30	211,075.77				279,122.07	5,582.44		73,628.74	205,493.33
380.44	GREASE AERATION TANK - PV / PW	10/01/07	50	91,769.83	20,536.86	1,835.40		22,372.26	69,397.57				91,769.83	1,835.40		24,207.66	67,562.17
380.44	CHLORINE DETENTION TANK - PV / PW	10/01/07	50	101,785.13	22,778.23	2,035.70		24,813.93	76,971.20				101,785.13	2,035.70		26,849.63	74,935.50
380.44	DIGESTER - PV/ PW	10/01/07	50	303,686.95	67,961.13	6,073.74		74,034.87	229,652.08				303,686.95	6,073.74		80,108.61	223,578.34
380.44	CENTRIFUGAL PUMPS (4) - PV / PW	10/01/07	50	105,626.69	23,637.87	2,112.53		25,750.41	79,876.28				105,626.69	2,112.53		27,862.94	77,763.75
380.44	POSITIVE DISPLACEMENT PUMP PIPING - PV / PW	10/01/07	50	39,620.25	8,866.46	792.41		9,658.86	29,961.39				39,620.25	792.41		10,451.27	29,168.99
380.44	AERATORS (2) - PV / PW	10/01/07	50	66,006.45	14,771.42	1,320.13		16,091.55	49,914.90				66,006.45	1,320.13		17,411.68	48,594.77
380.44	CROSS COLLECTORS (4) - PV / PW (a) PV/PW Funded	10/01/07	50	99,335.88	22,230.10	1,986.72		24,216.82	75,119.06				99,335.88	1,986.72		26,203.54	73,132.34
Total PV/PW Funded Project Cost				2,148,700.00	480,851.03	42,974.00		523,825.03	1,624,874.96		0.00	0.00	2,148,700.00	42,974.00		566,799.03	1,581,900.97
Grant Funds																	
380.44	GROWING GREEN GRANT	10/01/07	50	0.00	0.00	0.00		0.00	0.00			-130,000.00	-130,000.00	-2,600.00		-34,292.17	-95,707.83
380.44	PENNWORKS GRANT	10/01/07	50	0.00	0.00	0.00		0.00	0.00			-400,000.00	-400,000.00	-8,000.00		-105,514.38	-294,485.62
380.44	Total GROWING GREEN /PENNWORKS Grant Funding			0.00	0.00	0.00		0.00	0.00		0.00	-530,000.00	-530,000.00	-10,600.00		-139,806.55	-390,193.45
PV Ln#2 \$1,018,700 / PW Ln \$600,000 Asset Totals For Surcharge				2,148,700.00	480,851.03	42,974.00		523,825.03	1,624,874.96		0.00	-530,000.00	1,618,700.00	32,374.00		426,992.47	1,191,707.52
361.21	SEWER LINES - PENNVEST	12/91	50	183,062.36	99,158.78	3,661.25		102,820.03	80,242.33				183,062.36	3,661.25		106,481.27	76,581.09
361.21	MANHOLE COVERS - PENNVEST	12/91	50	8,308.38	4,500.38	166.17		4,666.55	3,641.83				8,308.38	166.17		4,832.72	3,475.66
380.41	CHAINS & FLIGHT- PENNVEST - PRIMARY T330	12/91	50	30,949.54	16,764.33	618.99		17,383.32	13,566.22				30,949.54	618.99		18,002.31	12,947.23
380.41	W PRIMARY - PENNVEST	12/91	50	80,183.51	43,432.73	1,603.67		45,036.40	35,147.11				80,183.51	1,603.67		46,640.07	33,543.44
PennVest Loan #1 - Fully Amortized No Surcharge Requirement				302,503.79	163,856.23	6,050.08		169,906.30	132,597.49				302,503.79	6,050.08		175,956.38	126,547.42
Total Assets Funded Through Surcharge Rates				2,451,203.79	644,707.25	49,024.08		693,731.33	1,757,472.45			-530,000.00	1,921,203.79	38,424.08	0.00	602,948.85	1,318,254.94

**REYNOLDS DISPOSAL COMPANY**

**SECTION K**

**RATE DESIGN  
&  
PROOF OF REVENUE**

**REYNOLDS DISPOSAL COMPANY - PROOF OF REVEUE UNDER PROPOSED RATES , COMPARED TO CURRENT RATES**

Schedule K-1

Pro Forma Twelve Months Ended December 31, 2020

	No.	Billing Units		Mthly Rate Per					Cust. Charge					Total Pro Forma Proposed	Total Pro Forma Current	Proposed Indrease	
		Cust.	Billing Units		0-4,000	2nd	3rd	Total		Block Revenues							
										1st	2nd	3rd	Total				
<b>Operating Revenues</b>																	
<b><u>Metered-Sales</u></b>																	
Residential	539	539	6,498	\$12.05000	16,047,000	2,720,000	15,100	18,782,100	\$78,300.90	\$159,088.35	\$24,049.42	\$80.72	\$183,218.49	\$261,519.39	\$168,917.58	\$92,601.81	55%
Trailer Park	7	176	2,085	\$12.05000	7,339,000	439,000	5,000	7,783,000	25,124.25	72,758.11	3,881.51	26.73	76,666.35	101,790.60	65,448.44	36,342.16	56%
Apartment	27	152	1,824	\$12.05000	4,089,000	80,000	0	4,169,000	21,979.20	40,537.94	707.34	0.00	41,245.28	63,224.48	41,012.29	22,212.19	54%
Commercial	62	62	783	\$12.05000	1,360,700	1,950,500	1,863,300	5,174,500	9,435.15	13,489.84	17,245.74	9,960.08	40,695.66	50,130.81	31,687.50	18,443.31	58%
Industrial	23	23	285	\$12.05000	775,000	830,000	469,000	2,074,000	3,434.25	7,683.27	7,338.61	2,506.99	17,528.87	20,963.12	13,395.93	7,567.19	56%
Public	3	3	36	\$12.05000	102,600	384,000	2,003,000	2,489,600	433.80	1,017.17	3,395.21	10,706.84	15,119.22	15,553.02	9,826.11	5,726.91	58%
Total Metered Sales	661	955	11511		29,713,300	6,403,500	4,355,400	40,472,200	\$138,707.55	\$294,574.68	\$56,617.83	\$23,281.36	\$374,473.87	\$513,181.42	\$330,287.85	\$182,893.57	
<b><u>Unmetered-Sales</u></b>																	
Residential	20	20	243	\$61.2600					\$14,886.18					\$14,886.18	\$9,579.87	\$5,306.31	55%
Commercial	3	3	36	\$63.1400					2,273.04					2,273.04	1,462.80	810.24	55%
Industrial - Equiv. Empl.	1	109	1308	\$20.0800					26,264.64					26,264.64	16,903.72	9,360.92	55%
Total Unmetered Sales	24	132	1587						\$43,423.86					\$43,423.86	\$27,946.39	\$15,477.47	
Operating Revenues	685	1087	13098		29,713,300	6,403,500	4,355,400	40,472,200	\$182,131.41	\$294,574.68	\$56,617.83	\$23,281.36	\$374,473.87	\$556,605.28	\$358,234.24	\$198,371.04	
Per Rate Study														556,660.46	358,234.24		
Over/(Under)														(\$55.18)	\$0.00		
<b><u>Pennvest Surcharge</u></b>																	
<b><u>Metered-Sales</u></b>																	
Residential	539	539	6,498		16,047,000	2,720,000	15,100	18,782,100	\$0.00	\$37,408.77	\$6,340.86	\$35.20	\$43,784.83	\$43,784.83	\$36,625.10	\$7,159.73	20%
Trailer Park	7	176	2,085		7,339,000	439,000	5,000	7,783,000	0.00	17,108.68	1,023.40	11.66	18,143.74	18,143.74	15,176.85	2,966.89	20%
Apartment	27	152	1,824		4,089,000	80,000	0	4,169,000	0.00	9,532.28	186.50	0.00	9,718.78	9,718.78	8,129.55	1,589.23	20%
Commercial	62	62	783		1,360,700	1,950,500	1,863,300	5,174,500	0.00	3,172.06	4,547.01	4,343.72	12,062.79	12,062.79	10,090.29	1,972.50	20%
Industrial	23	23	285		775,000	830,000	469,000	2,074,000	0.00	1,806.68	1,934.90	1,093.33	4,834.91	4,834.91	4,044.31	790.60	20%
Public	3	3	36		102,600	384,000	2,003,000	2,489,600	0.00	239.18	895.18	4,669.39	5,803.75	5,803.75	4,854.72	949.03	20%
Total Metered Sales	661	955	11511		29,713,300	6,403,500	4,355,400	40,472,200	\$0.00	\$69,267.65	\$14,927.85	\$10,153.30	\$94,348.80	\$94,348.80	\$78,920.82	\$15,427.98	20%
<b><u>Unmetered-Sales</u></b>																	
Residential	20	20	243	\$12.4300					\$3,020.49					\$3,020.49	\$2,527.20	\$493.29	20%
Commercial	3	3	36	\$12.4300					447.48					447.48	374.40	73.08	20%
Industrial - Equiv. Emp	1	109	1308	\$5.7200					7,481.76					7,481.76	6,256.60	1,225.16	20%
Total Unmetered Sales	24	132	1587						\$10,949.73					\$10,949.73	\$9,158.20	\$1,791.53	20%
Total Pennvest Surcharge	685	1087	13098		29,713,300	6,403,500	4,355,400	40,472,200	\$10,949.73	\$69,267.65	\$14,927.85	\$10,153.30	\$94,348.80	\$105,298.53	\$88,079.02	\$17,219.51	20%
Per Rate Study														105,299.28	88,079.02		
Over/(Under)														(\$0.75)	\$0.00		
Total Proposed And Current Revenues / Revenue Increase														\$661,903.81	\$446,313.26	\$215,590.55	48%

**REYNOLDS DISPOSAL COMPANY****Proof Of Revenues - Analysis Distribution of Revenue Requirement and Increase by Customer Group**

<b><u>Operating Revenues</u></b>	<b>Combined Base Rates &amp; Surcharge Rates Revenue</b>					
	Current Rates	% To Total	\$ Increase	% Inc.	Proposed Rates	% To Total
<b><u>Metered-Sales</u></b>						
Residential	\$205,542.68	46%	\$99,761.54	49%	\$305,304.22	46%
Trailer Park	80,625.29	18%	39,309.05	49%	119,934.34	18%
Apartment	49,141.84	11%	23,801.42	48%	72,943.26	11%
Commercial	41,777.79	9%	20,415.81	49%	62,193.60	9%
Industrial	17,440.24	4%	8,357.79	48%	25,798.03	4%
Public	14,680.83	3%	6,675.94	45%	21,356.77	3%
Total Metered Sales	\$409,208.67	92%	\$198,321.55	48%	\$607,530.22	92%
<b><u>Unmetered-Sales</u></b>						
Residential	\$12,107.07	3%	\$5,799.60	48%	\$17,906.67	3%
Commercial	1,837.20	0%	883.32	48%	2,720.52	0%
Industrial - Equiv. Empl.	23,160.32	5%	10,586.08	46%	33,746.40	5%
Total Unmetered Sales	\$37,104.59	8%	\$17,269.00	47%	\$54,373.59	8%
Oper. Rev. From Rates	\$446,313.26	100%	\$215,590.55	48%	\$661,903.81	100%
Oper. Rev Per Rate Study	446,313.26		215,646.48		661,959.74	
Over/(Under) Rate Study	\$0.00		(\$55.93)		(\$55.93)	

# **REYNOLDS DISPOSAL COMPANY**

## **SECTION L**

### **BILL ANALYSIS**



**REYNOLDS DISPOSAL COMPANY - PRO FORMA BILL ANALYSIS BASED UPON CURRENT QUARTERLY RATES**

Schedule L-1-1

Twelve Months Ended December 31, 2019 Per Books and Pro Forma 2020

	No. Qtr, Billing Unts			Qtrly Rate	Block Usage				Cust. Charge	Block Rates and Revenues				Pro Forma		Avg. Qtrly Usage
	No.	Total	Total		1st	2nd	3rd	Total					Total	Per		
	Cust.	Units	Annual		Charge	0-10,000	Next 40,000	Over 50,000		Gallons	Revenues	1st	2nd	3rd	Total	
<b>Operating Revenues</b>										<b>\$</b>	<b>6.3800</b>	<b>\$</b>	<b>5.6900</b>	<b>\$</b>	<b>3.4400</b>	
<b>Metered-Sales</b>																
Residential	539	539	2,166	\$23.94	14,945,200	3,784,100	52,800	18,782,100	\$51,854.04	\$95,350.38	\$21,531.53	\$181.63	\$117,063.54	\$168,917.58	\$168,839.63	8,671
Trailer Park	7	176	695	\$23.94	6,598,000	1,172,667	12,333	7,783,000	16,638.30	42,095.24	6,672.47	42.43	48,810.14	65,448.44	65,983.71	11,199
Apartment	27	152	608	\$23.94	3,964,000	205,000	0	4,169,000	14,555.52	25,290.32	1,166.45	0.00	26,456.77	41,012.29	41,012.29	6,857
Commercial	62	62	261	\$23.94	1,219,100	1,802,100	2,153,300	5,174,500	6,248.34	7,777.86	10,253.95	7,407.35	25,439.16	31,687.50	31,313.82	19,826
Industrial	23	23	95	\$23.94	675,100	889,900	509,000	2,074,000	2,274.30	4,307.14	5,063.53	1,750.96	11,121.63	13,395.93	13,026.75	21,832
Public	3	3	12	\$23.94	86,600	320,000	2,083,000	2,489,600	287.28	552.51	1,820.80	7,165.52	9,538.83	9,826.11	9,826.11	207,467
Total Metered Sales	661	955	3837		27,488,000	8,173,767	4,810,433	40,472,200	\$91,857.78	\$175,373.45	\$46,508.73	\$16,547.89	\$238,430.07	\$330,287.85	\$330,002.31	
<b>Unmetered-Sales</b>																
Residential	20	20	81	\$118.27					\$9,579.87					\$9,579.87	\$9,579.87	
Commercial	3	3	12	\$121.90					1,462.80					1,462.80	1,070.96	
Industrial - Equiv. Empl.	1	109	436	\$38.77					16,903.72					16,903.72	16,899.51	
Total Unmetered Sales	24	132	529						\$27,946.39					\$27,946.39	\$27,550.34	
Operating Revenues	685	1087	4366		27,488,000	8,173,767	4,810,433	40,472,200	\$119,804.17	\$175,373.45	\$46,508.73	\$16,547.89	\$238,430.07	\$358,234.24	\$357,552.65	
<b>Pennvest Surcharge</b>																
<b>Metered-Sales</b>																
										<b>\$</b>	<b>1.9500</b>	<b>\$</b>	<b>1.9500</b>	<b>\$</b>	<b>1.9500</b>	
Residential	539	539	2,166		14,945,200	3,784,100	52,800	18,782,100	\$0.00	\$29,143.14	\$7,379.00	\$102.96	\$36,625.10	\$36,625.10		
Trailer Park	7	176	695		6,598,000	1,172,667	12,333	7,783,000	0.00	12,866.10	2,286.70	24.05	15,176.85	15,176.85		
Apartment	27	152	608		3,964,000	205,000	0	4,169,000	0.00	7,729.80	399.75	0.00	8,129.55	8,129.55		
Commercial	62	62	261		1,219,100	1,802,100	2,153,300	5,174,500	0.00	2,377.25	3,514.10	4,198.94	10,090.29	10,090.29		
Industrial	23	23	95		675,100	889,900	509,000	2,074,000	0.00	1,316.45	1,735.31	992.55	4,044.31	4,044.31		
Public	3	3	12		86,600	320,000	2,083,000	2,489,600	0.00	168.87	624.00	4,061.85	4,854.72	4,854.72		
Total Metered Sales	661	955	3837		27,488,000	8,173,767	4,810,433	40,472,200	\$0.00	\$53,601.61	\$15,938.86	\$9,380.35	\$78,920.82	\$78,920.82		
<b>Unmetered-Sales</b>																
Residential	20	20	81	\$31.20					\$2,527.20					\$2,527.20		
Commercial	3	3	12	\$31.20					374.40					374.40		
Industrial - Equiv. Empl.	1	109	436	\$14.35					6,256.60					6,256.60		
Total Unmetered Sales	24	132	529						\$9,158.20					\$9,158.20		
Pennvest Surcharge	685	1087	4366		27,488,000	8,173,767	4,810,433	40,472,200	\$9,158.20	\$53,601.61	\$15,938.86	\$9,380.35	\$78,920.82	\$88,079.02	\$87,811.07	

REYNOLDS DISPOSAL COMPANY - PRO FORMA BILL ANALYSIS BASED UPON QUARTERLY RATES ADJUSTED TO MONTHLY BASIS

Schedule I-1-2

Pro Forma Twelve Months Ended December 31, 2020

	No. Mthly Billing Units			Mthly Rate  Charge	Block Usage				Cust. Charge  Revenues	Block Rates and Revenues				Pro Forma Current Mthly Rates	Pro Forma Current Quarterly Rates	Avg. Mthly Usage
	No.	Total	Total		1st	2nd	3rd	Total		1st	2nd	3rd	Total			
	Cust.	Units	Annual		0-4,000	Next 16,000	Over 20,000	Gallons		\$	\$	\$				
<b>Operating Revenues</b>										<b>\$ 6.3800</b>	<b>\$ 5.6900</b>	<b>\$ 3.4400</b>				
<b>Metered-Sales</b>																
Residential	539	539	6,498	\$7.75780	16,047,000	2,720,000	15,100	18,782,100	\$50,410.18	\$102,379.86	\$15,476.80	\$51.94	\$117,908.60	\$168,318.78	\$168,917.58	2,890
Trailer Park	7	176	2,085	\$7.75780	7,339,000	439,000	5,000	7,783,000	16,175.01	46,822.82	2,497.91	17.20	49,337.93	65,512.94	65,448.44	3,733
Apartment	27	152	1,824	\$7.75780	4,089,000	80,000	0	4,169,000	14,150.23	26,087.82	455.20	0.00	26,543.02	40,693.25	41,012.29	2,286
Commercial	62	62	783	\$7.75780	1,360,700	1,950,500	1,863,300	5,174,500	6,074.36	8,681.27	11,098.35	6,409.75	26,189.37	32,263.73	31,687.50	6,609
Industrial	23	23	285	\$7.75780	775,000	830,000	469,000	2,074,000	2,210.97	4,944.50	4,722.70	1,613.36	11,280.56	13,491.53	13,395.93	7,277
Public	3	3	36	\$7.75780	102,600	384,000	2,003,000	2,489,600	279.28	654.59	2,184.96	6,890.32	9,729.87	10,009.15	9,826.11	69,156
Total Metered Sales	661	955	11511		29,713,300	6,403,500	4,355,400	40,472,200	\$89,300.04	\$189,570.86	\$36,435.92	\$14,982.57	\$240,989.35	\$330,289.39	\$330,287.85	
<b>Unmetered-Sales</b>																
Residential	20	20	243	\$39.4233					\$9,579.86					\$9,579.86	\$9,579.87	
Commercial	3	3	36	\$40.6333					1,462.80					1,462.80	1,462.80	
Industrial - Equiv. Empl.	1	109	1308	\$12.9233					16,903.68					16,903.68	16,903.72	
Total Unmetered Sales	24	132	1587						\$27,946.34					\$27,946.34	\$27,946.39	
Operating Revenues	685	1087	13098		29,713,300	6,403,500	4,355,400	40,472,200	\$117,246.37	\$189,570.86	\$36,435.92	\$14,982.57	\$240,989.35	\$358,235.72	\$358,234.24	
<b>Pennvest Surcharge</b>																
<b>Metered-Sales</b>																
Residential	539	539	6,498		16,047,000	2,720,000	15,100	18,782,100	\$0.00	\$31,291.65	\$5,304.00	\$29.45	\$36,625.10	\$36,625.10		
Trailer Park	7	176	2,085		7,339,000	439,000	5,000	7,783,000	0.00	14,311.05	856.05	9.75	15,176.85	15,176.85		
Apartment	27	152	1,824		4,089,000	80,000	0	4,169,000	0.00	7,973.55	156.00	0.00	8,129.55	8,129.55		
Commercial	62	62	783		1,360,700	1,950,500	1,863,300	5,174,500	0.00	2,653.37	3,803.48	3,633.44	10,090.29	10,090.29		
Industrial	23	23	285		775,000	830,000	469,000	2,074,000	0.00	1,511.25	1,618.50	914.55	4,044.30	4,044.30		
Public	3	3	36		102,600	384,000	2,003,000	2,489,600	0.00	200.07	748.80	3,905.85	4,854.72	4,854.72		
Total Metered Sales	661	955	11511		29,713,300	6,403,500	4,355,400	40,472,200	\$0.00	\$57,940.94	\$12,486.83	\$8,493.04	\$78,920.81	\$78,920.81		
<b>Unmetered-Sales</b>																
Residential	20	20	243	\$10.4000					\$2,527.20					\$2,527.20		
Commercial	3	3	36	\$10.4000					374.40					374.40		
Industrial - Equiv. Empl.	1	109	1308	\$4.7833					6,256.56					6,256.56		
Total Unmetered Sales	24	132	1587						\$9,158.16					\$9,158.16		
Pennvest Surcharge	685	1087	13098		29,713,300	6,403,500	4,355,400	40,472,200	\$9,158.16	\$57,940.94	\$12,486.83	\$8,493.04	\$78,920.81	\$88,078.97	\$88,079.02	

**REYNOLDS DISPOSAL COMPANY**

**SECTION M**

**TYPICAL BILL  
UNDER CURRENT AND PROPOSED RATES**

## REYNOLDS DISPOSAL COMPANY

Typical Bills Under Current and Proposed Rates by Usage Range

## Current Qtrly Rate Charges by Usage Range

Customer Charge

Cust. Chrg. \$ 23.94

Volumetric Usage per 1,000 Gallons:

All	Gallons		
First	10,000	\$	6.3800
Next	40,000	\$	5.6900
Over	50,000	\$	3.4400

## Proposed Mthly Rate Charges by Usage Range

Customer Charge

Cust. Chrg. \$ 12.05

Volumetric Usage per 1,000 Gallons:

	Gallons		
	4,000	\$	9.9139
	16,000	\$	8.8417
	20,000	\$	5.3454

	Usage Range	Cust. Chrg.	Usage Chrg.	Total Charge		Usage Range	Cust. Chrg.	Usage Chrg.	Total Charge
1st Blk	0	\$ 23.94	\$ -	\$ 23.94	1st Blk	0	\$ 12.05	\$ -	\$ 12.05
	1000	23.94	6.38	30.32		1000	12.05	9.91	21.96
	2000	23.94	12.76	36.70		2000	12.05	19.83	31.88
	3000	23.94	19.14	43.08	<b>Apt</b>	<b>2300</b>	<b>12.05</b>	<b>22.80</b>	<b>34.85</b>
	4000	23.94	25.52	49.46	<b>Res</b>	<b>3000</b>	<b>12.05</b>	<b>29.74</b>	<b>41.79</b>
	5000	23.94	31.90	55.84	<b>TP</b>	<b>4000</b>	<b>12.05</b>	<b>39.66</b>	<b>51.71</b>
	6000	23.94	38.28	62.22	1st & 2nd Blk	<b>5000</b>	<b>12.05</b>	<b>48.50</b>	<b>60.55</b>
<b>Apt</b>	<b>7000</b>	<b>23.94</b>	<b>44.66</b>	<b>68.60</b>		6000	12.05	57.34	69.39
	8000	23.94	51.04	74.98	<b>Comm</b>	<b>6700</b>	<b>12.05</b>	<b>63.53</b>	<b>75.58</b>
<b>Res</b>	<b>9000</b>	<b>23.94</b>	<b>57.42</b>	<b>81.36</b>		7000	12.05	66.18	78.23
	10000	23.94	63.80	87.74	<b>Ind</b>	<b>7300</b>	<b>12.05</b>	<b>68.83</b>	<b>80.88</b>
1st & 2nd Blk	<b>11000</b>	<b>23.94</b>	<b>69.49</b>	<b>93.43</b>		8000	12.05	75.02	87.07
<b>TP</b>	<b>12000</b>	<b>23.94</b>	<b>75.18</b>	<b>99.12</b>		9000	12.05	83.86	95.91
	13000	23.94	80.87	104.81		10000	12.05	92.71	104.76
	14000	23.94	86.56	110.50		11000	12.05	101.55	113.60
	15000	23.94	92.25	116.19		12000	12.05	110.39	122.44
	16000	23.94	97.94	121.88		13000	12.05	119.23	131.28
	17000	23.94	103.63	127.57		14000	12.05	128.07	140.12
	18000	23.94	109.32	133.26		15000	12.05	136.91	148.96
	19000	23.94	115.01	138.95		16000	12.05	145.76	157.81
<b>Comm</b>	<b>20000</b>	<b>23.94</b>	<b>120.70</b>	<b>144.64</b>		17000	12.05	154.60	166.65
<b>Ind</b>	<b>22000</b>	<b>23.94</b>	<b>132.08</b>	<b>156.02</b>		18000	12.05	163.44	175.49
	25000	23.94	149.15	173.09		19000	12.05	172.28	184.33
	30000	23.94	177.60	201.54		20000	12.05	181.12	193.17
	35000	23.94	206.05	229.99	1,2, 3 Bks	<b>21000</b>	<b>12.05</b>	<b>186.47</b>	<b>198.52</b>
	40000	23.94	234.50	258.44		22000	12.05	191.81	203.86
	45000	23.94	262.95	286.89		23000	12.05	197.16	209.21
	50000	23.94	291.40	315.34		24000	12.05	202.50	214.55
1,2, 3 Bks	<b>55000</b>	<b>23.94</b>	<b>308.60</b>	<b>332.54</b>		25000	12.05	207.85	219.90
	60000	23.94	325.80	349.74		26000	12.05	213.20	225.25
	65000	23.94	343.00	366.94		27000	12.05	218.54	230.59
	70000	23.94	360.20	384.14		30000	12.05	234.58	246.63
	75000	23.94	377.40	401.34		35000	12.05	261.30	273.35
	80000	23.94	394.60	418.54		40000	12.05	288.03	300.08
	85000	23.94	411.80	435.74		45000	12.05	314.76	326.81
	90000	23.94	429.00	452.94		50000	12.05	341.48	353.53
	95000	23.94	446.20	470.14		55000	12.05	368.21	380.26
	100000	23.94	463.40	487.34		60000	12.05	394.94	406.99
	125000	23.94	549.40	573.34		65000	12.05	421.67	433.72
	150000	23.94	635.40	659.34	<b>Pub</b>	<b>69000</b>	<b>12.05</b>	<b>443.05</b>	<b>455.10</b>
	175000	23.94	721.40	745.34		70000	12.05	448.39	460.44
	200000	23.94	807.40	831.34		75000	12.05	475.12	487.17
<b>Pub</b>	<b>207500</b>	<b>23.94</b>	<b>833.20</b>	<b>857.14</b>		80000	12.05	501.85	513.90
	225000	23.94	893.40	917.34		85000	12.05	528.57	540.62
	250000	23.94	979.40	1,003.34		90000	12.05	555.30	567.35
	275000	23.94	1,065.40	1,089.34		95000	12.05	582.03	594.08
	300000	23.94	1,151.40	1,175.34		100000	12.05	608.75	620.80

**REYNOLDS DISPOSAL COMPANY**

## Typical Bills Under Current and Proposed Rates by Usage Range

Cust. Group	Typical Qtrly Bill Current Rates				Typical Mthly Bill - Prop. Rates				Mthly to Qtr \$/% Inc.		
	Qtrly Avg	Cust. Chrg	Usage Chrg	Total Bill	Mthly Avg	Cust. Chrg	Usage Chrg	Total Bill	Qtrly Total	\$ Inc.	% Inc.
Residential	9000	23.94	57.42	81.36	3000	12.05	29.74	41.79	125.38	44.02	54.10%
Trailer Park	12000	23.94	75.18	99.12	4000	12.05	39.66	51.71	155.12	56.00	56.49%
Apartment	7000	23.94	44.66	68.60	2333	12.05	23.13	35.18	105.54	36.94	53.84%
Commercial	20000	23.94	120.70	144.64	6667	12.05	63.24	75.29	225.86	81.22	56.15%
Industrial	22000	23.94	132.08	156.02	7333	12.05	69.12	81.17	243.52	87.50	56.09%
Public	207500	23.94	833.20	857.14	69167	12.05	443.94	455.99	1,367.97	510.83	59.60%

Pennvest Charge Rate - All Usage per 1,000 gallons \$ 1.9500

Pennvest Charge Rate - All Usage \$ 2.3312

Cust. Group	Typical Qtrly Bill Current Rates				Typical Mthly Bill - Prop. Rates				Mthly to Qtr \$/% Inc.		
	Qtrly Avg	Cust. Chrg	Usage Chrg	Total Bill	Mthly Avg	Cust. Chrg	Usage Chrg	Total Bill	Qtrly Total	\$ Inc.	% Inc.
Residential	9000		17.55	17.55	3000		6.99	6.99	20.97	3.42	19.49%
Trailer Park	12000		23.40	23.40	4000		9.32	9.32	27.96	4.56	19.49%
Apartment	7000		13.65	13.65	2333		5.44	5.44	16.32	2.67	19.56%
Commercial	20000		39.00	39.00	6667		15.54	15.54	46.62	7.62	19.54%
Industrial	22000		42.90	42.90	7333		17.09	17.09	51.27	8.37	19.51%
Public	207500		404.63	404.63	69167		161.24	161.24	483.72	79.09	19.55%

**COMBINED TOTAL CHARGES**

Cust. Group	Typical Qtrly Bill Current Rates				Typical Mthly Bill - Prop. Rates				Mthly to Qtr \$/% Inc.		
	Qtrly Avg	Cust. Chrg	Usage Chrg	Total Bill	Mthly Avg	Cust. Chrg	Usage Chrg	Total Bill	Qtrly Total	\$ Inc.	% Inc.
Residential	9000	23.94	74.97	98.91	3000	12.05	36.73	48.78	146.35	47.44	47.96%
Trailer Park	12000	23.94	98.58	122.52	4000	12.05	48.98	61.03	183.08	60.56	49.43%
Apartment	7000	23.94	58.31	82.25	2333	12.05	28.57	40.62	121.86	39.61	48.15%
Commercial	20000	23.94	159.70	183.64	6667	12.05	78.78	90.83	272.48	88.84	48.38%
Industrial	22000	23.94	174.98	198.92	7333	12.05	86.21	98.26	294.79	95.87	48.20%
Public	207500	23.94	1,237.83	1,261.77	69167	12.05	605.18	617.23	1,851.69	589.92	46.75%

	Flat Qtrly Charge per Unit - Current Rates				Flat Mthly Charge per Unit - Proposed Rates				Mthly to Qtr \$/% Inc.		
	Base Rate	Pennvest Rate	Total Rate		Base Rate	Pennvest Rate	Total Rate		Qtrly Total	\$ Inc.	% Inc.
<u>Unmetered-Sales</u>											
Residential	\$ 118.27	\$ 31.20	\$ 149.47		\$ 61.26	\$ 12.43	\$ 73.69		221.07	71.60	47.90%
Commercial	\$ 121.90	\$ 31.20	\$ 153.10		\$ 63.14	\$ 12.43	\$ 75.57		226.71	73.61	48.08%
Industrial - Equiv. Empl.	\$ 38.77	\$ 14.35	\$ 53.12		\$ 20.08	\$ 5.72	\$ 25.80		77.40	24.28	45.71%

**VERIFICATION**

I, Dennis M. Kalbarczyk of Utility Rate Resources, Inc. hereby state, as Rate Consultant for Reynolds Disposal Company, that the facts set forth in the Rate Study filed with the Public Utility Commission on June 30, 2020, and docketed at PaPUC Docket No. R-2020-3019612 are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: June 30, 2020

  
Dennis M. Kalbarczyk

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this 30<sup>th</sup> day of June, 2020, served a true and correct copy of the foregoing letter, Supplement No. 5 to Tariff Sewage Pa. P.U.C. No. 4 and accompanying supporting information upon the persons and in the manner set forth below:

### **VIA ELECTRONIC MAIL**

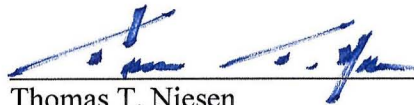
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