

January 22, 2021

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

In re: Docket No. R-2020-3019612, *et al.*  
Pennsylvania Public Utility Commission, *et al.* v. Reynolds Disposal Company

Dear Secretary Chiavetta:

We are counsel for Reynolds Disposal Company in the above matter and are submitted via electronic filing, with this letter, the Joint Petition of the Company, the Bureau of Investigation and Enforcement of the Public Utility Commission, the Office of Consumer Advocate and the Office of Small Business Advocate for Settlement of Rate Investigation. Copies of the Joint Petition for Settlement of Rate Investigation are being served upon the persons and in the manner set forth on the certificate of service attached to it. Please contact me with any questions 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.)

Pennsylvania Public Utility Commission	:	R-2020-3019612
Stephanie Myers	:	C-2020-3020950
Ryan Foust	:	C-2020-3020951
Margaret Foust	:	C-2020-3020952
Vickie Mabry	:	C-2020-3020953
Bess Mowery	:	C-2020-3020954
Michele Walter	:	C-2020-3020955
Stephanie Probst	:	C-2020-3020956
Dillon Sarcinella	:	C-2020-3020957
James Vessella	:	C-2020-3020958
Office of Consumer Advocate	:	C-2020-3021049
Steve Bertolasio	:	C-2020-3021165
Amanda Hughes	:	C-2020-3021166
William and Janine Taylor	:	C-2020-3021372
Roderick Daugherty	:	C-2020-3021373
Theresa Taranto	:	C-2020-3021374
Sean DeCiancio	:	C-2020-3021375
Carol Laverty	:	C-2020-3021377
Natalie McCloskey	:	C-2020-3021400
Wilma Brandt	:	C-2020-3021404
Beth Erdman	:	C-2020-3021405
Julie Griswold	:	C-2020-3021515
Karen Nestor	:	C-2020-3021636
Donna Vigus	:	C-2020-3021779
Kevin Pierce	:	C-2020-3021804
Sue Mathieson	:	C-2020-3021805
Sean and Michele Belback	:	C-2020-3021807
Daniel A. Frazier	:	C-2020-3021927
Joe Buhovecky	:	C-2020-3022059
	:	
v.	:	
	:	
Reynolds Disposal Company	:	

## JOINT PETITION FOR SETTLEMENT OF RATE INVESTIGATION

**TO ADMINISTRATIVE LAW JUDGE EMILY I. DEVOE:**

This Joint Petition for Settlement is made and entered into by, between and among the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”) and Reynolds Disposal Company (“RDC”), parties to the above captioned rate proceeding (hereinafter collectively referred to as "Joint Petitioners"), and is hereby submitted for consideration and recommended approval by the Administrative Law Judge for the purpose of settling the proceeding under the terms and conditions set forth below.

**Background**

1. RDC is a Pennsylvania public utility that provides wastewater service to the public in Pymatuning, Delaware and Hempfield Townships, Mercer County, Pennsylvania.
2. On June 30, 2020, RDC filed Supplement No. 5 to Tariff Sewage-Pa. P.U.C. No. 4 (“Supplement No. 5”) to be effective September 1, 2020. If approved, Supplement No. 5 would increase RDC’s annual wastewater revenue by \$215,646 based on a future test year ending December 31, 2020.
3. The rate filing was assigned Docket No. R-2020-3019612. The Office of Consumer Advocate filed a formal Complaint on July 27, 2020. The Office of Small Business Advocate (“OSBA”) filed a notice of intervention on August 4, 2020. I&E filed a notice of appearance on August 14, 2020.
4. By Order entered August 27, 2020, the Commission suspended Supplement No. 5 and instituted an investigation into the reasonableness of the proposed rates. RDC filed Supplement No. 6 to suspend the application of the proposed wastewater rates until April 1, 2021.

5. Formal Customer Complaints against Supplement No. 5 were filed by Stephanie Myers at Docket No. C-2020-3020954; by Vickie Mabry at Docket No. C-2020-3020953; by Ryan Foust at Docket No. C-2020-3020951; by Margaret Foust at Docket No. C-2020-3020952; by Vicki Mabry at C-2020-3020953; by Bess Mowery at Docket No. C-2020-3020954; by Michele Walter at Docket No. C-2020-3020955; by Stephanie Probst at Docket No. C-2020-3020956; by Dillon Sarcinella at Docket No. C-2020-3020957; by James Vessella at Docket No. C-2020-3020958; by Steve Bertolasio at Docket No. C-2020-3021165; by Amanda Hughes at Docket No. C-2020-3021166; by William and Janine Taylor at Docket No. C-2020-3021372; by Roderick Daugherty at Docket No. C-2020-3021373; by Theresa Taranto at Docket No. C-2020-3021374; by Sean DeCiancio at C-2020-3021375; by Carol Lavery at Docket No. C-3020-3021377; by Natalie McCloskey at Docket No. C-2020-3021400; by Wilma Brandt at Docket No. C-2020-3021404; by Beth Erdman at Docket No. C-2020-3021405; by Julie Griswold at Docket No. C-2020-3021515; by Karen Nestor at Docket No. C-2020-3021636; by Donna Vigus at Docket No. C-2020-3021779; by Kevin Pierce at Docket No. C-2020-3021804; by Sue Mathieson at Docket No. C-2020-3021805; by Sean and Michele Belback at Docket No. C-2020-3021807; by Daniel Frazier at Docket No. C-3020-3021927; and by Joe Buhovecky at Docket No. C-2020-3022059.

6. RDC consented to use the mediation process to try to resolve the rate investigation. As required by 52 Pa. Code § 69.392, RDC filed Supplement No. 7 on September 17, 2020, voluntarily extending the effective date of Supplement No. 5 to June 1, 2021.

7. The case was assigned to Administrative Law Judge Emily I. DeVoe. Matthew Homsher was assigned as Mediator.

8. A Prehearing Conference was held on September 11, 2020. Counsel for I&E, OCA, OSBA and RDC attended the prehearing conference. Customer complainants Margaret Foust and Ryan Foust also attended the conference.

9. Mediation sessions were held on October 2, 14 and 30, 2020. RDC, OCA, I&E and OSBA participated in the mediation sessions. Customer complainants James Vessella, Margaret Foust and Ryan Foust participated in the mediation session on October 2. Customer Complainants Vessella and Margaret Foust participated in the mediation session on October 14. Customer complainants Vessella, Margaret Foust and Ryan Foust participated in the mediation session on October 30.

10. Public input hearings were held in the afternoon and evening on October 23, 2020, at which six customers testified.

#### **Terms and Conditions of Settlement**

11. Joint Petitioners agree that this rate proceeding can be settled without the need for further formal litigation. The terms and conditions comprising this Joint Petition, to which Joint Petitioners agree, are as follows:

(a) Revenue Increase and Phase In

Joint Petitioners respectfully request that the Commission act as soon as possible to approve this Joint Petition and grant RDC special permission to file a tariff supplement in the form attached hereto as Appendix A, to become effective for service on one day's notice, following the entry of a Commission Order approving this Settlement. The settlement provides for a \$135,000 increase in annual revenue, or 30.24%, over three phases, in lieu of the proposed \$215,646 increase or 48.32% contained in Supplement No. 5. The Phase I rates, a 19.55% increase solely to the

Pennvest Loan Repayment rates will produce an annual increase of \$17,220. On a total Company revenue basis, this approximates an overall increase in rates of 3.85%. This rate change will become effective upon approval of this Joint Petition. The Phase II rates, a 21.71% increase to general rates, which will produce an additional increase of \$77,780, will become effective on July 1, 2021. On a total Company revenue basis, the Phase II increase approximates an overall 17.43% increase. The Phase III rates, a 9.15% increase to general rates, which will produce an additional increase of \$40,000 will become effective on January 1, 2022. On a total Company revenue basis, the Phase III increase approximates an overall 8.96% increase.

A proof of revenue for the Phase I, Phase II and Phase III rate increases is attached hereto as Appendix B.

(b) Renewal of NPDES Permit:

Joint Petitioners agree RDC will notify I&E, OCA and OSBA upon receipt of its NPDES renewal Permit.

(c) Stay Out

RDC will not file a general rate increase, as that term is defined in Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d), before August 1, 2022; provided, however, that this provision shall not prevent RDC from filing a tariff or tariff supplement proposing a general increase in base rates in compliance with Commission orders or in response to fundamental changes in regulatory policies or federal or state tax policies affecting RDC's rates.

## Other Provisions

12. Under the presently suspended Supplement No. 5, the *quarterly* cost of wastewater service to a typical residential customer using 9,000 gallons per quarter would have increased by approximately \$47.44, or 48%, from \$98.91 to \$146.35 – the *monthly* cost of wastewater service to a typical residential customer using 3,000 gallon per month would have increased by approximately \$15.81, or 48%, from \$32.97 to \$48.78. Under the Joint Petition, the monthly cost of wastewater service to such residential customer would increase by approximately \$9.76, or 30%, from \$32.97 to \$42.73 over the three phases. Under Phase I, the monthly cost of wastewater service to such residential customer would increase by approximately \$1.14, or 3.5%, from \$32.97 to \$33.89. Under Phase II, the monthly cost of wastewater service to such residential customer would increase by an additional \$5.84, or 17.2%, from \$33.89 to \$39.73. Under Phase III, the monthly cost of wastewater service to such residential customer would increase by an additional \$3.00, or 7.55%, from \$39.73 to \$42.73.

13. Although Joint Petitioners are not in agreement with respect to each claim in the ratemaking process and would not be able to agree upon the specific rate adjustments that may support their respective conclusions, their agreement as to the amount of increase in RDC's annual wastewater revenue, coupled with the other provisions hereto, provides an appropriate basis for resolution of the instant rate litigation.

14. The Joint Petition is in the public interest because it (a) minimizes cost-prohibitive litigation and administrative burden; (b) recognizes ratepayers' concerns; and (c) provides RDC with additional and necessary cash flow. The statements of RDC, I&E, OCA and OSBA supporting the Joint Petition are attached as Appendices C, D, E and F.

15. This Joint Petition is proposed to settle the instant matter and is made without any admission against or prejudice to any positions that any Joint Petitioner might adopt during subsequent litigation in any case, including further litigation in this case if this Joint Petition is rejected by the Commission or withdrawn by any one of the Joint Petitioners as provided below. This Joint Petition is conditioned upon the Commission's approval of all terms and conditions contained herein. Joint Petitioners agree that the Joint Petition does not expressly or implicitly represent approval of any specific claim or claims made in this proceeding and agree not to contend otherwise in any subsequent proceeding. If the Commission should fail to grant such approval or should modify the terms and conditions herein, this Joint Petition may be withdrawn by any Joint Petitioner upon written notice to the Commission and all parties within three business days. In such event, the Joint Petition shall be of no force and effect. In the event that the Commission does not approve the Joint Petition or any Joint Petitioner elects to withdraw as provided above and the proceeding continues to hearing, the Joint Petitioners reserve their respective right to produce, distribute and offer into the record direct testimony as well as rebuttal and surrebuttal testimony and to conduct full cross-examination of other parties' witnesses at hearing, briefing and argument.

16. If the Administrative Law Judge in her Recommended Decision recommends that the Commission adopt the Joint Petition without modification as herein proposed, the Joint Petitioners agree to waive the filing of Exceptions. However, the Joint Petitioners do not waive their right to file Exceptions with respect to any modifications to the terms and conditions of this Joint Petition, or to any additional matters, proposed by Administrative Law Judge DeVoe in her Recommended Decision. The Joint Petitioners reserve their rights to file Reply Exceptions to any Exceptions which may be filed.



17. The Joint Petitioners recognize that this Joint Petition does not bind the pro se formal Complainants. RDC is serving a copy of this Joint Petition on the Complainants who then may file written objections by February 3, 2021. Written replies to objections may be filed by February 10, 2021. Nothing herein is intended to limit in any way any position which any Joint Petitioner may have or take concerning any objection to the settlement that may be filed by the formal Complainants.

18. In recognition of the foregoing, the Joint Petitioners respectfully request that:

- (a) RDC be granted special permission to file a tariff supplement in the form attached hereto as Appendix A to become effective for service on one day's notice, following entry of a Commission Order; and
- (b) The Commission's investigation at R-2020-3019612 be terminated and marked closed;
- (c) The Complaint of the Office of Consumer Advocate at C-2020-3021049 be dismissed consistent with this Joint Petition for Settlement and marked closed.

IN WITNESS WHEREOF, the Joint Petitioners hereto have duly executed this Joint Petition for Settlement as of the date indicated herein.

**REYNOLDS DISPOSAL COMPANY**

By:   
Thomas T. Niesen, Esquire

**BUREAU OF INVESTIGATION AND ENFORCEMENT**

By: \_\_\_\_\_  
Carrie B. Wright, Prosecutor

**OFFICE OF CONSUMER ADVOCATE**

By: \_\_\_\_\_  
Christine Maloni Hoover  
Senior Assistant Consumer Advocate

**OFFICE OF SMALL BUSINESS ADVOCATE**

By: \_\_\_\_\_  
Sharon E. Webb  
Assistant Small Business Advocate

Dated: January 22, 2021

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18. In recognition of the foregoing, the Joint Petitioners respectfully request that:

- (a) RDC be granted special permission to file a tariff supplement in the form attached hereto as Appendix A to become effective for service on one day's notice, following entry of a Commission Order; and
- (b) The Commission's investigation at R-2020-3019612 be terminated and marked closed;
- (c) The Complaint of the Office of Consumer Advocate at C-2020-3021049 be dismissed consistent with this Joint Petition for Settlement and marked closed.

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Thomas T. Niesen, Esquire

**BUREAU OF INVESTIGATION AND ENFORCEMENT**

By: Carrie B. Wright  
Carrie B. Wright, Prosecutor

**OFFICE OF CONSUMER ADVOCATE**

By: \_\_\_\_\_  
Christine Maloni Hoover  
Senior Assistant Consumer Advocate

**OFFICE OF SMALL BUSINESS ADVOCATE**

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18. In recognition of the foregoing, the Joint Petitioners respectfully request that:

- (a) RDC be granted special permission to file a tariff supplement in the form attached hereto as Appendix A to become effective for service on one day's notice, following entry of a Commission Order; and
- (b) The Commission's investigation at R-2020-3019612 be terminated and marked closed;
- (c) The Complaint of the Office of Consumer Advocate at C-2020-3021049 be dismissed consistent with this Joint Petition for Settlement and marked closed.

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**REYNOLDS DISPOSAL COMPANY**

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Thomas T. Niesen, Esquire

**BUREAU OF INVESTIGATION AND ENFORCEMENT**

By: \_\_\_\_\_  
Carrie B. Wright, Prosecutor

**OFFICE OF CONSUMER ADVOCATE**

By: Christine Maloni Hoover  
Christine Maloni Hoover  
Senior Assistant Consumer Advocate

**OFFICE OF SMALL BUSINESS ADVOCATE**

By: \_\_\_\_\_  
Sharon E. Webb  
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Dated: January 22, 2021

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18. In recognition of the foregoing, the Joint Petitioners respectfully request that:

- (a) RDC be granted special permission to file a tariff supplement in the form attached hereto as Appendix A to become effective for service on one day's notice, following entry of a Commission Order; and
- (b) The Commission's investigation at R-2020-3019612 be terminated and marked closed;
- (c) The Complaint of the Office of Consumer Advocate at C-2020-3021049 be dismissed consistent with this Joint Petition for Settlement and marked closed.

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**REYNOLDS DISPOSAL COMPANY**

By: \_\_\_\_\_  
Thomas T. Niesen, Esquire

**BUREAU OF INVESTIGATION AND ENFORCEMENT**

By: \_\_\_\_\_  
Carrie B. Wright, Prosecutor

**OFFICE OF CONSUMER ADVOCATE**

By: \_\_\_\_\_  
Christine Maloni Hoover  
Senior Assistant Consumer Advocate

**OFFICE OF SMALL BUSINESS ADVOCATE**

By: /s/ Sharon E. Webb  
Sharon E. Webb  
Assistant Small Business Advocate

Dated: January 22, 2021

**APPENDIX A**  
**Settlement Supplement**

REYNOLDS DISPOSAL COMPANY

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GREENVILLE, MERCER COUNTY, PENNSYLVANIA,

RATES, RULES, AND REGULATIONS

IN

PYMATUNING, DELAWARE, AND HEMPFIELD TOWNSHIPS,

MERCER COUNTY, PENNSYLVANIA

---

ISSUED:

EFFECTIVE:

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)

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LIST OF CHANGES MADE BY THIS SUPPLEMENT

This Tariff Supplement No. 8 to Tariff Sewage Pa P.U.C. No. 4 pursuant to Commission Rules and Regulations associated with a general rate increase application at Docket No. R-2020-3019612 increases rates for all sewage service in all rate classes to produce a net annual revenue increase of \$135,000 on a total Company basis, or by approximately 30.24%. As detailed below, Phase-I increase of 3.85%, Phase-II increase of 17.43%, and Phase-III increase of 8.96%, respectively.

The rate increase will be implemented in three Phases:

Phase-I: Annual revenue increase of \$17,220 which will increase the PENNVEST LOAN REPAYMENT rates for sewage service to all rate classes by approximately 19.55% - the impact on a total Company revenue basis is approximately 3.85%. Phase-I: will also incorporate the change in rates from quarterly to monthly, i.e., the change in general rates is revenue neutral.

Rates to become effective on one days' notice after Commission Order approving settlement.

Phase-II: Annual revenue increase of \$77,780 which will increase general rates for sewage service to all rate classes by approximately 21.71% - the impact on a total Company revenue basis is approximately 17.43%. Phase-II rates will become effective on July 1, 2021.

Phase-III: Annual revenue increase of \$40,000 which will increase general rates approximately 9.15% over Phase-II rates – the impact on a total Company revenue basis is 8.96%. Phase-III rate will become effective on January 1, 2022.

This Supplement also addresses the change in the Company's billing method as it changes from quarterly to monthly billings.

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

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(C) Indicates Change

(I) Indicates Increase

Issued:

Effective:



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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 as follows:(C)

All consumption charge based upon the following **monthly** volumetric rates: (C)

Effective: \_\_\_\_\_, 2021

Monthly Customer Charge	\$7.76	(D)
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Volumetric Rates Per 1,000 Gallons:

For the first 4,000 gallons per month	\$6.3800	(C)	(I)
For the next 16,000 gallons per month	\$5.6900	(C)	(I)
All over 20,000 gallons per month	\$3.4400	(C)	(I)

Effective: July 1, 2021

Monthly Customer Charge	\$9.44	(I)
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Volumetric Rates Per 1,000 Gallons:

For the first 4,000 gallons per month	\$7.7656	(I)
For the next 16,000 gallons per month	\$6.9257	(I)
All over 20,000 gallons per month	\$4.1871	(I)

Effective: January 1, 2022

Monthly Customer Charge	\$10.30	(I)
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Volumetric Rates Per 1,000 Gallons:

For the first 4,000 gallons per month	\$8.4774	(I)
For the next 16,000 gallons per month	\$7.5605	(I)
All over 20,000 gallons per month	\$4.5709	(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
- (D) Indicates Decrease

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>	<u>(C)</u>
Per individual employee including employer and employees	\$12.92 (effective ____, 2021)	(C)
	\$15.73 (effective July 1 2021)	(I)
	\$17.17 (effective Jan. 1, 2022)	(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

Issued:

Effective:

SCHEDULE OF FLAT RATES  
(CONTINUED)

Domestic and Commercial Service

Domestic Service

The following **monthly** flat rate for domestic service shall apply to single family dwellings having their own (C) 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	\$39.42 (effective ____, 2021)	(C)
Each Domestic Unit	\$47.98 (effective July 1, 2021)	(I)
Each Domestic Unit	\$52.38 (effective January 1, 2022)	(I)

Commercial Service

The **monthly** flat rate for Commercial Service customers having their own source of unmetered water shall (C) 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	\$40.63 (effective ____, 2021)	(C)
Each Commercial Unit	\$49.46 (effective July 1, 2021)	(I)
Each Commercial Unit	\$53.99 (effective January 1, 2022)	(I)

(C) Indicates Change  
(I) Indicates Increase

Issued:

Effective:

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

Issued:

Effective:

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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

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Issued:

Effective:

## 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

## **APPENDIX B**

### **Proof of Revenue**



**REYNOLDS DISPOSAL COMPANY**Current, Proposed, and Settlement Tariff Rates

Current Rates				<u>Across-The-Board Rate Increase</u> Proposed Rates		<u>Across-The-Board Rate Increase</u> Settlement Step 1 Phase-In Rates		<u>Across-The-Board Rate Increase</u> Settlement Step 2 Phase-In Rates		<u>Across-The-Board Rate Increase</u> Settlement Step 3 Phase-In Rates	
Quarterly				Monthly		Monthly		Monthly		Monthly	
<u>Base Rates</u>		<u>PV Surcharge</u>		<u>Base Rates</u>		<u>PV Surcharge</u>		<u>Base Rates*</u>		<u>PV Surcharge</u>	
<u>Base Rates</u>		<u>PV Surcharge</u>		<u>Base Rates</u>		<u>PV Surcharge</u>		<u>Base Rates</u>		<u>PV Surcharge</u>	
<u>Metered Rates</u>											
Domestic, Commercial, Industrial and Public Service											
<u>Customer Charge</u>											
Per Each Unit Served	\$	23.94		\$	12.05		\$	7.76		\$	9.44
											\$ 10.30
<u>Volumetric Usage per 1,000 Gallons:</u>											
<u>All Customer Usage PennVest</u>				<u>All Customer Usage PennVest</u>		<u>All Customer Usage PennVest</u>		<u>All Customer Usage PennVest</u>		<u>All Customer Usage PennVest</u>	
All	Gallons	\$	1.9500	Gallons	\$	2.3312	Gallons	\$	2.3312	Gallons	\$ 2.3312
<u>All Customer Class Usage</u>				<u>All Customer Class Usage</u>		<u>All Customer Class Usage</u>		<u>All Customer Class Usage</u>		<u>All Customer Class Usage</u>	
First	10,000	\$	6.3800	4,000	\$	9.9139	4,000	\$	6.3800	4,000	\$ 8.4774
Next	40,000	\$	5.6900	16,000	\$	8.8417	16,000	\$	5.6900	16,000	\$ 7.5605
Over	50,000	\$	3.4400	20,000	\$	5.3454	20,000	\$	3.4400	20,000	\$ 4.5709
<u>Flat Rate Charges</u>											
Per Each Unit Served											
Domestic	\$	118.27	\$ 31.20	\$	61.26	\$ 12.43	\$	39.42	\$ 12.43	\$	52.38 \$ 12.43
Commercial	\$	121.90	\$ 31.20	\$	63.14	\$ 12.43	\$	40.63	\$ 12.43	\$	53.99 \$ 12.43
Per Equiv. Empl.											
Industrial	\$	38.77	\$ 14.35	\$	20.08	\$ 5.72	\$	12.92	\$ 5.72	\$	17.17 \$ 5.72

REYNOLDS DISPOSAL COMPANY - PRO FORMA BILL ANALYSIS BASED UPON MONTHLY RATES  
PROOF OF REVENUE STEP-1 Across-The-Board Rate Design - Increase to Pennvest Surcharge Rates Only

Schedule 2

	No. Mthly Billing Units			Mthly Rate  Charge	Block Usage				Cust. Charge  Revenues	Block Revenue				Total Pro Forma Step-1 Mthly Rates	Sch. L-1-2 Pro Forma Current Mthly Rates		\$  Increase	%  Increase	
	No.	Total	Total		1st	2nd	3rd	Total		1st	2nd	3rd	Total		Pro Forma Step-1 Mthly Rates	Pro Forma Current Mthly Rates			
	Cust.	Units	Annual		0-4,000	Next 16,000	Over 20,000	Gallons		0-4,000	Next 16,000	Over 20,000	Usage						
										\$	\$	\$							
Residential	539	539	6,498	\$ 7.76	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	\$ 168,318.78	\$ -			
Trailer Park	7	176	2,085	\$ 7.76	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	65,512.94	-			
Apartment	27	152	1,824	\$ 7.76	4,089,000	80,000	0	4,169,000	14,150.23	26,087.82	455.20	-	26,543.02	40,693.25	40,693.25	-			
Total Metered Sales	573	867	10,407		27,475,000	3,239,000	20,100	30,734,100	\$ 80,735.42	\$ 175,290.50	\$ 18,429.91	\$ 69.14	\$ 193,789.55	\$ 274,524.97	\$ 274,524.97	\$ -			
Commercial	62	62	783	\$ 7.76	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	\$ 32,263.73	\$ -			
Industrial	23	23	285	\$ 7.76	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	13,491.53	-			
Public	3	3	36	\$ 7.76	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	10,009.15	-			
Total Metered Sales	88	88	1,104		2,238,300	3,164,500	4,335,300	9,738,100	\$ 8,564.61	\$ 14,280.36	\$ 18,006.01	\$ 14,913.43	\$ 47,199.80	\$ 55,764.41	\$ 55,764.41	\$ -			
Totals	661	955	11,511		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	\$ 330,289.39	\$ -			
Unmetered-Sales																			
Residential	20	20	243	\$ 39.42					\$ 9,579.06					\$ 9,579.06	\$ 9,579.06	\$ -			
Commercial	3	3	36	\$ 40.63					1,462.68					1,462.68	1,462.68	-			
Industrial - Equiv. Empl.	1	109	1,308	\$ 12.92					16,899.36					16,899.36	16,899.36	-			
Total Unmetered Sales	24	132	1,587						\$ 27,941.10					\$ 27,941.10	\$ 27,941.10	\$ -			
Total Operating Revenues	685	1,087	13,098						\$ 117,241.14	\$ 189,570.86	\$ 36,435.92	\$ 14,982.57	\$ 240,989.35	\$ 358,230.49	\$ 358,230.49	\$ -			
														Step 1 - Settlement Increase Over/(Under)		N/A			
<u>Pennvest Surcharge</u>																			
									\$	2.3312	\$	2.3312	\$	2.3312					
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	19.55%		
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	19.55%		
Apartment	27	152	1,824		4,089,000	80,000	-	4,169,000	0.00	9,532.28	186.50	-	9,718.78	9,718.78	8,129.55	1,589.23	19.55%		
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	19.55%		
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	4,044.30	790.61	19.55%		
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	19.55%		
Total Metered Sales	661	955	11,511		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	\$78,920.81	\$15,427.99	19.55%		
Unmetered-Sales																			
Residential	20	20	243	\$12.43					\$3,020.49					\$3,020.49	\$2,527.20	\$493.29	19.52%		
Commercial	3	3	36	\$12.43					447.48					447.48	374.40	73.08	19.52%		
Industrial - Equiv. Empl.	1	109	1,308	\$5.72					7,481.76					7,481.76	6,256.56	1,225.20	19.58%		
Total Unmetered Sales	24	132	1,587						\$10,949.73					\$10,949.73	\$9,158.16	\$1,791.57	19.56%		
Total Pennvest Surcharge	685	1,087	13,098		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	\$88,078.97	\$ 17,219.56	19.55%		
														Step 1 - Settlement Over/(Under)		17,220.00 \$ (0.44)			

## REYNOLDS DISPOSAL COMPANY - PRO FORMA BILL ANALYSIS BASED UPON MONTHLY RATES

Schedule 3

**PROOF OF REVENUE STEP-2 Across-The-Board-Rate Design - Increase to Base Rates Only - No Change in Pennvest Surcharge Rates**

	No. Mthly Billing Units			Mthly Rate Charge	Block Usage				Cust. Charge Revenues	Block Revenue				Total Pro Forma Step-2 Mthly Rates	Schedule 2		\$ Increase	% Increase
	No. Cust.	Total Units	Total Annual		1st 0-4,000	2nd Next 16,000	3rd Over 20,000	Total Gallons		1st 0-4,000	2nd Next 16,000	3rd Over 20,000	Total Usage		Pro Forma Step-1 Mthly Rates	Pro Forma Step-1 Mthly Rates		
Residential	539	539	6,498	\$ 9.44	16,047,000	2,720,000	15,100	18,782,100	\$ 61,341.12	\$ 124,614.58	\$ 18,837.90	\$ 63.23	\$ 143,515.71	\$ 204,856.83	\$ 168,318.78	\$ 36,538.05	21.71%	
Trailer Park	7	176	2,085	\$ 9.44	7,339,000	439,000	5,000	7,783,000	19,682.40	56,991.74	3,040.38	20.94	60,053.06	79,735.46	65,512.94	14,222.52	21.71%	
Apartment	27	152	1,824	\$ 9.44	4,089,000	80,000	0	4,169,000	17,218.56	31,753.54	554.06	-	32,307.60	49,526.16	40,693.25	8,832.91	21.71%	
Total Metered Sales	573	867	10,407		27,475,000	3,239,000	20,100	30,734,100	\$ 98,242.08	\$ 213,359.86	\$ 22,432.34	\$ 84.17	\$ 235,876.37	\$ 334,118.45	\$ 274,524.97	\$ 59,593.48		
Commercial	62	62	783	\$ 9.44	1,360,700	1,950,500	1,863,300	5,174,500	7,391.52	\$ 10,566.65	\$ 13,508.58	\$ 7,801.82	\$ 31,877.05	\$ 39,268.57	\$ 32,263.73	\$ 7,004.84	21.71%	
Industrial	23	23	285	\$ 9.44	775,000	830,000	469,000	2,074,000	2,690.40	6,018.34	5,748.33	1,963.75	13,730.42	16,420.82	13,491.53	2,929.29	21.71%	
Public	3	3	36	\$ 9.44	102,600	384,000	2,003,000	2,489,600	339.84	796.75	2,659.47	8,386.76	11,842.98	12,182.82	10,009.15	2,173.67	21.72%	
Total Metered Sales	88	88	1,104		2,238,300	3,164,500	4,335,300	9,738,100	\$ 10,421.76	\$ 17,381.74	\$ 21,916.38	\$ 18,152.33	\$ 57,450.45	\$ 67,872.21	\$ 55,764.41	\$ 12,107.80		
Totals	661	955	11,511		29,713,300	6,403,500	4,355,400	40,472,200	\$ 108,663.84	\$ 230,741.60	\$ 44,348.72	\$ 18,236.50	\$ 293,326.82	\$ 401,990.66	\$ 330,289.39	\$ 71,701.27	21.71%	
Unmetered-Sales																		
Residential	20	20	243	\$ 47.98					\$ 11,659.14					\$ 11,659.14	\$ 9,579.06	\$ 2,080.08	21.71%	
Commercial	3	3	36	\$ 49.46					1,780.56					1,780.56	1,462.68	317.88	21.73%	
Industrial - Equiv. Empl.	1	109	1,308	\$ 15.73					20,574.84					20,574.84	16,899.36	3,675.48	21.75%	
Total Unmetered Sales	24	132	1,587						\$ 34,014.54					\$ 34,014.54	\$ 27,941.10	\$ 6,073.44		
Total Operating Revenues	685	1,087	13,098						\$ 142,678.38	\$ 230,741.60	\$ 44,348.72	\$ 18,236.50	\$ 293,326.82	\$ 436,005.20	\$ 358,230.49	\$ 77,774.71	21.71%	
														Step 2 Settlement Increase		\$ 77,780.00		
														Over/(Under)		\$ (5.29)		
<u>Pennvest Surcharge</u>																		
<u>Metered-Sales</u>																		
									\$ 2.3312	\$ 2.3312	\$ 2.3312							
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	\$43,784.83	\$0.00	0.00%	
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	18,143.74	0.00	0.00%	
Apartment	27	152	1,824		4,089,000	80,000	-	4,169,000	0.00	9,532.28	186.50	-	9,718.78	9,718.78	9,718.78	0.00	0.00%	
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	12,062.79	0.00	0.00%	
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	4,834.91	0.00	0.00%	
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	5,803.75	0.00	0.00%	
Total Metered Sales	661	955	11,511		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	\$94,348.80	\$0.00	0.00%	
Unmetered-Sales																		
Residential	20	20	243	\$12.43					\$3,020.49					\$3,020.49	\$3,020.49	\$0.00	0.00%	
Commercial	3	3	36	\$12.43					447.48					447.48	447.48	0.00	0.00%	
Industrial - Equiv. Empl.	1	109	1,308	\$5.72					7,481.76					7,481.76	7,481.76	0.00	0.00%	
Total Unmetered Sales	24	132	1,587						\$10,949.73					\$10,949.73	\$10,949.73	\$0.00	0.00%	
Total Pennvest Surcharge	685	1,087	13,098		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	\$105,298.53	\$ -	0.00%	
														Step 2 Settlement Increase		N/A		
														Over/(Under)				

## REYNOLDS DISPOSAL COMPANY - PRO FORMA BILL ANALYSIS BASED UPON MONTHLY RATES

Schedule 4

**PROOF OF REVENUE STEP-3 Across-The-Board-Rate Design - Increase to Base Rates Only - No Change in Pennvest Surcharge Rates**

	No. Mthly Billing Units			Mthly Rate Charge	Block Usage				Cust. Charge Revenues	Block Revenue				Total Pro Forma Step-3 Mthly Rates	Schedule 3 Pro Forma Step-2 Mthly Rates		\$ Increase	% Increase
	No.	Total	Total		1st	2nd	3rd	Total		1st	2nd	3rd	Total					
	Cust.	Units	Annual		0-4,000	Next 16,000	Over 20,000	Gallons		\$	0-4,000	Next 16,000	Over 20,000		Usage			
Residential	539	539	6,498	\$ 10.30	16,047,000	2,720,000	15,100	18,782,100	\$ 66,929.40	\$ 136,036.84	\$ 20,564.56	\$ 69.02	\$ 156,670.42	\$ 223,599.82	\$ 204,856.83	\$ 18,742.99	9.15%	
Trailer Park	7	176	2,085	\$ 10.30	7,339,000	439,000	5,000	7,783,000	21,475.50	62,215.64	3,319.06	22.85	65,557.55	87,033.05	79,735.46	7,297.59	9.15%	
Apartment	27	152	1,824	\$ 10.30	4,089,000	80,000	0	4,169,000	18,787.20	34,664.09	604.84	-	35,268.93	54,056.13	49,526.16	4,529.97	9.15%	
Total Metered Sales	573	867	10,407		27,475,000	3,239,000	20,100	30,734,100	\$ 107,192.10	\$ 232,916.57	\$ 24,488.46	\$ 91.87	\$ 257,496.90	\$ 364,689.00	\$ 334,118.45	\$ 30,570.55		
Commercial	62	62	783	\$ 10.30	1,360,700	1,950,500	1,863,300	5,174,500	8,064.90	\$ 11,535.20	\$ 14,746.76	\$ 8,516.96	\$ 34,798.92	\$ 42,863.82	\$ 39,268.57	\$ 3,595.25	9.16%	
Industrial	23	23	285	\$ 10.30	775,000	830,000	469,000	2,074,000	2,935.50	6,569.99	6,275.22	2,143.75	14,988.96	17,924.46	16,420.82	1,503.64	9.16%	
Public	3	3	36	\$ 10.30	102,600	384,000	2,003,000	2,489,600	370.80	869.78	2,903.23	9,155.51	12,928.52	13,299.32	12,182.82	1,116.50	9.16%	
Total Metered Sales	88	88	1,104		2,238,300	3,164,500	4,335,300	9,738,100	\$ 11,371.20	\$ 18,974.97	\$ 23,925.21	\$ 19,816.22	\$ 62,716.40	\$ 74,087.60	\$ 67,872.21	\$ 6,215.39		
Totals	661	955	11,511		29,713,300	6,403,500	4,355,400	40,472,200	\$ 118,563.30	\$ 251,891.54	\$ 48,413.67	\$ 19,908.09	\$ 320,213.30	\$ 438,776.60	\$ 401,990.66	\$ 36,785.94	9.15%	
Unmetered-Sales																		
Residential	20	20	243	\$ 52.38					\$ 12,728.34					\$ 12,728.34	\$ 11,659.14	\$ 1,069.20	9.17%	
Commercial	3	3	36	\$ 53.99					1,943.64					1,943.64	1,780.56	163.08	9.16%	
Industrial - Equiv. Empl.	1	109	1,308	\$ 17.17					22,458.36					22,458.36	20,574.84	1,883.52	9.15%	
Total Unmetered Sales	24	132	1,587						\$ 37,130.34					\$ 37,130.34	\$ 34,014.54	\$ 3,115.80		
Total Operating Revenues	685	1,087	13,098						\$ 155,693.64	\$ 251,891.54	\$ 48,413.67	\$ 19,908.09	\$ 320,213.30	\$ 475,906.94	\$ 436,005.20	\$ 39,901.74	9.15%	
														Step 3 Settlement Increase		\$ 40,000.00		
														Over/(Under)		\$ (98.26)		
<u>Pennvest Surcharge</u>																		
<u>Metered-Sales</u>																		
									\$ 2.3312	\$ 2.3312	\$ 2.3312							
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	\$43,784.83	\$0.00		
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	18,143.74	0.00		
Apartment	27	152	1,824		4,089,000	80,000	-	4,169,000	0.00	9,532.28	186.50	-	9,718.78	9,718.78	9,718.78	0.00		
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	12,062.79	0.00		
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	4,834.91	0.00		
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	5,803.75	0.00		
Total Metered Sales	661	955	11,511		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	\$94,348.80	\$0.00		
Unmetered-Sales																		
Residential	20	20	243	\$12.43					\$3,020.49					\$3,020.49	\$3,020.49	\$0.00		
Commercial	3	3	36	\$12.43					447.48					447.48	447.48	0.00		
Industrial - Equiv. Empl.	1	109	1,308	\$5.72					7,481.76					7,481.76	7,481.76	0.00		
Total Unmetered Sales	24	132	1,587						\$10,949.73					\$10,949.73	\$10,949.73	\$0.00		
Total Pennvest Surcharge	685	1,087	13,098		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	\$105,298.53	\$ -		
														Step 3 Settlement Increase		N/A		
														Over/(Under)				

**REYNOLDS DISPOSAL COMPANY**

Typical Bill Analysis Under Current, Proposed, Settlement 1, 2, and 3 Rates by Usage Range

**Current Mthly Rate Charges by Usage Range****Customer Charge**

Cust. Chr \$ 7.76

**Volumetric Usage per 1,000 Gallons:**

Gallons	
4,000	\$ 6.3800
16,000	\$ 5.6900
20,000	\$ 3.4400

**As-Filed Prop. Mthly Rate Charges by Usage Range****Customer Charge**

Cust. Chr \$12.05

**Volumetric Usage per 1,000 Gallons:**

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

**Settlement Step 1 - Increase Over Current Rates****Customer Charge**

Cust. Chr \$ 7.76

**Volumetric Usage per 1,000 Gallons:**

Gallons	
4,000	\$ 6.3800
16,000	\$ 5.6900
20,000	\$ 3.4400

**Settlement Step 2 - Increase Over Step 1 Rates****Customer Charge**

Cust. Chr \$ 9.44

**Volumetric Usage per 1,000 Gallons:**

Gallons	
4,000	\$ 7.7656
16,000	\$ 6.9257
20,000	\$ 4.1871

**Settlement Step 3 - Increase Over Step 2 Rates****Customer Charge**

Cust. Chr \$10.30

**Volumetric Usage per 1,000 Gallons:**

Gallons	
4,000	\$ 8.4774
16,000	\$ 7.5605
20,000	\$ 4.5709

Usage Range	Cust. Chrg.	Usage Chrg.	Total Charge	Usage Range	Cust. Chrg.	Usage Chrg.	Total Charge	\$ Inc.	% Inc.	Usage Range	Cust. Chrg.	Usage Chrg.	Total Charge	\$ Inc.	% Inc.	Usage Range	Cust. Chrg.	Usage Chrg.	Total Charge	\$ Inc.	% Inc.	Usage Range	Cust. Chrg.	Usage Chrg.	Total Charge	\$ Inc.	% Inc.	Total % Inc.
0	\$ 7.76	\$ -	\$ 7.76	0	\$ 12.05	\$ -	\$ 12.05	\$ 4.29	55.28%	0	\$ 7.76	\$ -	\$ 7.76	\$ -	0.00%	0	\$ 9.44	\$ -	\$ 9.44	\$ 1.68	21.65%	0	\$ 10.30	\$ -	\$ 10.30	\$ 0.86	9.11%	32.73%
1000	7.76	6.38	14.14	1000	12.05	9.91	21.96	7.82	55.33%	1000	7.76	6.38	14.14	-	0.00%	1000	9.44	7.77	17.21	3.07	21.68%	1000	10.30	8.48	18.78	1.57	9.14%	32.80%
2000	7.76	12.76	20.52	2000	12.05	19.83	31.88	11.36	55.35%	2000	7.76	12.76	20.52	-	0.00%	2000	9.44	15.53	24.97	4.45	21.69%	2000	10.30	16.95	27.25	2.28	9.14%	32.82%
2300	7.76	14.67	22.43	2300	12.05	22.80	34.85	12.42	55.35%	2300	7.76	14.67	22.43	-	0.00%	2300	9.44	17.86	27.30	4.87	21.69%	2300	10.30	19.50	29.80	2.50	9.15%	32.83%
3000	7.76	19.14	26.90	3000	12.05	29.74	41.79	14.89	55.36%	3000	7.76	19.14	26.90	-	0.00%	3000	9.44	23.30	32.74	5.84	21.70%	3000	10.30	25.43	35.73	3.00	9.15%	32.83%
4000	7.76	25.52	33.28	4000	12.05	39.66	51.71	18.43	55.37%	4000	7.76	25.52	33.28	-	0.00%	4000	9.44	31.06	40.50	7.22	21.70%	4000	10.30	33.91	44.21	3.71	9.15%	32.84%
5000	7.76	31.21	38.97	5000	12.05	48.50	60.55	21.58	55.37%	5000	7.76	31.21	38.97	-	0.00%	5000	9.44	37.99	47.43	8.46	21.70%	5000	10.30	41.47	51.77	4.34	9.15%	32.85%
6000	7.76	36.90	44.66	6000	12.05	57.34	69.39	24.73	55.37%	6000	7.76	36.90	44.66	-	0.00%	6000	9.44	44.91	54.35	9.69	21.71%	6000	10.30	49.03	59.33	4.98	9.16%	32.85%
6700	7.76	40.88	48.64	6700	12.05	63.53	75.58	26.94	55.37%	6700	7.76	40.88	48.64	-	0.00%	6700	9.44	49.76	59.20	10.56	21.71%	6700	10.30	54.32	64.62	5.42	9.16%	32.85%
7000	7.76	42.59	50.35	7000	12.05	66.18	78.23	27.88	55.37%	7000	7.76	42.59	50.35	-	0.00%	7000	9.44	51.84	61.28	10.93	21.71%	7000	10.30	56.59	66.89	5.61	9.16%	32.85%
7300	7.76	44.30	52.06	7300	12.05	68.83	80.88	28.83	55.37%	7300	7.76	44.30	52.06	-	0.00%	7300	9.44	53.92	63.36	11.30	21.71%	7300	10.30	58.86	69.16	5.80	9.16%	32.85%
8000	7.76	48.28	56.04	8000	12.05	75.02	87.07	31.03	55.38%	8000	7.76	48.28	56.04	-	0.00%	8000	9.44	58.77	68.21	12.17	21.71%	8000	10.30	64.15	74.45	6.25	9.16%	32.85%
9000	7.76	53.97	61.73	9000	12.05	83.86	95.91	34.18	55.38%	9000	7.76	53.97	61.73	-	0.00%	9000	9.44	65.69	75.13	13.40	21.71%	9000	10.30	71.71	82.01	6.88	9.16%	32.86%
10000	7.76	59.66	67.42	10000	12.05	92.71	104.76	37.34	55.38%	10000	7.76	59.66	67.42	-	0.00%	10000	9.44	72.62	82.06	14.64	21.71%	10000	10.30	79.27	89.57	7.52	9.16%	32.86%
11000	7.76	65.35	73.11	11000	12.05	101.55	113.60	40.49	55.38%	11000	7.76	65.35	73.11	-	0.00%	11000	9.44	79.54	88.98	15.87	21.71%	11000	10.30	86.83	97.13	8.15	9.16%	32.86%
12000	7.76	71.04	78.80	12000	12.05	110.39	122.44	43.64	55.38%	12000	7.76	71.04	78.80	-	0.00%	12000	9.44	86.47	95.91	17.11	21.71%	12000	10.30	94.39	104.69	8.79	9.16%	32.86%
13000	7.76	76.73	84.49	13000	12.05	119.23	131.28	46.79	55.38%	13000	7.76	76.73	84.49	-	0.00%	13000	9.44	93.39	102.83	18.34	21.71%	13000	10.30	101.95	112.25	9.42	9.16%	32.86%
14000	7.76	82.42	90.18	14000	12.05	128.07	140.12	49.94	55.38%	14000	7.76	82.42	90.18	-	0.00%	14000	9.44	100.32	109.76	19.58	21.71%	14000	10.30	109.51	119.81	10.06	9.16%	32.86%
15000	7.76	88.11	95.87	15000	12.05	136.91	148.96	53.09	55.38%	15000	7.76	88.11	95.87	-	0.00%	15000	9.44	107.25	116.69	20.82	21.71%	15000	10.30	117.08	127.38	10.69	9.16%	32.86%
16000	7.76	93.80	101.56	16000	12.05	145.76	157.81	56.25	55.38%	16000	7.76	93.80	101.56	-	0.00%	16000	9.44	114.17	123.61	22.05	21.71%	16000	10.30	124.64	134.94	11.32	9.16%	32.86%
17000	7.76	99.49	107.25	17000	12.05	154.60	166.65	59.40	55.38%	17000	7.76	99.49	107.25	-	0.00%	17000	9.44	121.10	130.54	23.29	21.71%	17000	10.30	132.20	142.50	11.96	9.16%	32.86%
18000	7.76	105.18	112.94	18000	12.05	163.44	175.49	62.55	55.38%	18000	7.76	105.18	112.94	-	0.00%	18000	9.44	128.02	137.46	24.52	21.71%	18000	10.30	139.76	150.06	12.59	9.16%	32.86%
19000	7.76	110.87	118.63	19000	12.05	172.28	184.33	65.70	55.38%	19000	7.76	110.87	118.63	-	0.00%	19000	9.44	134.95	144.39	25.76	21.71%	19000	10.30	147.32	157.62	13.23	9.16%	32.86%
20000	7.76	116.56	124.32	20000	12.05	181.12	193.17	68.85	55.38%	20000	7.76	116.56	124.32	-	0.00%	20000	9.44	141.87	151.31	26.99	21.71%	20000	10.30	154.88	165.18	13.86	9.16%	32.86%
21000	7.76	120.00	127.76	21000	12.05	186.47	198.52	70.76	55.39%	21000	7.76	120.00	127.76	-	0.00%	21000	9.44	146.06	155.50	27.74	21.71%	21000	10.30	159.45	169.75	14.25	9.16%	32.87%
22000	7.76	123.44	131.20	22000	12.05	191.81	203.86	72.66	55.38%	22000	7.76	123.44	131.20	-	0.00%	22000	9.44	150.25	159.69	28.49	21.71%	22000	10.30	164.02	174.32	14.63	9.16%	32.87%
23000	7.76	126.88	134.64	23000	12.05	197.16	209.21	74.57	55.38%	23000	7.76	126.88	134.64	-	0.00%	23000	9.44	154.43	163.87	29.23	21.71%	23000	10.30	168.59	178.89	15.02	9.17%	32.87%
24000	7.76	130.32	138.08	24000	12.05	202.50	214.55	76.47	55.38%	24000	7.76	130.32	138.08	-	0.00%	24000	9.44	158.62	168.06	29.98	21.71%	24000	10.30	173.16	183.46	15.40	9.16%	32.87%
25000	7.76	133.76	141.52	25000	12.05	207.85	219.90	78.38	55.38%	25000	7.76	133.76	141.52	-	0.00%	25000	9.44	162.81	172.25	30.73	21.71%	25000	10.30	177.73	188.03	15.78	9.16%	32.86%
26000	7.76	137.20	144.96	26000	12.05	213.20	225.25	80.29	55.39%	26000	7.76	137.20	144.96	-	0.00%	26000	9.44	167.00	176.44	31.48	21.72%	26000	10.30	182.30	192.60	16.16	9.16%	32.86%

**APPENDIX C**  
**Statement in Support of**  
**Reynolds Disposal Company**

Pennsylvania Public Utility Commission	:	R-2020-3019612
Stephanie Myers	:	C-2020-3020950
Ryan Foust	:	C-2020-3020951
Margaret Foust	:	C-2020-3020952
Vickie Mabry	:	C-2020-3020953
Bess Mowery	:	C-2020-3020954
Michele Walter	:	C-2020-3020955
Stephanie Probst	:	C-2020-3020956
Dillon Sarcinella	:	C-2020-3020957
James Vessella	:	C-2020-3020958
Office of Consumer Advocate	:	C-2020-3021049
Steve Bertolasio	:	C-2020-3021165
Amanda Hughes	:	C-2020-3021166
William and Janine Taylor	:	C-2020-3021372
Roderick Daugherty	:	C-2020-3021373
Theresa Taranto	:	C-2020-3021374
Sean DeCiancio	:	C-2020-3021375
Carol Laverty	:	C-2020-3021377
Natalie McCloskey	:	C-2020-3021400
Wilma Brandt	:	C-2020-3021404
Beth Erdman	:	C-2020-3021405
Julie Griswold	:	C-2020-3021515
Karen Nestor	:	C-2020-3021636
Donna Vigus	:	C-2020-3021779
Kevin Pierce	:	C-2020-3021804
Sue Mathieson	:	C-2020-3021805
Sean and Michele Belback	:	C-2020-3021807
Daniel A. Frazier	:	C-2020-3021927
Joe Buhovecky	:	C-2020-3022059
	:	
v.	:	
	:	
Reynolds Disposal Company	:	

**STATEMENT IN SUPPORT OF  
REYNOLDS DISPOSAL COMPANY**

**TO ADMINISTRATIVE LAW JUDGE EMILY I. DEVOE:**

AND NOW, comes Reynolds Disposal Company ("RDC" or "Company"), by its attorneys, and submits the following statement in support of the Joint Petition for Settlement of Rate Investigation ("Joint Settlement Petition") submitted to the Public Utility Commission ("Commission") by RDC, the Bureau of Investigation and Enforcement ("I&E"), the Office of Consumer Advocate ("OCA") and the Office of Small Business Advocate ("OSBA") (collectively, "Joint Petitioners").

**Introduction**

RDC is a Pennsylvania public utility that provides wastewater service to the public in Pymatuning, Delaware and Hempfield Townships, Mercer County, Pennsylvania.

On June 30, 2020, RDC filed Supplement No. 5 to Tariff Sewage-Pa. P.U.C. No. 4 ("Supplement No. 5") to be effective September 1, 2020. If approved, Supplement No. 5 would increase RDC's annual wastewater revenue by \$215,646 based on a future test year ending December 31, 2020.

Joint Petitioners have agreed that this rate proceeding can be settled without further litigation under the terms set forth in the Joint Settlement Petition. The settlement provides for a \$135,000 increase in annual revenue over three Phases, in lieu of the proposed \$215,646 annual increase contained in Supplement No. 5.

Mediation preceded the filing of the Joint Petition.



**The Proposed Settlement is Consistent with Commission Regulations and In the Public Interest. It Minimizes Cost Prohibitive Litigation and Administrative Burden.**

It is the stated policy of the Commission to encourage parties in contested proceedings to enter into settlements.<sup>1</sup> Settlements lessen the time and expense of litigating a case<sup>2</sup> and, at the same time, conserve administrative hearing resources. This directly benefits all parties concerned.<sup>3</sup>

The Joint Petition for Settlement proposes the resolution of all issues in this rate proceeding. Where the active parties in a proceeding have reached a settlement, the principal issue for Commission consideration is whether the agreement reached is in the public interest.<sup>4</sup> The benchmark for determining the acceptability of a settlement or partial settlement is whether the proposed terms and conditions are in the public interest.<sup>5</sup>

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<sup>1</sup> 52 Pa. Code § 5.231(a). The Commission, moreover, has stated that the results achieved from a negotiated settlement or stipulation in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code § 69.401.

<sup>2</sup> The substantial cost of litigation avoided through settlement includes the cost of preparing and serving testimony and the cross-examination of witnesses in lengthy hearings, the cost of preparing and serving briefs, reply briefs, exceptions and replies to exceptions, together with the cost of briefs and reply briefs necessitated by any appeal of the Commission's decision.

<sup>3</sup> *Pa. P.U.C. v. Timberlee Valley Sanitation Company*, Docket No. R-2018-3003104, Recommended Decision of Administrative Law Judge Katrina L. Dunderdale dated October 16, 2018 (“*Recommended Decision of ALJ Dunderdale – TVSC*”), mimeo at 10; *Pa. P.U.C. v. Reynolds Water Company*, Docket No. R-2017-2631441, Recommended Decision of Administrative Law Judge Katrina L. Dunderdale dated May 16, 2018 (“*Recommended Decision of ALJ Dunderdale – RWC 2018*”), mimeo at 23; *Pa. P.U.C. v. Imperial Point Water Service Company*, Docket No. R-2012-2315536, Recommended Decision of Administrative Law Judge Katrina L. Dunderdale dated June 25, 2013 (“*Recommended Decision of ALJ Dunderdale – Imperial Point*”), mimeo at 11; *Pa. P.U.C. v. The Newtown Artesian Water Company*, Docket No. R-2011-2230259, Recommended Decision of Administrative Law Judge Elizabeth H. Barnes dated September 20, 2011 (“*Recommended Decision of ALJ Barnes*”), mimeo at 9; *Pa. P.U.C. v. Reynolds Disposal Company*, Docket No. R-2010-2171339, Recommended Decision of Administrative Law Judge Conrad A. Johnson dated January 11, 2011, mimeo at 12; *Pa. P.U.C. v. Lake Spangenberg Water Company*, Docket No. R-2009-2115743, Recommended Decision of Administrative Law Judge Ember S. Jandebeur dated March 2, 2010, mimeo at 11; *Pa. P.U.C. v. Reynolds Water Company*, Docket No. R-2009-2102464, Recommended Decision of Administrative Law Judge Katrina L. Dunderdale dated February 16, 2010 (“*Recommended Decision of ALJ Dunderdale – RWC 2010*”), mimeo at 5.

<sup>4</sup> *Recommended Decision of ALJ Barnes*, mimeo at 9, citing *Pa. P.U.C. v. C S Water and Sewer Assoc.*, 74 Pa. P.U.C. 767 (1991) and *Pa. P.U.C. v. Philadelphia Electric Co.*, 60 Pa. P.U.C. 1 (1985).

<sup>5</sup> *Recommended Decision of ALJ Barnes*, mimeo at 9, citing *Warner v. GTE North, Inc.*, Docket No. C-00902815, Opinion and Order entered April 1, 1996 and *Pa. P.U.C. v. C S Water and Sewer Associates*, 74 Pa. P.U.C. 767 (1991).

The Joint Petition for Settlement is in the public interest because it (a) minimizes cost-prohibitive litigation and administrative burden; (b) addresses, through the participation of I&E, OCA and OSBA, ratepayer questions concerning the proposed rate increase; and (c) provides RDC with additional and necessary cash flow.<sup>6</sup>

Each of the foregoing considerations, which are traditionally recognized as matters that further the public interest in settlement of rate proceedings,<sup>7</sup> applies here where the settlement minimizes cost prohibitive litigation and administrative burden as set forth above, addresses ratepayer questions and concerns and provides RDC with additional and necessary cash flow as set forth below. Joint Petitioners also filed individual statements in support of the Joint Petition.

Avoidance of litigation costs as a result of settlement is important to RDC and, we submit, also important to rate paying customers as the cost of litigation may ultimately be reflected in higher rates for wastewater service. Settlement of a small utility rate proceeding is a worthwhile use of the Commission's mediation process. The avoidance of further litigation expense is a recognized public interest benefit of settlement.

**The Financial Data Submitted By RDC Supports the Settlement Increase Which Will Provide the Company with Additional and Necessary Cash Flow**

The Company is increasing its rates to bring its operating income to a reasonable level. Its last rate increase was in 2011. On a pro forma basis, RDC will experience a *net income loss* of \$110,598 and a *negative* return of 13.364% at present rate levels. The Company is in need of immediate rate relief.

Under the presently suspended Supplement No. 5, the monthly cost of wastewater service

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<sup>6</sup> Joint Petition for Settlement, paragraph 14.

<sup>7</sup> *Recommended Decision of ALJ Barnes*, mimeo at 9 – 10 wherein Judge Barnes concludes that the joint petition in settlement of a water rate proceeding is in the public interest because it (a) minimizes cost prohibitive litigation and administrative burden; (b) recognizes ratepayers' concerns; and (c) provides [the utility] with additional and necessary cash flow.

would have increased by approximately \$15.81, or 48%, from \$32.97 to \$48.78. At the proposed rate level, the Company calculated pro forma net income to be \$65,408 with an overall return of 7.86%.<sup>8</sup>

Under the Joint Petition for Settlement, the monthly cost of wastewater service to such residential customer would increase by approximately \$9.76, or 30%, from \$32.97 to \$42.73 over three phases.

As is common in general base rate proceedings, the settlement is “black box,” meaning that Joint Petitioners have not negotiated each and every revenue and expense line item but rather have been able to agree upon a final revenue number based on their individual revenue and expense analysis. The Commission has recognized that “black box” settlements are an important aspect in the process of delivering timely and cost-effective regulation.<sup>9</sup>

The Commission has recognized that “black box” settlements can serve an important purpose in reaching consensus in rate cases:

We have historically permitted the use of “black box” settlements as a means of promoting settlement among the parties in contentious base rate proceedings. Settlement of rate cases saves a significant amount of time and expense for customers, companies, and the Commission and often results in alternatives that may not have been realized during the litigation process. Determining a company’s revenue requirement is a calculation involving many complex and interrelated adjustments that affect expenses, depreciation, rate base, taxes and the company’s cost of capital. Reaching an agreement between various parties on each component of a rate increase can be difficult and impractical in many cases. (citation omitted)<sup>10</sup>

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<sup>8</sup> RDC presently bills for service on a quarterly basis. The Company proposed through Supplement No. 5 to change to monthly billing. The settlement supplement would implement the change to monthly billing.

<sup>9</sup> See *Recommended Decision of Administrative Law Judge Brady*, mimeo at 11, and cases cited therein.

<sup>10</sup> *Pa. P.U.C., et al. v. Philadelphia Gas Works*, Docket No. R-2020-3017206, Opinion and Order entered November 19, 2020, mimeo at 14.

The financial data submitted by RDC in support of Supplement No. 5 fully supports the originally proposed increase of \$215,646 and, consequently, fully supports the substantially reduced increase of \$135,000 provided for in the Joint Petition. The financial data was submitted in the form of a traditional rate base/rate of return analysis and presented by Dennis Kalbarczyk of Utility Rate Resources, Inc.

The Company's filing was thoroughly investigated by I&E, OCA and OSBA through initial and follow up discovery. It was only after this investigation that RDC and I&E/OCA/OSBA were able to engage in substantive discussions and then agree, through mediation, to a reduced increase in annual revenue of \$135,000. The settlement increase, at a level reduced from the Company's original filing, reflects a compromise of the positions of Joint Petitioners, which, consistent with Commission policy, fosters and promotes the public interest.

Although RDC believes that it could have readily supported a higher revenue requirement if it had proceeded to litigation, its decision to avoid litigation and come to a settled resolution avoids costs and expenses as aforesaid. Under the totality of the circumstances, RDC believes that cost avoidance is in its interest and also the interest of its customers. Although less than the increase supported by RDC's filing, the Company accepts the settlement increase as a reasonable and appropriate resolution of this rate proceeding which should be sufficient to allow it to continue to provide reasonable and adequate wastewater service.

#### **Renewal of NPDES Permit**

RDC has agreed, in settlement, to notify I&E, OCA and OSBA upon receipt of its NPDES renewal Permit. RDC applied to the Department of Environmental Protection for the permit renewal on October 2, 2019. RDC accepts the settlement term as reasonable and appropriate and consistent with the public interest.

### **The Settlement Provides for a Rate Case “Stay Out”**

RDC has agreed as part of the settlement to a rate case stay out until August 1, 2022. A rate case “stay out” gives ratepayers a specified level of rate security that would not exist absent the stay out. A rate case “stay out” is a traditionally recognized part of the public’s interest in settlement of a rate proceeding.<sup>11</sup>

### **Conclusion**

The settlement will provide RDC with additional and necessary cash flow to meet operating expenses and the opportunity to earn a fair return. Through the settlement, ratepayer questions and matters of concern are addressed through the participation of I&E, OCA and OSBA and the cost and uncertainty of litigation are avoided. RDC submits that the Joint Petition is reasonable and in the public interest and should be approved without modification.

WHEREFORE Reynolds Disposal Company respectfully requests that Administrative Law Judge Emily I. DeVoe and the Public Utility Commission accept the foregoing in support of the Joint Petition for Settlement of Rate Investigation and further that Administrative Law Judge DeVoe recommend approval of and the Public Utility Commission approve the Joint Petition for Settlement of Rate Investigation.

Respectfully submitted,

By 

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

*Attorneys for  
Reynolds Disposal Company*

Date: January 22, 2021

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<sup>11</sup> See, for example, *Recommended Decision of ALJ Dunderdale – TVSC*, mimeo at 10-11; *Recommended Decision of ALJ Dunderdale – Imperial Point*, mimeo at 20; *Recommended Decision of ALJ Johnson*, mimeo at 16; and *Recommended Decision of ALJ Dunderdale – RWC 2010*, mimeo at 8-9.

**APPENDIX D**  
**Statement in Support of the**  
**Bureau of Investigation and Enforcement**

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility	:	
Commission, et al.	:	
	:	Docket No. R-2020-3019612
v.	:	
	:	
Reynolds Disposal Company	:	

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BUREAU OF INVESTIGATION AND ENFORCEMENT  
STATEMENT IN SUPPORT OF  
JOINT PETITION FOR SETTLEMENT  
OF RATE INVESTIGATION

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TO ADMINISTRATIVE LAW JUDGE EMILY DEVOE:

The Bureau of Investigation and Enforcement (I&E)<sup>1</sup> of the Pennsylvania Public Utility Commission (Commission), by and through its Prosecutor, Carrie B. Wright, hereby submits that the terms and conditions of the foregoing Joint Settlement Petition (Joint Petition or Settlement) are in the public interest and represent a fair, just, and reasonable balance of the interests of Reynolds Disposal Company (Reynolds or Company) and its customers. Accordingly, I&E recommends that the Administrative Law Judge and the Commission approve the Settlement in its entirety.

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<sup>1</sup>I&E is the Commission's independent prosecutory bureau, which represents the public interest in Commission proceedings related to ratemaking and service matters. *See Implementation of Act 129 of 2008; Organization of Bureaus and Offices*. Docket No. M-2008-2071852 (Order entered August 11, 2011).

**I. BACKGROUND**

1. On June 30, 2020, Reynolds filed Supplement No. 5 to Tariff Sewage Pa. P.U.C. No. 4 (Supplement No. 5) to be effective September 1, 2020.

2. Reynolds' filing contained proposed changes in rates calculated to produce approximately \$215,646 in additional annual revenue based upon data for a future test year ending December 31, 2021. This would increase rates for all Company rate classes by approximately 48.32%.

3. The Office of Consumer Advocate (OCA) filed a Formal Complaint on July 27, 2020.

4. The Office of Small Business Advocate (OSBA) filed a Notice of Intervention on August 4, 2020.

5. I&E filed its Notice of Appearance for Prosecutor Carrie B. Wright on August 14, 2020.

6. By Order entered August 27, 2020, the Commission instituted a formal investigation to determine the lawfulness, justness, and reasonableness of the Company's existing and proposed rates, rules, and regulations.

7. Pursuant to 66 Pa. C.S. §1308(d), Supplement No. 5 was suspended by operation of law until April 1, 2021, unless permitted by Commission Order to become effective at an earlier date.

8. Administrative Law Judge (ALJ) Emily DeVoe was assigned to this proceeding for purposes of conducting hearings and issuing a Recommended Decision.



9. The Company filed Supplement No. 6 with the Commission suspending the application of rates proposed in Supplement No. 5 until April 1, 2021.

10. A Prehearing Conference was held on September 11, 2020 at which OCA, I&E, OSBA, and Reynolds (Parties or Joint Petitioners) indicated they wished to seek mediation for this matter.

11. The Parties participated in an initial mediation session on October 2, 2020.

12. The Parties participated in subsequent mediation sessions on October 14, and October 30, 2020, which culminated in this Settlement.

13. Public Input hearings were held on October 23, 2020 in this proceeding in which 6 customers testified.

14. For the reasons set forth below, I&E believes the instant Settlement is in the public interest and request the ALJ recommended and the Commission order the Settlement be approved without modification.

## **II. TERMS AND CONDITIONS OF SETTLEMENT**

15. The Commission encourages settlements to eliminate the time, effort, and expense of litigating a matter to its ultimate conclusion.<sup>2</sup> Here, the Joint Petitioners successfully achieved a settlement of all issues.

16. In negotiated settlements, I&E seeks to identify how amicable resolution of any such proceeding serves the public interest by balancing the interests of customers,

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<sup>2</sup> *Pa. PUC v. Venango Water Co.*, Docket No. R-2014-2427035, 2015 WL 2251531, at \*3 (Apr. 23, 2015 ALJ Decision) (adopted by Commission via Order entered June 11, 2015); *See* 52 Pa. Code §5.231.

utilities, and the regulated community as a whole to ensure that a utility's rates are just, reasonable, and nondiscriminatory.<sup>3</sup>

17. Prior to agreeing to the Settlement, I&E conducted a thorough review of the Company's filing and supporting information, discovery responses, and actively participated in settlement discussions with the Parties.

18. The Commission has recognized that a settlement "reflects a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest."<sup>4</sup> The Commission has also stated that the "public interest" is the prime determinant in evaluating a proposed settlement.<sup>5</sup>

19. I&E asserts that the Settlement satisfies all applicable legal and regulatory standards, is a product of negotiation and compromise, reflects concessions from Reynold's original rate request, and contains terms preferable to those that may have been achieved at the end of a fully litigated proceeding. Accordingly, and for the reasons below, I&E maintains that the proposed Settlement is in the public interest and requests that the following terms be approved by the ALJ and the Commission without modification:

**REVENUE INCREASE AND PHASE IN (JOINT PETITION, PARA. 11(A))**

The Settlement provides for an increase of \$135,000 to the Company's annual overall revenue phased in over three steps. This represents a 30.24%, over three phases, in lieu of the proposed \$215,646 increase or 48.32% contained in Supplement No. 5.

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<sup>3</sup> See Pa. C.S. §§ 1301, 1304.

<sup>4</sup> *Pennsylvania Public Utility Commission v. C S Water and Sewer Associates*, 74 PA PUC 767, 771 (1991).

<sup>5</sup> *Pennsylvania Public Utility Commission v. Philadelphia Electric Company*, 60 PA PUC 1, 22 (1985).

This increase will be instituted over three phases as noted above. Phase I will increase rates by \$17,220 or 19.55%, effective upon approval by the Commission. Phase I is related solely to the Pennvest Loan Repayment rates. Phase II will increase rates by \$77,780, or 21.71%, effective July 1, 2021. Phase II is a \$40,000, or 9.15% increase to become effective January 1, 2022.

I&E agreed to a settlement in the amount of \$135,000 only after I&E conducted an extensive investigation of Reynolds' filing and related information through the discovery process. I&E used this information to determine the amount of revenue Reynolds needs to provide safe, effective, and reliable service without unduly impacting its customers through higher rates. Additionally, instituting a rate increase over three phases will mitigate the rate impact on customers. Moderation of the level of the rate increase benefits ratepayers and results in just and reasonable rates in accordance with the Public Utility Code, regulatory standards, and governing case law, and should therefore be approved.

**STAY OUT (JOINT PETITION, PARA. 11(C))**

Absent certain circumstances, the Settlement prevents Reynolds from filing for a general base rate increase, as that term is defined in Section 1308(d) of the Public Utility Code, until August 1, 2022 following the effective date of the Phase III increase.

This stay out provision will provide rate continuity to ratepayers for a defined period following the effective date of the Phase III increase, thereby providing a certain level of rate stability that would not otherwise be available in a fully litigated base rate case. At the same time, Reynolds will avoid hardship if certain unforeseeable events

necessitate it to propose rate relief. For these reasons, the stay out provision is in the public interest and should be approved.

**III. THE SETTLEMENT SATISFIES THE PUBLIC INTEREST**

20. I&E asserts that the provisions of the Settlement resolve the issues raised by I&E and represent a revenue increase that I&E agrees is fair, just, reasonable, and in the public interest.

21. The Settlement represents approximately 67% of the filed request for additional revenues. Reynolds shall receive sufficient operating funds to provide safe and adequate service while the impact on ratepayers is less than initially proposed.

22. Resolution of this case by settlement rather than litigation will negate the need for evidentiary hearings, which would compel the extensive devotion of time and expense for the preparation, presentation, and cross-examination of multiple witnesses, the preparation of Main and Reply Briefs, the preparation of Exceptions and Replies, and the potential of filed appeals, yielding substantial savings for Parties and customers, as well as certainty on the disposition of issues.

**IV. RESERVATION OF RIGHTS**

23. The Settlement is conditioned upon the Commission's approval of all terms without modification. Should the Commission fail to grant such approval or otherwise modify the terms and conditions of the Settlement, it may be withdrawn by the Company, I&E, or the OCA.

24. I&E's agreement to settle this case is made without any admission or prejudice to any position that I&E might adopt during subsequent litigation if the

Settlement is rejected by the Commission or otherwise properly withdrawn by any other Parties to the Settlement.

25. If the ALJ recommends that the Commission adopt the Settlement as proposed, I&E agrees to waive the filing of Exceptions. However, I&E does not waive its right to file Replies to Exceptions if any terms and conditions of the Settlement are modified or any additional matters may be proposed by the ALJ in the Recommended Decision. I&E also does not waive the right to file Replies in the event any party files Exceptions.

**WHEREFORE**, the Commission's Bureau of Investigation and Enforcement supports the Joint Settlement Petition as being in the public interest and respectfully requests that Administrative Law Judge Emily DeVoe recommend, and the Commission approve, the terms and conditions contained in the Settlement.

Respectfully submitted,



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Carrie B. Wright  
Prosecutor  
Attorney I.D. # 208185

Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, Pennsylvania 17120  
(717) 783-6156  
Dated: January 22, 2020

**APPENDIX E**  
**Statement in Support of**  
**The Office of Consumer Advocate**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	Docket Nos. R-2020-3019612
	:	C-2020-3021049
v.	:	
	:	
REYNOLDS DISPOSAL COMPANY	:	

---

STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE  
IN SUPPORT OF  
JOINT PETITION FOR SETTLEMENT OF RATE INVESTIGATION

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The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Settlement of Rate Investigation (Settlement), finds the terms and conditions of the Settlement to be in the public interest for the following reasons:

**I. INTRODUCTION**

Reynolds Disposal Company (Reynolds Disposal or Company) provides wastewater service to approximately 685 customers in Pymatuning, Delaware, and Hempfield Townships, Mercer County, Pennsylvania. On June 30, 2020, the Company filed Supplement No. 5 to Tariff Sewage – Pa. P.U.C. No. 4 with the Pennsylvania Public Utility Commission (Commission), to become effective September 1, 2020. In its filing, Reynolds Disposal requested an annual increase in rate revenues of \$215,646 per year comprised of a proposed \$198,426 increase (55%) in base rates and a proposed increase in its Pennsylvania Infrastructure Investment Authority (Pennvest) surcharge of \$17,220 (20%).

On July 27, 2020, the OCA filed a Formal Complaint and Public Statement. The Office of Small Business Advocate (OSBA) and the Commission's Bureau of Investigation and

Enforcement (I&E) each filed a Notice of Appearance on August 4 and 14, 2020, respectively. Formal Complaints were filed by twenty-seven customers.

By Order entered August 27, 2020, the Commission initiated an investigation into the lawfulness, justness and reasonableness of the proposed rate increase and suspended the effective date of Supplement No. 5 until April 1, 2021, by operation of law. The Commission assigned the case to the Office of Administrative Law Judge. Administrative Law Judge (ALJ) DeVoe was assigned to the proceeding.

On September 11, 2020, a prehearing conference was held before ALJ DeVoe. The Company chose to participate in the Commission's mediation process and filed Supplement No. 7 on September 17, 2020 to extend the suspension period to June 1, 2021. Mediation sessions were held with Mediator Matthew Homsher on October 2, 14, and 30, 2020. Reynolds Disposal, OCA, I&E, OSBA and complainants Vessella, Margaret Foust, and Ryan Foust participated in the mediation sessions.

Public input hearings were held in the afternoon and evening of October 23, 2020 at which six customers testified.

As a result of the discussions, the signatory parties were able to reach an agreement in principle to resolve all issues, resulting in the comprehensive settlement terms and conditions set forth herein. As discussed below, the OCA submits that the Settlement is in the best interests of Reynolds Disposal's customers and in the public interest and should be adopted.

## **II. SETTLEMENT TERMS AND CONDITIONS**

### **A. Revenue Increase and Allocation**

The proposed Settlement provides for an overall increase in annual revenues of \$135,000, or 30.24%, phased in over three phases. This agreed-upon increase is in lieu of the proposed \$215,646 increase originally proposed by Reynolds Disposal. Settlement ¶ 11(a); see also



Appendices A and B. This compromise represents a 37% reduction from Reynolds Disposal's original rate increase request.

The \$135,000 increase will be accomplished over three phases:

In Phase I, effective on one day's notice after Commission approval, the rates will produce an annual revenue increase of \$17,220 or 3.85% of overall revenues. Settlement ¶ 11(a); Appendix B, Sch. 2. The Phase I increase is an increase solely in the Pennvest Loan Repayment rates, and represents an increase of 19.55% in that tariffed rate. Id.; Appendix B. The Pennvest rate per 1,000 gallons will increase from \$1.9500 to \$2.3312. Appendix B, Schs. 1 and 2.

Phase II will produce an additional revenue increase of \$77,780, or 21.71% increase over Phase I rates, without considering the Pennvest surcharge. Id.; Appendix B, Sch. 3. On a total Company revenue basis, including the Pennvest surcharge revenues, the Phase II increase is an approximate 17.43% increase from the current rates. The Phase II revenue increase will become effective on July 1, 2021. Appendix A.

Phase III will produce an additional revenue increase of \$40,000, or 9.15% over Phase II rates, without considering the Pennvest surcharge. Id.; Appendix B, Sch. 4. On a total Company revenue basis, including the Pennvest surcharge revenues, the Phase III increase is an approximate 8.96% increase. The Phase III revenue increase will become effective on January 1, 2022. Appendix A.

Under the Company's original proposal, the wastewater bill for the typical residential customer using 9,000 gallons of water per quarter would have increased from \$98.91 to \$146.35, or \$47.44 (48%) per quarter. Under the Company's original proposal, the wastewater bill for the

typical residential customer using 3,000 gallons of water per month would have increased from \$32.97 to \$48.78, or \$15.81 (48%) per month. Settlement, ¶ 12; Appendix B.

Under the proposed Settlement the monthly wastewater bill for the typical residential customer using 3,000 gallons of water per month will increase overall from \$32.97 to \$42.73, or \$9.76 (29.6%) after all three phases are implemented. The monthly wastewater bill for the typical residential customer in each phase, including the Pennvest surcharge, will be as follows:

Phase I	\$32.97 to \$33.89, or \$0.92 (2.7%)
Phase II	\$33.89 to \$39.73, or \$5.84 (17.2%)
Phase III	\$39.73 to \$42.73, or \$3.00 (7.55%)

Settlement, ¶ 12; Appendix B.

Based on the OCA's analysis of the Company's filing, and discovery responses, the rate increase under the proposed Settlement represents a result that would be within the range of likely outcomes in the event of full litigation of the case. This increase is appropriate when accompanied by other important conditions contained in the Settlement and yields a result that is just and reasonable.

#### **B. Stay Out**

Under the proposed settlement the Company has agreed not to file a general rate increase, as that term is defined in Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d), prior to August 1, 2022. Settlement ¶ 11(c). This provision will provide a measure of rate stability that benefits the ratepayers.

#### **C. Other Issues**

The Company agrees that it will notify the signatory parties when it receives its National Pollutant Discharge Elimination System (NPDES) renewal permit. Settlement ¶ 11 (b). This

provision will ensure that the signatory parties are aware of the renewal of the permit that is necessary for discharges from the wastewater treatment plant.

### **III. CONCLUSION**

The terms and conditions of the proposed Settlement of this rate proceeding represent a fair and reasonable resolution of the issues and claims arising in this proceeding. If approved, the proposed Settlement would provide for an increase of approximately \$135,000 in annual revenues phased in over three steps. This amount is reduced from the \$215,646 annual increase proposed in Reynolds Disposal's filing. In addition, the ratepayers will benefit from the stay-out for the next general rate increase request. Finally, the Commission and all parties would benefit from the reduction in rate case expense and the conservation of resources made possible by adoption of the Settlement in lieu of full litigation.

WHEREFORE, for the foregoing reasons, the Office of Consumer Advocate submits that the proposed Settlement is in the public interest.

Respectfully Submitted,

/s/Christine Maloni Hoover

Christine Maloni Hoover  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 50026  
E-mail: [CHoover@paoca.org](mailto:CHoover@paoca.org)

Counsel for:  
Tanya J. McCloskey  
Acting Consumer Advocate

Office of Consumer Advocate  
555 Walnut Street 5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152

January 22, 2021  
302628

**APPENDIX F**  
**Statement in Support of the**  
**Office of Small Business Advocate**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>PENNSYLVANIA PUBLIC UTILITY COMMISSION</b>	:	
	:	
	:	
v.	:	<b>Docket No. R-2020-3019612</b>
	:	
<b>REYNOLDS DISPOSAL COMPANY</b>	:	

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**STATEMENT OF THE OFFICE OF SMALL BUSINESS ADVOCATE  
IN SUPPORT OF THE JOINT PETITION SETTLEMENT OF RATE INVESTIGATION**

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**I.     INTRODUCTION**

The Small Business Advocate is authorized and directed to represent the interests of small business consumers in proceedings before the Pennsylvania Public Utility Commission (“Commission”) under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50. In order to discharge this statutory duty, the Office of Small Business Advocate (“OSBA”) is participating as a party to this proceeding to ensure that the interests of small commercial and industrial (“Small C&I”) customers of Reynolds Disposal Company (“Reynolds” or the “Company”) are adequately represented and protected.

**II.    PROCEDURAL BACKGROUND**

On June 30, 2020, Reynolds filed Supplement No. 5 to Tariff Sewage-Pa. P.U.C. No 4 (“Supplement No. 5”) with an effective date of September 1, 2020. In filing Supplement No. 5,

Reynolds sought to increase its annual wastewater revenue by \$215,646 based on a future test year ending December 31, 2020.

On July 27, 2020, the Office of Consumer Advocate (“OCA”) filed a Formal Complaint.

On August 4, 2020, the OSBA filed a Notice of Appearance, Notice of Intervention, and Public Statement.

The Commission’s Bureau of Investigation and Enforcement (“I&E”) filed its Notice of Appearance on August 14, 2020.

In addition numerous individual customers filed formal complaints to Reynolds’ filing.

Subsequently on August 27, 2020, the Public Utility Commission entered an Order suspending Supplement No. 5, and instituted an investigation into the reasonableness of the proposed rates. Reynolds filed Supplement No. 6 to extend the suspension of the proposed wastewater rates until April 1, 2021.

Reynolds consented to mediation to try and resolve the rate investigation. A Prehearing Conference was held on September 11, 2020, before Administrative Law Judge (“ALJ”) Emily I. DeVoe. Matthew Homsher was assigned as Mediator.

Subsequently, Reynolds filed Supplement No. 7 on September 17, 2020, voluntarily extending the effective date of Supplement No. 5 to June 1, 2021.

Mediation sessions were held on October 2, 14 and 30, 2020. RDC, OCA, I&E and OSBA participated in the mediation sessions as well as some of the individual customer complainants.

Public Input hearings were held in the afternoon and evening on October 23, 2020.

Through subsequent negotiations, the parties reached a settlement of all issues.

The OSBA actively participated in the negotiations that led to the proposed settlement, and is a signatory to the Joint Petition For Settlement of Rate Investigation (“Settlement”). The OSBA submits this statement in support of the Settlement.

### **III. STATEMENT IN SUPPORT OF SETTLEMENT**

Upon further discussion and negotiation with the parties, the OSBA determined that the issues initially outlined in its prehearing memorandum had been adequately addressed. Thus, the OSBA did not submit testimony in this proceeding.

Although the OSBA did not submit testimony, it does support the resolution outlined in the Settlement. In particular, the OSBA has reviewed and analyzed the filing and the rates which will be phased in for small business customers. In lieu of the Company’s requested 48.32% increase, the Settlement provides for an overall 30.24% increase, implemented over three steps. Of particular importance to the OSBA is the fact the Settlement implements each step of the phase in via a uniform increase to all applicable tariff charges, such that all classes will receive a uniform base rate increase. Since the Company did not sponsor a class cost-of-service study in this proceeding, the OSBA submits there is no basis to assign anything other than a uniform base rate increases to all customer classes in this case, and that the Settlement therefore provides a just and reasonable resolution to class revenue allocation and rate design issues.

### **IV. CONCLUSION**

Settlement of this proceeding avoids the litigation of complex, competing proposals and saves the possibly significant costs of further administrative proceedings. Such costs are borne not only by the Company and Steelton, but ultimately by the Company’s and Steelton’s

customers as well. Avoiding further litigation of this matter will serve judicial efficiency, and will allow the OSBA to more efficiently employ its resources in other areas.

For the reasons set forth in the Settlement, as well as the additional factors enumerated in this statement, the OSBA supports the proposed Settlement and respectfully requests that ALJ DeVoe and the Commission approve the Settlement in its entirety without modification.

Respectfully submitted,

/s/ Sharon E. Webb

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Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995

For:

John R. Evans  
Small Business Advocate

Office of Small Business Advocate  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101

Dated: January 22, 2021



**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2020-3019612
Stephanie Myers	:	C-2020-3020950
Ryan Foust	:	C-2020-3020951
Margaret Foust	:	C-2020-3020952
Vickie Mabry	:	C-2020-3020953
Bess Mowery	:	C-2020-3020954
Michele Walter	:	C-2020-3020955
Stephanie Probst	:	C-2020-3020956
Dillon Sarcinella	:	C-2020-3020957
James Vessella	:	C-2020-3020958
Office of Consumer Advocate	:	C-2020-3021049
Steve Bertolasio	:	C-2020-3021165
Amanda Hughes	:	C-2020-3021166
William and Janine Taylor	:	C-2020-3021372
Roderick Daugherty	:	C-2020-3021373
Theresa Taranto	:	C-2020-3021374
Sean DeCiancio	:	C-2020-3021375
Carol Laverty	:	C-2020-3021377
Natalie McCloskey	:	C-2020-3021400
Wilma Brandt	:	C-2020-3021404
Beth Erdman	:	C-2020-3021405
Julie Griswold	:	C-2020-3021515
Karen Nestor	:	C-2020-3021636
Donna Vigus	:	C-2020-3021779
Kevin Pierce	:	C-2020-3021804
Sue Mathieson	:	C-2020-3021805
Sean and Michele Belback	:	C-2020-3021807
Daniel A. Frazier	:	C-2020-3021927
Joe Buhovecky	:	C-2020-3022059
	:	
v.	:	
	:	
Reynolds Disposal Company	:	

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 22<sup>nd</sup> day of January, 2021, served a true and correct copy of the foregoing Joint Petition for Settlement of Rate Investigation, upon the persons and in the manner indicated below:

**VIA ELECTRONIC MAIL**

The Honorable Emily I. DeVoe  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
edevoe@pa.gov

Christine Maloni Hoover  
Senior Assistant Consumer Advocate  
Office of Consumer Advocate  
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Vickie Mabry  
108 19<sup>th</sup> Street  
Greenville, PA 16125

Theresa Taranto  
116 Edgewood Drive  
Greenville, PA 16125

A handwritten signature in blue ink, appearing to read "Thomas T. Niesen", is written over a horizontal line.

Thomas T. Niesen, Esquire  
PA Attorney ID No. 31379