SAXTON & STUMP
LAWYERS AND CONSULTANTS

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July 31, 2026

VIA ELECTRONIC FILING
Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

In re: PaPUC Docket No. R-2026-__________
Reynolds Disposal Company
Supplement No. 9 to Tariff Sewage - Pa. P.U.C. No. 4

Dear Secretary Homsher:

We are counsel to Reynolds Disposal Company and are submitting, via electronic filing, Supplement No. 9 to the Company's Tariff Sewage - Pa. P.U.C. No. 4 ("Supplement No. 9") with accompanying supporting information. Supplement No. 9, which is issued today to become effective on September 29, 2026, proposes increases in rates designed to produce additional annual revenue of $289,025.00.

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

Sincerely,

SAXTON & STUMP

Seth A. Mendelsohn

Seth A. Mendelsohn
Senior Counsel

cc: Certificate of Service (w/ encl.)

REYNOLDS DISPOSAL COMPANY

Supporting Data Required by

The Pennsylvania Public Utility Commission

Line	Description	Section
1.	Notice of Proposed Changes	A
2.	Press Release	B
3.	Supplement No. 9 Tariff Wastewater – PA P.U.C. No. 4	C
4.	Rate Study and Data in Support of Proposed Tariff Wastewater PA P.U.C. No. 4 Supplement 9	D
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A. NOTICE OF PROPOSED CHANGES

REYNOLDS DISPOSAL COMPANY
July 30, 2026
Notice of Proposed Rate Changes

To Our Customers:

Reynolds Disposal Company is filing a request with the Pennsylvania Public Utility Commission (PUC) to increase your wastewater rates as of September 29, 2026. This notice describes the company's rate request, the PUC's role, and what actions you can take.

Reynolds Disposal Company has requested an overall rate increase of $289,025 per year.

If the company's entire request is approved, the total monthly bill for a residential customer using 4,400 gallons would increase from $57.49 to $ 84.34 per month or by 46.7%. The total bill for a flat rate residential customer would increase from $64.81 to $93.53 or 44.3%. The total bill for a commercial customer using 7,100 gallons would increase from $84.20 to $120.79 per month or by 43.5%. Rates for an industrial customer using 9,900 gallons would increase from $111.90 to $158.60 per month or by 41.7%. Rates for a public customer using 64,600 gallons would increase from $519.64 to $658.99 per month or by 26.8%. The monthly bills under present rates include the PUC approved Pennvest Surcharges.

To find out your customer class or how the requested increase may affect your wastewater bill, contact the Company at 724-646-1144. The rates requested by the company may be found in Supplement No. 9 to Tariff Wastewater Pa P.U.C. No. 4. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A copy of this material is kept at the company’s office.

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

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

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

1. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before September 29, 2026. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a judge.
2. You can send us a letter telling why you object to the requested rate increase. Sometimes there is information in these letters that makes us aware of problems with the company’s service or management. This information can be helpful when we investigate the rate request. **Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, 400 North Street, Keystone Building, Harrisburg, PA 17120.**
3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the company’s rate increase request and if there is a large number of customers interested in the case. At these hearings you have the opportunity to present your views in person to the PUC judge hearing the case and the company representatives. All testimony given ‘‘under oath’’ becomes part of the official rate case record. These hearings are held in the service area of the company.

For more information, call the PUC at 1-800-692-7380. You may leave your name and address so you can be notified of any public input hearings that may be scheduled in this case.

B. PRESS RELEASE

PRESS RELEASE
REYNOLDS DISPOSAL COMPANY
July 31, 2026
Notice of Proposed Rate Changes

Greenville, PA –

On July 31, 2026, Reynolds Water Company will file a request with the Pennsylvania Public Utility Commission (PUC) for an approximate 44.2% increase in annual base rate revenues to meet increasing operating costs and necessary capital improvements. The requested overall annual increase of $289,025 is proposed to become effective September 29, 2026.

If the company's entire request is approved, the total monthly bill for a residential customer using 4,400 gallons would increase from $57.49 to $ 84.34 per month or by 46.7%. The total bill for a flat rate residential customer would increase from $64.81 to $93.53 or 44.3%. The total bill for a commercial customer using 7,100 gallons would increase from $84.20 to $120.79 per month or by 43.5%. Rates for an industrial customer using 9,900 gallons would increase from $111.90 to $158.60 per month or by 41.7%. Rates for a public customer using 64,600 gallons would increase from $519.64 to $658.99 per month or by 26.8%. The monthly bills under present rates include the PUC approved Pennvest Surcharges.

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

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

C. SUPPLEMENT NO. 9 TARIFF WATER – PA P.U.C. NO. 4

SUPPLEMENT No. 9
To TARIFF SEWAGE – Pa P. U. C. NO. 4

REYNOLDS DISPOSAL COMPANY

GREENVILLE, MERCER COUNTY, PENNSYLVANIA,

RATES, RULES, AND REGULATIONS

IN

PYMATUNING, DELAWARE, AND HEMPFIELD TOWNSHIPS,

MERCER COUNTY, PENNSYLVANIA

ISSUED: July 31, 2026 EFFECTIVE: September 29, 2026

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

THIS TARIFF INCREASE USER RATES

(SEE PAGE 2)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

THIS IS SUPPLEMENT NO. 9 TO TARIFF NO. 4

- This Tariff Supplement No. 9 to Tariff No. 4 increases rates for all sewer service in all rate classes by approximately 44.2%, which is inclusive of the Pennvest Surcharges being removed in this tariff. (I)
- The Pennvest Surcharges will be set to zero in this tariff as the Pennvest Loan will reach maturity before the end of the Fully Projected Future Test Year (December 31, 2027). (D)
- Under the Rules and Regulations – there are changes to the tariff language for section 4. Bills Due and Payable and Section 5. Deposits and Credit Standards (C)
- The Company is proposing to decrease the minimum deposit amount. (D)

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

INDEX

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

INDEX
(continued)

SCHEDULE OF METER RATES

Application

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 of $18.39, (I) plus a consumption charge based upon the following volumetric rates:

VOLUMETRIC RATES

	Per 1,000 Gallons	
For the first 10,000 gallons per month	$15.1381	(I)
For the next 16,000 gallons per month	$13.5008	(I)
All over 20,000 gallons per month	$8.1623	(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.

(I) Indicates Increase

SCHEDULE OF METERED RATES
(CONTINUED)

Application

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

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.

Industrial Service	Net Rate Per Month	
Per individual employee including employer and employees	$30.66	(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.

(I) Indicates Increase

SCHEDULE OF FLAT RATES

Domestic and Commercial Service

Domestic Service

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

Domestic Service	Per Month	
Each Domestic Unit	$93.53	(I)

Commercial Service

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

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

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

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

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

Commercial Service	Per Month	
Each Commercial Unit	$96.41	(I)

(I) Indicates Increase

PENNVEST LOAN REPAYMENT

APPLICATION

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

RATES

Metered		$ 0.00 per 1,000 gallon	(D)
Unmetered:	Residential and Commercial	$0.00 per month	(D)
	Industrial - Per Individual Employee	$0.00 per month	(D)

STATE TAX ADJUSTMENT SURCHARGE

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

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.

(I) Indicates Increase
(D) Indicates Decrease

RULES AND REGULATIONS

These Rules and Regulations are a part of the contract with every Customer who utilizes the sewage facilities and every such Customer, by utilizing the facilities, agrees to be bound thereby.

1. APPLICATION FOR SERVICE LINE AND SERVICE

Any property owner desiring the introduction of a service line from the Company's main to his or her premises must first make written application on a form furnished by the Company. The application must be signed by the property owner or his duly authorized attorney.

Any person, whether owner or tenant of the premises occupied, desiring sewage facilities, must first make written application on a form furnished by the Company, which must be approved by the Company before facilities are utilized. The party making the application will be considered the Customer under this contract and will be responsible for all sewage bills and proper observance of the Rules and regulations.

No owner or tenant of any premises connected with the sewer lines of this Company will be allowed to permit another person or premises to use or connect with his service line, not stipulated by his or her application or otherwise, except upon written permit from the Company. Any violation of the Rules and Regulations of the Company shall render the contract between the Customer and The Company void, and service will be discontinued, remaining so until such time as the Company is satisfied that the Customer will observe the Rules and Regulations. Service will not be reconnected until the actual costs of the discontinuing and reconnection are paid in full.

2. DEFINITIONS OF CUSTOMER:

"Customer" as used herein shall be the party contracting for service to a property as hereinafter classified, i.e.,

(a) A building under one roof and occupied by one family or business, or

(b) A combination of buildings in one common enclosure, occupied by one family or business, or

(c) The one side of a double house occupied by one family or business having a solid vertical partition wall, or

(d) One side or part of a house occupied by one family or business, even though the closed and/or other fixtures be used in common, or

(e) Each apartment in a building having more than one apartment, or

(f) Each apartment, office or business in a building having a number of apartments and/or offices and/or businesses, or

(g) Each trailer or mobile home occupied by one family or business.

2.1 CLASS OF GENERAL SERVICE:

(a) Metered Residential Class: An individually metered dwelling unit intended for human habitation (including a detached house, townhouse, and mobile home) or an individually metered home or building consisting of not more than two dwelling units.

(b) Metered Multiple Family Class: A multiple metered dwelling unit (apartment complex and mobile home parks) where more than two dwelling units are served by only one meter. The owner(s) of the complex is responsible for the bill based on metered rates as set forth by this tariff.

(c) Metered Commercial Class: A building, store, restaurant, or office which is primarily a site for buying or selling of goods or the provision of professional or consumer services. In addition, warehouses, Laundromats, and car washes are included in this class.

(d) Metered Industrial Class: A building or factory that is primarily a site for the manufacture or production of goods.

(e) Metered Public Class: A public building, library, park, or playground, which is owned by a governmental unit that has the power of taxation

(f) Un-metered Residential Class: An individually dwelling unit intended for human habitation (including a detached house, townhouse, or mobile home) or an individual home or building consisting of not more than two units. The Customer is responsible for the bill for sewage disposal service based on flat rates as set forth by this tariff.

(g) Un-metered Commercial Class: A building, store, restaurant or office which is primarily a site for buying or selling of goods or the provision of professional or consumer services. In addition, warehouses are included in this class. The Customer is responsible for the bill for sewage disposal service based on flat rates as set forth by this tariff.

(h) Un-metered Industrial Class: A building or factory that is primarily a site for the manufacture or production of goods. The Customer is responsible for the bill for sewage disposal service based on flat rates as set forth by this tariff.

3. SERVICE CONNECTIONS

No sewer connection, or disconnection, shall be made except under the supervision, control, and approval of the Company's authorized representative.

Connections will be permitted to wyes which were placed in position when sewer was constructed, or by sewer cuts, or into manholes already provided, at the discretion of the Company's authorized representative. Sewer connections shall be installed only by experienced plumbers or excavators bonded to work in Pymatuning, Delaware, and Hempfield Townships and approved by the Company prior to start of work.

3. SERVICE CONNECTIONS (continued):

Upon the approval of the application for a connection to the sewer system, the applicant shall furnish all necessary pipe, fittings, or other appurtenances necessary to complete the connection to the Company's sewer main in a manner satisfactory to the Company's authorized representative.

Service laterals shall be six (6") inch diameter as the minimum size and shall extend, uninterrupted, from the tap into the sewer main to the inside of the structure. A minimum four (4") inch diameter clean-out with screw cover shall be placed in the line before internal plumbing connections are continued.

Service lines from premises to the mains shall be laid by Applicant's contractor, at his expense, on hard bottom or in concrete if in rock or soft bottom. Sewer pipes shall be best quality standard hard-burned, salt-glazed, vitreous-China pipe, cast iron, or P.V.C., with the centers of pipe in one and the same straight line, true to grade. All joints shall be sealed water tight as recommended by the manufacturer of each respective type of pipe used, with installation, bedding, etc. in accordance with manufacturers' recommendations and approved by the Company. After all pipe is laid, and before any ditch is closed, the work must be inspected and approved by the Company's representative.

All service laterals to any residence or other facility shall be vented in accordance with all standard plumbing procedures with the requirements of the Pennsylvania State Plumbing Code as minimum.

Any lateral installed to service a commercial establishment that serves, or plans to serve any time in the future, cooked food of any type for customer consumption shall have an approved grease trap of sufficient size as determined by the Company, in line to remove any and all grease from the sewage discharge into sewer mains. Said grease trap shall be cleaned and maintained by the Applicant at sufficient intervals to insure proper operation.

The owner shall be responsible for any and all injury or damage in consequence thereof and/or resulting here from.

No work shall be covered or concealed in any way until inspected and approved by a representative of the Company.

Before any pipe is laid in a dry trench, the trench shall be evenly graded, the minimum grade being one-quarter (1/4") inch fall to the running foot. After the pipe is laid and all joints sealed and tested by either standing water or air, the loose earth or other recommended fill shall be carefully tamped about the pipe and,
to a depth of six (6") inches above top of pipe when coarser materials may be backfilled.

Where ground has been filled in, or in wet places, medium weight iron soil pipe shall be used with lead joints properly caulked.

No old drains shall be used unless passed upon and accepted by a representative of the Company.

No roof, storm, surface, or ground water of any nature shall be allowed to enter the sewer system. No connection will be allowed with any cesspool, privy, vault, cistern, or other depository. No steam pipe or pipes will be permitted to be connected with Company sewer.

3. SERVICE CONNECTIONS (continued):

Any existing vent pipe from a trap which permits surface water to enter the sewer system shall be repaired so that the top of the said vent pipe is at least six (6") inches above the top of the adjacent ground level.

No repairs, alterations, or additions to any drain or sewer connection with the Company's sewer shall be made, unless the person desiring to make the same shall first make application to and receive permission from the Company for doing so.

Connections with sewers where same are run through private property shall in all respects be governed by these Rules and Regulations.

4. BILLS DUE AND PAYABLE (C)

All bills will be rendered monthly by the 10th of each calendar month and are due and payable within twenty (20) days for the service rendered during the previous month. If bills are not paid within twenty (20) days from the date same are due, 1.5% interest per month on the full unpaid and overdue balance of the bill will be added. If bills are not paid within thirty (30) days after same are due, a ten (10) day notice will be given, after which if the bill is not paid, the service will be disconnected from the premises of the delinquent Customer. Such Customer's service will not again be reconnected nor will the Customer be allowed to reconnect, except upon payment of all arrearages, plus the costs of discontinuing and reconnecting, or upon certification by a physician that an occupant is seriously ill or affected with a medical condition which will be aggravated by failure to restore service. After service is once disconnected for non-payment of these bills, this Customer will be required to make a deposit as stipulated in these Rules.

In the case of bills for service to the Commonwealth of Pennsylvania or any Department or Institution thereof, the delayed payment charges applicable to all schedules is extended so as to provide a thirty (30) day period during which payment may be made at net rates.

Failure to receive a bill shall not relieve Customer from payment obligation or entitle any Customer discount. The presentation of a bill to a Customer is only a matter of accommodation and not a waiver of this Rule.

If bills are paid by mail, the date of the postmark will be considered the date of payment.

Any bill regarding which the Customer, within thirty (30) days, has not served written protest to the Company shall be considered an undisputed bill. The payment of any undisputed bill shall be payment of the bill with or without delayed payment charge, within thirty (30) days following presentation of the bill, or the payment of any contested bill, payment of which is withheld beyond the period herein mentioned and the dispute is terminated substantially in favor of the Customer and payment made by the Customer within ten days thereafter.

(C) Indicates Change

5. <u>DEPOSITS AND CREDIT STANDARDS</u> (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 $50 (D) 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 customers without requiring a security deposit when the applicant meets one of the following requirements:

- <u>OWNERSHIP OF REAL PROPERTY.</u> The applicant owns or has entered into an agreement to purchase the property for which the customer is applying for service.

- <u>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:</u>

    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.

- <u>CREDIT INFORMATION.</u> The applicant provides information demonstrating that the customer is not an unsatisfactory credit risk, The absence of prior credit history does not, of itself, indicate an unsatisfactory credit risk.

(C) Indicates Change.
(D) Indicates Decrease.

- A customer will be considered a credit risk when the customer 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

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.

10. INDUSTRIAL AND COMMERCIAL SERVICE

If any industrial and/or commercial Customers discharge such an industrial or commercial waste so that the Sewage Treatment Plant is unable to satisfactorily treat such waste the Customer will provide, at his own expense, such primary treatment that may be necessary before such waste is discharged into the mains of the Company. The Company will not be liable or bound to increase the operations of its Sewage Treatment Plant to accommodate such industrial or commercial waste.

11. PRIVILEGE TO INVESTIGATE

The Company shall have the right, by its employees, to have access at all reasonable times to all parts of any premises connected with the system for the purpose of examining and inspecting the connections and fixtures, or for disconnecting service for any proper cause.

12. FURNISHING METERED SERVICE

The basis of determining the quantity of sanitary sewage delivered to the mains of the Company shall be taken from the actual meter records of the Reynolds Water Company and the quantity of water consumed shall constitute the exact amount of sewage delivered to the gathering system of the Company. In case a water meter stops registering, consumption for purposes of applying this tariff will be estimated by Reynolds Water Company.

13. CHANGING RULES OR RATES

The Company reserves the right to change or amend, from time to time, these Rules, Regulations, and Rates, in accordance with the law.

14. RULES CANNOT BE VARIED NOR COMPANY BOUND

No officer or employee of the Company can vary these Rules without action of the Board of Directors, and no agent or employee of the Company can bind it by any agreements or representations except when authorized in writing by an executive officer of the Company to do so.

15. RESERVED

16. RESERVED

17. RESERVED

18. RESERVED

19. RESERVED

20. RESERVED

21. MAIN EXTENSIONS

21.1 General Provisions

(a) The Company will extend existing collection mains for any bona fide prospective Customer making application for sewage disposal service therefrom for a period of one (1) year or more under these Rules and Regulations. Such extensions will be made at the cost of such Customer(s) subject to the provisions of Subsection (b) below.

(b) When an extension to serve a bona fide prospective Customer is required or requested, such extension will be made under the terms of either an "Extension Deposit Agreement," or a "Non-Refundable Contribution Agreement," as hereinafter set forth. The bona fide prospective customer requesting the extension shall be given the option of entering into an Extension Deposit Agreement or a Non-Refundable Contribution Agreement provided however, the Company shall have the unqualified right to require that the requested extension be made pursuant to a Non-Refundable Contribution Agreement if, in the Company's sole judgement, it determines that construction of the requested extension pursuant to an Extension Deposit Agreement would not be economically justified for, or otherwise in the interest of the Company and its customers. The Company shall have the exclusive right to determine the type, size and locations of mains to be installed and the other facilities required to render adequate service. Should it be necessary, in the Company's opinion, to extend beyond the mid point of the lot of the prospective Customer to eliminate future maintenance problems and to provide a more adequate and reliable service , this additional extension shall be part of the total main extension whenever the extension does not exceed 150 feet. All estimated or actual cost figures referred to in the "Extension Deposit Agreement" or in the "Non-Refundable Contribution Agreement" shall include a reasonable allowance for overhead costs.

(c) In determining the length of and necessity for any extension required pursuant hereto, the terminal point of such extension shall, in all cases, be at the point in the curb line which is equidistant from the side property lines of the last lot for which sewage disposal service is requested, except as provided in Paragraph Subsection (b) above wherein it may be necessary to extend beyond the mid-point of the last lot and connect to an alternate existing main to provide a more adequate and reliable service. A lateral service connection will be permitted only when Customer service lines from the premises to be served are laid in a straight line at an appropriate angle to provide the best drainage flow to the main.

d.) For the purpose of this rule:

"Bona fide prospective customer" shall mean any owner or lessee who is or will be the occupant of an existing developed premise having a curb line abutting on that part of a street or public highway in which there is, or is to be, located a collection main of the Company, who shall file a signed application for a new street service connection to such premises and for sewage disposal service to begin immediately following installation of the service lateral connection.

"Lateral service connection" shall mean a service lateral with appurtenances used to carry domestic sewage from a residence to the collection main at curb line.

21. MAIN EXTENSIONS (continued

21.1 General Provisions

e.) Lateral service from a residence shall not pass through or across any premises or property other than that to be supplied, and no connection or plumbing in any premises shall be extended therefrom to adjacent or other premises. Lateral service connections will not be permitted to cross intervening properties even with the protection of easements. Only Customers owning property in fee which directly abuts a street wherein there is an existing main of the Company will be permitted to attach a Lateral service connection to the Company's main for the purpose of discharging domestic sewage. It is understood that such property owned in fee by the said prospective Customer shall be a complete standard building lot, which complies with the existing zoning laws and regulations of the municipality in which such property is located. It is further understood that if such property owned in fee by a Customer is subsequently sold, the purchaser of such property will be entitled to receive sewage disposal service upon compliance with all of the provisions of this tariff, but that the seller of such property shall only be entitled to continue to receive service if such seller complies with all of the provisions of this tariff.

21.2 NON-REFUNDABLE CONTRIBUTION

THIS AGREEMENT entered into this _______day of ________________, _______, by and between Reynolds Disposal Company hereinafter called the "COMPANY" and __________________________________ hereinafter called the "BUILDER."

WHEREAS, the BUILDER desires extension of the sanitary sewage collection mains of the COMPANY, as hereinafter described;

NOW, THEREFORE, this agreement WITNESSETH:

FIRST: THE COMPANY contracts and agrees to lay the sewage collection main(s) (and other facilities, if any) as shown in red on the diagram hereto attached and made a part hereof described and located as follows:

SECOND: It is expressly understood and agreed that if the COMPANY shall be delayed or prevented from installing the sewage collection main(s) (and other facilities, if any) hereinabove described because of its failure to secure pipe or other construction materials, or for any other causes beyond its control, such failure or delay in performance shall be excused; provided, however, if such failure or delay in performance shall extend for a period of more than one (1) year from the date thereof, the BUILDER shall have the right to cancel and terminate this agreement on thirty (30) days' written notice to the COMPANY, and thereafter both parties shall be relieved of all duties and obligations arising hereunder. But this right to cancel and terminate by the BUILDER shall not be invoked if the COMPANY has received the construction material and the BUILDER has made the deposit as hereinafter required, in which event the COMPANY shall have the obligation to prosecute the work diligently to its completion.

21. MAIN EXTENSIONS (continued)

21.2 NON-REFUNDABLE CONTRIBUTION

THIRD: The BUILDER hereby agrees to deposit with the COMPANY, upon notice from the COMPANY that it is prepared and able to go forward with the work provided in Paragraph First hereof, an amount in cash equal to the Estimated Cost determined as follows:

> The Estimated Cost shall include the total cost of the extension including the total cost of said main(s) and the total cost of any other facilities which the COMPANY shall have decided are required to render adequate service.

Upon such written notice, a Preliminary Memorandum in the form attached shall be prepared and signed by both parties showing the deposit required in accordance with foregoing provisions. Upon completion of the installation of the extension, a Final Memorandum in the form attached shall be prepared and signed by both parties showing the deposit required based on the same calculation as set forth above but by using the actual cost of the extension, including the actual installation cost of the mains and other facilities, for the Estimated Cost. If the deposit shown to be due on the Final Memorandum differs from that shown on the Preliminary Memorandum, the BUILDER will deposit any additional amount shown to be due or the COMPANY will refund to the BUILDER any excess amount shown to have been deposited, it being the intent of this agreement that the deposit required shall be based on actual installation cost.

FOURTH: The COMPANY hereby agrees to refund to the BUILDER during the period of ten (10) years from actual date of deposit a Per-Customer Refund Amount for each additional bona fide prospective Customer for whom a street service connection shall be directly attached to such main extension, as distinguished from extensions or branches thereof; provided however, that the total amount refunded shall not exceed the original deposit, without interest, and that all or any part of the deposit not refunded within said 10-year period shall become the property of the COMPANY. The Per-Customer Refund Amount shall be an amount equal to the average actual completed cost of thirty-five (35) feet of the said extension.

FIFTH: The BUILDER may request refunds under Paragraph FOURTH, once in each Calendar quarter, furnishing the COMPANY, at such time, a listing of additional bona fide prospective customers; however, failure on the part of the BUILDER to make such request shall not constitute a waiver of any rights hereunder or relieve the COMPANY of the obligation to make refunds with reasonable promptness.

SIXTH: The ownership of the sewage collection main(s) laid, and appurtenances installed hereunder, shall at all times be in the COMPANY, its successors, and assigns.

SEVENTH: This agreement shall be valid and binding on the COMPANY only when executed by its President or Vice President.

EIGHTH: This agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

21. MAIN EXTENSIONS (Continued)

21.2 NON-REFUNDABLE CONTRIBUTION (continued)

NINTH: Any notice given hereunder shall be deemed sufficient if in writing and sent by registered mail to the COMPANY at 301 Arlington Drive, Greenville, Pennsylvania, 16125, and to the BUILDER at

____.
(Address of the BUILDER)

TENTH: This agreement is entered into pursuant to the legally established Rules and Regulations of the COMPANY, and words, phrases, and terms hereof are to be understood and interpreted in conformity with said Rules and Regulations, which are hereby incorporated herein by reference.

Executed in triplicate by the parties hereto on the date first above written.

COMPANY

____

WITNESS: BY:

______________________________ ______________________________
Name/Title

WITNESS: BUILDER:

______________________________ ______________________________
Name/Title

21. MAIN EXTENSIONS (Continued):

21.3 PRELIMINARY MEMORANDUM

This preliminary Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraph THIRD of a certain agreement in writing between the parties entered into on the ___________ day of ________________, _______, for the installation by the COMPANY of a certain sewage collection main(s) therein described. It is therefore, agreed, and stipulated:

(a)	Estimated cost main(s)	$_________	
(b)	Estimated cost of manholes	_________	
(c)	Estimated cost of other facilities	_________	
(d)	Amount of Deposit		$_________

This Preliminary Memorandum shall be attached to the original agreement in accordance with the provisions of Paragraph THIRD thereof.

COMPANY:

Date: ____________________________________ ____________________________________
Date of Deposit

WITNESS: BY:

____________________________________ ____________________________________
Name/Title

WITNESS: BUILDER:

____________________________________ ____________________________________
Name/Title

21. MAIN EXTENSIONS (Continued)

21.4 FINAL MEMORANDUM

This Final Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraph THIRD of a certain agreement in writing between the parties entered into on the ___________ day of ________________, _______, for the installation by the COMPANY of a certain sewage collection main(s) therein described. It is therefore, agreed, and stipulated:

(a) Actual cost main(s) $_________

(b) Actual cost of manholes _________

(c) Actual cost of other facilities _________

(d) Amount of Deposit $_________

This Final Memorandum shall be attached to the original agreement in accordance with the provisions of Paragraph THIRD thereof.

COMPANY:

Date: ______________________________________ ______________________________________

Date of Deposit

WITNESS: BY:

______________________________________ ______________________________________

Name/Title

WITNESS: BUILDER:

______________________________________ ______________________________________

Name/Title

22. ECONOMIC DEVELOPMENT MAIN EXTENSION POLICY:

The Company may negotiate and enter into customized Extension Deposit Agreements for promoting economic development or enhancing efficiency and operation of the wastewater system. These agreements may include special provisions that differ from the standard terms of "Extension Deposit Agreement."

23. MAIN EXTENSIONS WITH GOVERNMENTAL BODIES:

The Company may negotiate and enter into customized Extension Deposit Agreements with Governmental Agencies where the main extensions are for a public purpose and are funded entirely with public funds. These Agreements may include a waiver of the tax requirements of the "Extension Deposit Agreement," and, in such event, the Company will not refund any portion of the cost of the main extension.

D. RATE STUDY AND DATA IN SUPPORT OF PROPOSED TARIFF WATER PA P.U.C. NO. 4 SUPPLEMENT 9

REYNOLDS DISPOSAL COMPANY

Greenville, Pennsylvania

RATE STUDY AND DATA
IN SUPPORT OF
PROPOSED
TARIFF WASTEWATER PA. P.U.C. NO. 4
SUPPLEMENT 9

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Mechanicsburg, Pennsylvania

Gannett Fleming Valuation and Rate Consultants, LLC
(a GFT Company)

300 Sterling Parkway, Suite 200
Mechanicsburg, PA 17050
717.763.7211

July 31, 2026

Reynolds Disposal Company
301 Arlington Drive
Greenville, PA 16125

Attention: Bradley R. Gosser

Pursuant to your authorization, we have prepared a wastewater rate study for Reynolds Disposal Company (Company) based on the level of operations for the twelve-month periods ended December 31, 2025, December 31, 2026 and December 31, 2027. Appropriate ratemaking adjustments for known and measurable changes were made in order to reflect a more current level of cost of service.

On the basis of the supporting data presented in the following report, it is our opinion that the Company cannot continue to operate its wastewater system without rate relief. The proposed rate increase is necessary in order that the Company may provide reasonable and adequate service to its customers, recover its expenses, be permitted an opportunity to earn a reasonable return on its investment, and attract capital for future improvements.

We recommend that the Company file with the Public Utility Commission, Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9, which proposes an increase in wastewater rates for all general classes of service by approximately 44.1 percent. The overall increase in annual operating revenue from customers is approximately 44.2 percent.

The following report presents our conclusions in appropriate form for filing with the Pennsylvania Public Utility Commission in response to the data required under Subchapter 53.52 of the Commission's Tariff Regulations at Chapter 53 of Title 52 Pa. Code.

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

GREGORY R. HERBERT
Project Manager, Rate Studies

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THE REYNOLDS DISPOSAL COMPANY

Statement of Reasons for Proposed Rate Increase

Pursuant to Subsection 53.52 Tariff Regulations

Brief Overview of Filing

The Reynolds Disposal Company (Company) is submitting the Tariff Wastewater - Pa. P.U.C. No. 4, Supplement 9 on July 31, 2026, with a proposed effective date of September 29, 2026. The Tariff presents increased rates for wastewater service totaling $251,152 per annum. The proposed rate increase is necessary in order that it may provide reasonable and adequate service to its customers, recover its expenses, be permitted an opportunity to earn a reasonable return on its investment, and attract capital for future improvements.

The Tariff presents proposed rates which are driven largely, but not exclusively, by the time since its last rate case in 2021 and the ongoing capital improvements since the Company's prior rate case and the projected capital improvements in the following Rate Study that are required to provide safe and reliable disposal service to its customers.

For the twelve months ended December 31, 2025, the future test year ending December 31, 2026 and the fully projected future test year of December 31, 2027, wastewater service operations at present rates produced net operating income as follows:

	12-31-2025	12-31-2026	12-31-2027
Net operating Income	–$600	–$25,908	$216,530
Rate of Return	0.69%	1.85%	7.99%

The Tariff is based upon fully projected future test year operations ending December 31, 2027. The information and data submitted in support of the Tariff supports an increase in rates of $251,152 based on a fair rate of return of 7.99% on fixed capital investment and the recovery of operating expenses, taxes other than income, depreciation expense, amortization of regulatory liabilities and income taxes.

The Company

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

The sewage treatment plan's designed hydraulic loading capacity is 1,250,000 gpd. Reynolds Disposal Company does not perform advance treatment. Sludge is aerated and pumped from the clarifiers via the double plunger pump to the digester. Sludge is then pumped from the digester to drying beds. After allowing drying time, it is then hauled to a landfill. Chemicals are also added to the treatment process. Conveyance and treatment capacity have not been exceeded nor is it expected to be exceeded within the next five years.

The original collection system was constructed during the 1940s to service the US Army installation known as Camp Reynolds. The original lines were made of vitrified clay and tile. The Company has been adding and replacing lines using poly-vinyl chloride materials. The Collection System is generally in good condition. Periodic replacement of lines is an ongoing part of routine maintenance and procedures. The majority of the lines are gravity fed. The system is monitored regularly, and ejectors and lift stations are checked daily to ensure smooth operations. As part of routing maintenance procedures, portions of lines are televised and inspected, and, where appropriate, are cleaned out, repaired or replaced.

The Company's service area comprises portions of Pymatuning, Hempfield and Delaware Townships, and service is supplied to 971 customers.

Operating Revenues

Pro Forma operating revenues for the twelve months ended December 31, 2025, December 31, 2026 and December 31, 2027 are summarized on the Statement of Revenues of the supporting data. Revenues are adjusted for the elimination of the Pennvest Surcharges, where the Company will pay off the Pennvest loan by December 2027 (or the fully projected future test year).

Operating Expenses

Operating expense adjustments include pro forma salaries and wages, purchased power, chemicals, and rate case expense. Pro forma operating expense adjustments are found in Schedule D.

Original Cost – Plant in Service

Original Cost of Plant in Service for the test year ended December 31, 2025, reflect the Company's records as of that date. The plant additions for 2026 are already underway and the Company is actively securing funding for the 2027 additions and include the following: main replacements, collection system upgrades, transportation equipment, and treatment plant upgrades.

Rate Base

Schedule E shows the Utility Plant in Service, Accumulated Depreciation Expense and Annual Depreciation Expense for the Historic Test Year, the Fully Projected Future Test Year. The measure of value includes the original cost plant in service less accrued depreciation.

Rate of Return

Based on the Company's current information and a hypothetical capital structure, the recommended overall rate of return is 7.99% as of December 31, 2027, as shown below. The overall rate of return is based on a hypothetical capital structure using 45% debt and 55% equity. The embedded debt cost rate of 5.85% is equal to the three-month average of A rated Public Utility Bond Yields. The Company's cost of equity is at least 9.75%, the PA PUC's current allowable DSIC rate for wastewater utility distribution system improvement charge purposes.

	Ratios	Cost Rate	Weighted Cost
Debt	45.0%	5.85%	2.63%
Equity	55.0%	9.75%	5.36%
Overall	100.0%		7.99%

Rate Design

The Company is requesting an increase in operating revenues of approximately $251,152 or 44.2% increase in revenue from the sale of wastewater. The existing rates are composed of a common schedule of customer charges per EDU and three-volumetric rate blocks consumption charges The Company is proposing across-the-board increases to the customer charges and volumetric charges. The Company will no longer be eligible to charge customers the Pennvest Surcharge starting in December of 2027.

The bill for a typical wastewater residential customer using 4,400 gallons per month with a 5/8-inch meter, inclusive of the Pennvest Surcharges under present rates, will increase from $57.49 per month to $83.56 per month or 45.3%.

THE REYNOLDS DISPOSAL COMPANY

TOTAL NUMBER OF CUSTOMERS SERVED AND
NUMBER OF CUSTOMERS WHOSE BILLS WILL BE INCREASED

Customer Class	Number of Customers
Residential	877
Commercial	67
Industrial	24
Public	3
Total	971

THE REYNOLDS DISPOSAL COMPANY

NUMBER OF CUSTOMERS WHOSE BILLS WILL BE DECREASED

Under the proposed rates, no customers' bills will be decreased for wastewater service.

CALCULATION OF TOTAL REVENUE DECREASE
UNDER THE PROPOSED RATES PROJECTED TO AN ANNUAL BASIS

Under the proposed rates, operating revenues for wastewater service will not decrease.

STATEMENT OF THE EFFECT OF THE PROPOSED
TARIFF CHANGES ON THE UTILITY'S CUSTOMERS

Pursuant to Subsection 53.52(a)(1) through (a)(11)
of Tariff Regulations

(a)(1): Refer to page 1 of the Rate Study and Data in Support of Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9.

(a)(2),(3): Refer to page 4 of the Rate Study and Data in Support of Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9.

(a)(4): The proposed tariff changes will increase all customers' rates for wastewater service by varying percentages and overall by approximately 17.2%. The total increase in revenues is approximately 16.9 percent.

(a)(5): Refer to Schedule C for the effect of the proposed tariff changes on the Company's revenues and expenses.

(a)(6): The proposed tariff changes will not change the service rendered by the Company.

(a)(7): Not applicable, since this application is part of a general rate increase.

(a)(8): Not applicable, since this application is part of a general rate increase.

(a)(9): Customer polls were not taken to indicate customer acceptance and desire for the proposed tariff changes. The tariff changes are in the public interest as stated in response to Subsection 53.52(a)(1) of the tariff regulations.

(a)(10): The Company will implement the proposed tariff changes upon the Commission's approval.

(a)(11): Not applicable.

STATEMENT OF THE EFFECT OF THE PROPOSED
TARIFF CHANGES ON THE UTILITY'S CUSTOMERS

Pursuant to Subsection 53.52(b)(1) through (b)(6)
of Tariff Regulations

(b)(1): Refer to pages 1 through 4 of the Rate Study and Data in Support of Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9.

(b)(2): Refer to Schedule D of the Rate Study and Data in Support of Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9.

(b)(3): Refer to page 4 of the Rate Study and Data in Support of Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9.

(b)(4): Refer to Schedule C of the Rate Study and Data in Support of Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9.

(b)(5): Refer to page 6 of the Rate Study and Data in Support of Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9.

(b)(6): Refer to page 6 of the Rate Study and Data in Support of Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9.

STATEMENT OF THE EFFECT OF THE PROPOSED
TARIFF CHANGES ON THE UTILITY'S CUSTOMERS

Pursuant to Subsection 53.52(c)(1) through (c)(6)
of Tariff Regulations

(c)(1): Refer to Schedule D of the Rate Study and Data in Support of Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9.

(c)(2): Refer to Schedule B of the Rate Study and Data in Support of Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9.

(c)(3): Refer to Schedule E of the Rate Study and Data in Support of Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9.

(c)(4): Refer to Schedule E of the Rate Study and Data in Support of Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9.

(c)(5): Refer to Schedule D of the Rate Study and Data in Support of Tariff Wastewater-Pa. P.U.C. No. 4, Supplement 9.

(c)(6): Not applicable.

PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265 Harrisburg, PA 17120

Information Required for Small Water Utilities Requesting a Rate Increase
under 52 Pa CS § 53.54

I. NAME OF UTILITY, OFFICE MAILING ADDRESS AND AREA SERVED

A. Utility Name: Reynolds Disposal Company

B. Street Address: 301 Arlington Drive

C. City or Borough: Greenville Township: Delaware

D. County: Mercer Zip Code: 16125

E. Area Served: Pymatuning, Hempfield and Delaware Townships

II. TYPE OF ORGANIZATION AND PRINCIPAL OFFICERS

A. Type of Ownership:
Corporation: x Partnership: ____ Individual: ____ Other: Wholly-Owned Subsidiary

B. If a corporation list names of the officers. If an individual or partnership list the name of the individual or each partner.

C. If the controlling ownership of this utility changed during the last twelve (12) months, state the date of ownership change and the name and address of the prior owner.

D. Date the utility was formed or incorporated: Estimated approximately 1951

E. Is the utility controlled by another corporation? Y N If yes, by whom? Yes.
Greenville-Reynolds Development Corporation

III. PERSON TO CONTACT REGARDING THE INFORMATION SUPPLIED ON THESE FORMS

A. Name and Title: Gregory R. Herbert, Project Manager

B. Address: 300 Sterling Parkway, Suite 200

C. City or Borough: Mechanicsburg, Pennsylvania

D. Telephone Number with Area Code: 610-783-3786
Cell Phone Number with Area Code: 610-783-3786
Fax Number with Area Code:
e-mail address: gherbert@gftinc.com

E. If not an officer, owner or employee, give name of firm employed by:
Gannett Fleming Valuation and Rate Consultants, LLC

Name of Utility: Reynolds Disposal Company

BALANCE SHEETS

ASSETS	End of Prior Year 12/31/2024	End of Test Year 12/31/2025
UTILITY PLANT		
101.0 Utility Plant in Service	$ 5,108,087	$ 5,139,829
105.0 Construction Work In Progress	$ 2,320	$ 624
114.0 Utility Plant Acquisition Adjustment		
TOTAL UTILITY PLANT	$ 5,110,407	$ 5,140,453
108.1 Less: Accumulated Depreciation	$ 1,996,872	$ 2,127,388
NET UTILITY PLANT	$ 3,113,535	$ 3,013,065
CURRENT ASSETS		
131.1 Cash	$ 38,066	$ 14,150
141.0 Accounts Receivable	$ 8,731	$ 8,823
144.0 Notes Receivable	$ 11,969	$ 1,344
151.0 Materials and Supplies		
162.0 Prepayments	$ 24,130	$ 23,171
174.0 Other Current Assets	$ 38,600	$ 38,100
TOTAL CURRENT ASSETS	$ 121,496	$ 85,588
OTHER ASSETS and DEFERRED CHARGES		
186.0 Deferred Debt Expense		
186.0 Deferred Charges/Debits		
186.0 Other		
TOTAL OTHER ASSETS and DEFERRED CHARGES	$ -	$ -
TOTAL ASSETS	**$ 3,235,031**	**$ 3,098,652**

Name of Utility: Reynolds Disposal Company

BALANCE SHEETS

LIABILITIES & EQUITY	End of Prior Year 12/31/2024	End of Test Year 12/31/2025
STOCKHOLDERS' EQUITY		
201.0 Common Stock	$ 10,000	$ 10,000
211.0 Capital in Excess of Par Value	$ 660,635	$ 660,635
215.0 Retained Earnings	$ 1,454,924	$ 1,451,667
TOTAL STOCKHOLDERS' EQUITY	$ 2,125,559	$ 2,122,302
LONG-TERM DEBT		
224.0 Long-term debt, excluding current portion	$ 1,016,686	$ 847,767
CURRENT LIABILITIES		
Current Portion of Long-term Debt		
231.0 Accounts Payable	$ 8,517	$ 20,619
231.0 Accounts Payable - (Development Corp.)	$ 69,937	$ 23,218
231.0 Accounts Payable - (Disposal Co.)	$ 1,904	$ -
232.0 Notes Payable	$ -	$ 72,500
236.0 Accrued Taxes		
237.0 Accrued Interest		
241.0 Other Current Liabilities	$ 12,428	$ 12,246
TOTAL CURRENT LIABILITIES	$ 92,786	$ 128,583
OTHER LIABILITIES and DEFERRED CREDITS		
252.0 Advances for Construction		
253.0 Other Deferred Credits		
255.0 Deferred Investment Tax Credits		
271.0 Contributions in Aid of Construction		
282.0 Deferred Inc. Taxes - Lib. Depr.		
TOTAL OTHER LIABILITIES and DEFERRED CREDITS	$ -	$ -
TOTAL LIABILITIES & EQUITY	**$ 3,235,031**	**$ 3,098,652**

Name of Utility: Reynolds Disposal Company

Statements of Revenues

CUSTOMER CLASS	Number of Customers for the Test Year Ended 12/31/2025: Beginning of year (1)	End of year (2)	Actual Revenues for the Year Ended mm/dd: 12/31/2025 (3)	Test Year 12/31/2025 (4)	Future Test Year @ 12/31/2026 Annualization adjustments (5)	Fully Projected Future Test Year @ 12/31/2027 Annualization adjustments (6)	Totals as Annualized (7=4+5+6)	Proposed Increase (8)	Fully Projected Future Test Year @ 12/31/2027 Totals after Increase (9=7+8)
Metered Sales:									
522.1 Residential	873	877	$ 375,972	$ 379,745			$ 379,745	$ 298,336	$ 678,081
522.2 Commercial	67	67	46,462	45,070			45,070	35,410	$ 80,480
522.3 Industrial	24	24	22,909	22,930			22,930	18,015	$ 40,945
522.4 Public	3	3	12,522	11,949			11,949	9,388	$ 21,337
SUB-TOTAL	967	971	$ 457,865	$ 459,693	$ -	$ -	$ 459,693	$ 361,149	$ 820,842
Surcharge Sales:									
522.5 Pennvest Surcharges			$ 109,985	$ 109,996			109,996	$ (109,996) *	$ -
522.6 Sludge Removal Surcharges			83,250	83,250			83,250	$ 36,805	$ 120,055
							-		
							-		
							-		$ -
SUB-TOTAL	-	-	$ 193,235	$ 193,247	$ -	$ -	$ 193,247	$ (73,191)	$ 120,055
470.0 Penalties and Forfeitures			$ 121	$ 598			$ 598	$ 1,068	$ 1,666
474.0 Other Revenue			$ 275	$ 220			$ 220		$ 220
TOTAL REVENUE			**$ 651,496**	**$ 653,758**	**$ -**	**$ -**	**$ 653,758**	**$ 289,025**	**$ 942,783**

*Pennvest loan will be fully funded through Surcharges by December 1, 2027.

Reynolds Disposal Company
Summary of Present and Proposed Rates

Customer Charge	Present Rates	Proposed Rates
All Customers - Per EDU	$ 10.30	$ 18.39
Flat Rate Domestic Customers	52.38	93.53
Commercial Flat Rate	53.99	96.41
Industrial Flat Rate	17.17	30.66
Volumetric Rates		
Up to 4,000 Gallons	$ 8.4774	$ 15.1381
Next 16,000 Gallons	7.5605	13.5008
Over 20,000 Gallons	4.5709	8.1623
Pennvest Surcharge	$ 2.3312	$ -
Pennvest Unmetered Surcharge	$ 12.43	$ -

REYNOLDS DISPOSAL COMPANY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED DECEMBER 31, 2025

Rate Block 1000 Gallons		Number Of EDUs	Present Consumption	Present Rate	Revenue	Proposed Consumption	Proposed Rate	Proposed Revenue
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)
				Residential - Monthly				
Service Charge								
Residential		10,422		10.30	107,347		18.39	191,661
Total - Service Charge		10,422	-		107,347	-		191,661
First 4,000			25,975	$ 8.4774	220,199	25,975	$ 15.1381	393,209
Next 16,000		-	4,624	7.5605	34,956	4,624	13.5008	62,421
Over 20,000		-	472	4.5709	2,158	472	8.1623	3,853
		-	31,070		257,313	31,070		459,483
Unmetered Rates		288		52.38	15,085		93.53	26,937
Total Residential		10,710	31,070		$ 379,745	31,070		$ 678,081
Residential								
Pennvest Charges			*31,070*	*$ 2.3312*	*$ 72,431*	*31,070*	*$ -*	*$ -*
Pennvest Charges	*(Unmetered)*	*927*		*$ 12.43*	*$ 11,523*		*$ -*	*$ -*
				Commercial - Monthly				
Service Charge								
Commercial		821	-	10.30	8,456	-	18.39	15,098
Total - Service Charge		821	-		8,456	-		15,098
First 4,000			1,360	$ 8.4774	$ 11,531	1,360	$ 15.1381	$ 20,591
Next 16,000			1,506	7.5605	11,388	1,506	13.5008	20,335
Over 20,000			2,996	4.5709	13,695	2,996	8.1623	24,456
		-	5,863		36,614	5,863		65,382
Total Commercial		821	5,863		45,070	5,863		80,480
Commercial								
Pennvest Charges			*5,863*	*$ 2.3312*	*$ 13,667*	*5,863*	*$ -*	*$ -*
				Industrial - Monthly				
Service Charge								
Industrial		313	-	10.30	3,224	-	18.39	5,756
Total - Service Charge		313	-		$ 3,224	-		$ 5,756
First 4,000		-	648	$ 8.4774	$ 5,490	648	$ 15.1381	$ 9,803
Next 16,000		-	985	7.5605	7,445	985	13.5008	13,294
Over 20,000		-	1,481	4.5709	6,771	1,481	8.1623	12,091
		-	3,114		19,706	3,114		35,188
Total Industrial		313	3,114		22,930	3,114		40,945
Industrial								
Pennvest Charges			*3,114*	*$ 2.3312*	*$ 7,258*	*3,114*	*$ -*	*$ -*

Public - Monthly

Service Charge										
Public	34	-		10.30		350	-		18.39	625
Total - Service Charge	34	-			$	350	-		$	625
First 4,000	-	110	$	8.4774	$	929	110	$	15.1381	$ 1,659
Next 16,000	-	380		7.5605		2,876	380		13.5008	5,136
Over 20,000	-	1,705		4.5709		7,793	1,705		8.1623	13,917
	-	2,195				11,599	2,195			20,712
Total Public	34	2,195				11,949	2,195			21,337
Public										
Pennvest Charges		*2,195*	*$*	*2.3312*	*$*	*5,117*	*2,195*	*$*	*-*	*$ -*
Total Metered Sales	11,878	42,242			$	459,693	42,242			$ 820,842
Total Pennvest Charges					$	109,996				$ -
Total Sales	11,878	42,242			$	569,689	42,242			$ 820,842

REYNOLDS DISPOSAL COMPANY

COMPARISON OF BILLS UNDER PRESENT AND PROPOSED RATES
ALL CUSTOMER CLASSES - MONTHLY
PER EDU FOR 5/8-INCH METER CONNECTIONS

	BILLS UNDER		INCREASE	
CONSUMPTION GALLONS	PRESENT RATES*	PROPOSED RATES	AMOUNT	PERCENT
(1)	(2)	(3)	(4)	(5)
0	$ 10.30	$ 18.39	$ 8.09	78.54%
1,000	21.11	33.53	12.42	58.84%
2,000	31.92	48.67	16.75	52.48%
3,000	42.73	63.80	21.08	49.33%
4,000	53.53	78.94	25.41	47.46%
4,400	57.49	84.34	26.85	46.71%
5,000	63.43	92.44	29.02	45.75%
6,000	73.32	105.94	32.63	44.50%
7,100	84.20	120.79	36.60	43.46%
8,000	93.10	132.95	39.84	42.80%
9,900	111.90	158.60	46.70	41.74%
10,000	112.88	159.95	47.06	41.69%
11,000	122.78	173.45	50.67	41.27%
12,000	132.67	186.95	54.28	40.91%
13,000	142.56	200.45	57.89	40.61%
14,000	152.45	213.95	61.50	40.34%
15,000	162.34	227.45	65.11	40.11%
16,000	172.23	240.95	68.72	39.90%
17,000	182.13	254.45	72.33	39.71%
18,000	192.02	267.95	75.94	39.55%
19,000	201.91	281.45	79.54	39.40%
20,000	211.80	294.96	83.15	39.26%
25,000	246.31	335.77	89.45	36.32%
30,000	280.82	376.58	95.76	34.10%
35,000	315.33	417.39	102.06	32.36%
40,000	349.84	458.20	108.36	30.97%
45,000	384.35	499.01	114.66	29.83%
50,000	418.86	539.82	120.96	28.88%
64,600	519.64	658.99	139.36	26.82%
70,000	556.91	703.07	146.16	26.25%
80,000	625.93	784.69	158.77	25.36%
90,000	694.95	866.32	171.37	24.66%
100,000	763.97	947.94	183.97	24.08%
110,000	832.99	1,029.56	196.57	23.60%
120,000	902.01	1,111.19	209.17	23.19%
130,000	971.03	1,192.81	221.78	22.84%
140,000	1,040.05	1,274.43	234.38	22.54%
150,000	1,109.07	1,356.05	246.98	22.27%
175,000	1,281.63	1,560.11	278.48	21.73%
200,000	1,454.18	1,764.17	309.99	21.32%
250,000	1,799.28	2,172.28	373.00	20.73%

* Present rates include Pennvest Surcharges.

Name of Utility: Reynolds Disposal Company

Statements of Income

	Actual for the Year		FTY Annualization Adjustments		FPFTY Annualization Adjustments	Totals as Annualized	Proposed Increase	Totals after Increase
	Prior Year 2024	Test Year 2025		FTY 2026				
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6=4+5)**	**(7)**	**(8=6+7)**
						(Under Present)		*(Under Proposed)*
Total Revenue: 1	$ 643,731	$ 653,758	$ -	$ 653,758	$ -	$ 653,758	$ 289,025	$ 942,783
Operating Expenses:								
701.0 Operating Labor	$ 105,963	$ 105,269	$ (17,106)	$ 88,164	$ 11,876	$ 100,039	$ -	$ 100,039
720.0 Operating Supplies	84,577	79,818	-	79,818	-	79,818	-	79,818
701.1 Maintenance Labor	2,415	2,976	-	2,976	-	2,976	-	2,976
720.1 Maintenance Supplies	37,947	23,482	-	23,482	-	23,482	-	23,482
710.0 Purchd. Wastewater Trtmt.	-	-	-	-	-	-	-	-
715.0 Purchased Power	45,959	56,689	-	56,689	10,302	66,992	-	66,992
735.0 Testing Expense	-	-	-	-	-	-	-	-
718.0 Chemicals	51,392	42,266	-	42,266	5,116	47,381	-	47,381
755.0 Insurance	66,338	65,796	-	65,796	2,303	68,099	-	68,099
701.0 General Office Salaries	57,172	59,436	(9,658)	49,778	6,705	56,483	-	56,483
775.0 General Office Expenses	49,980	49,951	-	49,951	-	49,951	-	49,951
765.0 Regulatory Commission Expense	8,752	9,506	-	9,506	-	9,506	-	9,506
766.0 Rate Case Expense	-	-	-	-	23,833	23,833	-	23,833
403.0 Depreciation Expense	128,117	130,516	256	130,772	5,381	136,153		136,153
775.0 Other Misc. Expenses	11,712	8,573	-	8,573	-	8,573	-	8,573
775.1 Uncollectible Accounts	567	302	-	302	-	302	237	539
Taxes:								
409.0 Federal Income Taxes	$ (17,200)	$ (9,700)		(9,700)		(9,700.00)	$ 37,446	$ 27,746
409.0 State Income Taxes		-		-		-	13,051	13,051
409.0 PURTA	$ 13,254	12,881		12,881		12,881	-	12,881
408.0 All Other Taxes				-		-		-
Total Expenses	$ 646,944	$ 637,761	$ (26,508)	$ 611,253	$ 65,516	$ 676,769	$ 50,735	$ 727,504
Net Operating Income	$ (3,213)	$ 15,997		$ 42,504		$ (23,012)	$ 238,290	$ 215,279
421.0 Non-Operating Income	$ 1,609	$ 1,253		$ 1,253		$ 1,253		$ 1,253
Non-Operating Deductions:								
426.0 Other						-		-
427.0 Interest	$ 20,631	$ 17,850		$ 17,850		17,850	$ 53,384	71,234
Net Income	$ (22,235)	$ (600)	$ -	$ 25,908	$ -	$ (39,609)	$ 184,906	$ 145,298

1. Carried over from Statements of Revenues

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Rate Base		$ 2,489,024		$ 2,368,309		$ 2,708,513		$ 2,708,513
ROR		**0.69%**		**1.85%**		**-0.80%**		**7.99%**

Name of Utility: Reynolds Disposal Company

Operations and Maintenance Expense and Expense Adjustments for the Twelve Months Ended December 31, 2024 and 2025 and Pro Forma December 31, 2027

	Actual for the Year Prior Year 2024	Actual for the Year Test Year 2025	12/31/26 Annualization Adjustments	12/31/26 Totals as Annualized	12/31/27 Annualization Adjustments	12/31/27 Totals as Annualized	Proposed Increase	12/31/27 Pro Forma O&M Total
	(1)	**(2)**	**(3)**	**(4=2+3)**	**(5)**	**(6=4+5)**	**(7)**	**(8)**
Operating and Maintenance Expenses:				*(Under Present)*		*(Under Present)*		*(Under Proposed)*
Disposal Plant								
720.1 Maintenance Supplies	$ 12,738	$ 10,711		$ 10,711		$ 10,711	$ -	$ 10,711
				-		-	-	-
Total Disposal Plant	**$ 12,738**	**$ 10,711**	$ -	**$ 10,711**	$ -	**$ 10,711**	$ -	$ 10,711
Sewage Treatment Plant								
701.0 Operating Labor	$ 35,571	$ 35,625	$ (5,789)	$ 29,836	$ 4,019	$ 33,855		$ 33,855
715.0 Purchased Power	40,305	50,049		50,049	9,096	59,145		59,145
718.0 Chemicals	51,392	42,266		42,266	5,116	47,381		47,381
720.0 Operating Supplies	81,987	76,987		76,987		76,987		76,987
720.1 Maintenance Supplies	21,689	7,893		7,893		7,893		7,893
775.0 Other Misc. Expenses	245	-		-		-		-
Total Sewage Treatment Plant	**$ 231,188**	**$ 212,820**	**$ (5,789)**	**$ 207,031**	**$ 18,230**	**$ 225,262**	**$ -**	**$ 225,262**
Pumping System								
701.0 Operating Labor	$ 15,079	$ 15,404	$ (2,503)	$ 12,901	$ 1,738	$ 14,638		$ 14,638
715.0 Purchased Power	5,654	6,640		6,640	1,207	7,847		7,847
720.0 Operating Supplies	803	960		960		960		960
720.1 Maintenance Supplies	3,520	4,878		4,878		4,878		4,878
Total Pumping System	**$ 25,056**	**$ 27,882**	**$ (2,503)**	**$ 25,379**	**$ 2,944**	**$ 28,324**	**$ -**	**$ 28,324**
Collection System								
701.0 Operating Labor	$ 21,870	$ 19,514	$ (3,171)	$ 16,343	$ 2,201	$ 18,544		$ 18,544
720.0 Operating Supplies	1,787	1,871		1,871		1,871		1,871
701.1 Maintenance Labor Mains	2,415	2,976		2,976		2,976		2,976
775.0 Other Misc. Expenses	299	-		-		-		-
Total Collection System	**$ 26,371**	**$ 24,361**	**$ (3,171)**	**$ 21,190**	**$ 2,201**	**$ 23,392**	**$ -**	**$ 23,392**
Billing and Collecting								
701.0 Operating Labor	$ 33,442	$ 34,726	$ (5,643)	$ 29,083	$ 3,918	$ 33,001		$ 33,001
775.1 Uncollectible Accounts	567	302		302		302	$ 237	539
Total Billing and Collecting	**$ 34,009**	**$ 35,028**	**$ (5,643)**	**$ 29,385**	**$ 3,918**	**$ 33,303**	**$ 237**	**$ 33,540**
Admin and General Expenses								
701.0 General Office Salaries	$ 57,172	$ 59,436	$ (9,658)	$ 49,778	$ 6,705	$ 56,483		$ 56,483
715.0 Purchased Power	-	-		-		-		-
755.0 Insurance	66,338	65,796		65,796	$ 2,303	68,099		68,099
775.0 General Office Expenses	49,980	49,951		49,951		49,951		49,951
775.0 Other Misc. Expenses	11,168	8,573		8,573		8,573		8,573
403.0 Depreciation Expense	128,117	130,516	256	130,772	5,381	136,153		136,153
765.0 Regulatory Commission Expense	8,752	9,506		9,506		9,506		9,506
766.0 Rate Case Expense	-	-		-	23,833	23,833		23,833
Total Distribution System	**$ 321,527**	**$ 323,777**	**$ (9,402)**	**$ 314,375**	**$ 38,222**	**$ 352,598**	**$ -**	**$ 352,598**
Total Operation and Maintenance Expenses	**$ 650,890**	**$ 634,580**	**$ (26,508)**	**$ 608,072**	**$ 65,516**	**$ 673,589**	**$ 237**	**$ 673,826**

Name of Utility: Reynolds Disposal Company
Pro Forma Operating Expense Adjustments

Adj. Ref.	Explanation

E-1 To adjust actual test year salaries and wages expense to reflect pro forma labor expense at the year ended December 31, 2026 and Decmeber 31, 2027

Account		Test Year	Pro Forma 2026	2026 Increase (Decrease)	Pro Forma 2027	2027 Increase (Decrease)
			$ -	$ -	$ -	$ -
601.0 Operating Labor	Treatment	35,625	29,836	(5,789)	33,855	4,019
601.0 Operating Labor	Pumping	15,404	12,901	(2,503)	14,638	1,738
601.0 Operating Labor	Collecting	19,514	16,343	(3,171)	18,544	2,201
601.0 Operating Labor	Bill and Collect	34,726	29,083	(5,643)	33,001	3,918
601.0 General Office Salaries	A&G	59,436	49,778	(9,658)	56,483	6,705
Total/Adjustments		$ 164,706	$ 137,942	**$ (26,764)**	$ 156,523	**$ 18,581**

Total Est. Labor Expense 2026	**$ 137,942**
Total Est. Labor Expense 2027	**$ 156,523**

E-2 To adjust chemical expense to reflect the projected annual usage of chemicals at the treatment plants and current unit prices.

Chemical	Projected Annual Quantity	Units	2026 Unit Cost	Pro Forma Cost	Pro Forma Increase (Decrease)
CHLORINE	14	Cylinders	$ 293.50	3,962	
ALUMINUM SULFATE	12,335	Gallons	$ 3.52	43,419	
Total Pro Forma Chemicals Expense				$ 47,381	
Total HTY Chemicals Expense				$ 42,266	
Adjustment					**$ 5,116**

E-3 To Adjust Power Expense for the Company's new contracted electricity rates.

		Increase $	Increase %	
2023 Purchased Power	40,672			
2024 Purchased Power	45,959	5,287	13%	
2025 Purchased Power	56,689	10,731	23%	
Average Increase			**18%**	
Adjustment				**$ 10,302**

	Per KwH	
Company Old Contract - Trasmission Rate	0.07745	
Company New Contract - Trasmission Rate*	0.09456	
Percentage Increase		22%

**New Contract Rate from May 2025 through April 2028*

E-4 To normalize operating expenses for the estimated cost of this rate case over three years.

	Pre-Filing	Post Filing and Settlement	Hearings and Briefs	Fully Litigated	
Revenue Requirement, Rate Study, Rate Design	$ 18,000	$ 10,000	$ 3,000	$ 31,000	
Legal Fees	8,000	20,000	12,000	40,000	
Customer Notice and Postage	500	-	-	500	
Total Rate Case Expense	26,500	30,000	15,000	71,500	
Normalized Amount (Divided by 3 years)				$ 23,833	
Less: Test Year Rate Case Expense				-	
Adjustment					**$ 23,833**

E-5 To adjust depreciation expense as of December 31, 2027

Annual Depreciation Expense as of December 31, 2026	130,772	
Less: Depreciation Expense as of December 31, 2025	130,516	
Adjustment		**$ 256**
Annual Depreciation Expense as of December 31, 2027	$ 136,153	
Less: Depreciation Expense as of December 31, 2025	130,772	
Adjustment		**$ 5,381**

E-6 To adjust Insurance expense as of December 31, 2027

Insurance Expense increase of 3.5% as of December 31, 2027	68,099	
Less: Insurance Expense as of December 31, 2025	65,796	
Adjustment		**2,303**

REYNOLDS DISPOSAL COMPANY
Income Tax Calculation

Description	Test Year Income Taxes at Present Rates	Pro Forma Proposed Income Taxes
TAXABLE INCOME - STATE (Current)	$ (39,609)	$ 145,176
INCOME TAXES - STATE		
Current at 8.99%	-	13,051
TAXABLE INCOME - FEDERAL (Current)	$ (39,609)	$ 132,125
INCOME TAXES - FEDERAL		
Current at 21%	-	27,746

101.0 Plant In Service - Changes Since the Last Rate Case

Date Plant Installed/Retired mm/yyyy	Plant Additions		Plant Retirements		Plant Adjustments	Changes Since the Last Rate Case
	List Major Items by Class	Amounts	List Major Items by Class	Amounts		
Dec-21	Various	$ 54,834	Various	$ -		$ 54,834
Dec-22	Various	37,445	Various	7,859		29,586.00
Dec-23	Various	745,263	Various	49,279		695,984.00
Dec-24	Various	198,233	Various	2,460		195,773.00
Dec-25	Various	30,046	Various	-		30,046.00
						-
Projected						-
Dec-26	Various	12,795	Various	$ 2,113		10,681.90
Dec-27	Various	563,695	Various	$ 76,334		487,361.20
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
	TOTALS	**$ 1,642,311**		**$ 138,045**	**$ -**	**$ 1,504,266**

Source: Annual Reports to the PA PUC and Company records.

REYNOLDS DISPOSAL COMPANY

ORIGINAL COST MEASURE OF VALUE

	As of 31-Dec-25	As of 31-Dec-26	As of 31-Dec-27
Original Cost of Utility Plant in Service	$ 5,140,453	$ 5,150,509	$ 5,637,870
Less: Accumulated Depreciation	2,127,388	2,258,160	2,394,312
Subtotal	$ 3,013,065	$ 2,892,349	$ 3,243,558
Deduct:			
Contributions in Aid of Construction	635,029	635,029	635,029
Less: Accrued Depreciation	25,401	25,401	25,401
Subtotal	609,628	609,628	609,628
Net Utility Plant	2,403,437	2,282,721	2,633,929
Add:			
Materials and Supplies	$ -	$ -	$ -
Current Assets	$ 85,588	$ 85,588	$ 74,583
Total Original Cost Measure of Value	$ 2,489,024	$ 2,368,309	$ 2,708,513

Name of Utility: Reynolds Disposal Company

Capital Structure

Year Ended 12/31/2027

	Per Books	Pro Forma - Hypothetical	Pro Forma Ratio
232.00 Short-Term Debt	$ 72,500	$ -	0.00%
224.0 Long-Term Debt	$ -	$ 2,216,056	45.00%
Common Equity:			
201.0 Common Stock	$ -	$ -	
204.0 Preferred Stock	$ -	$ -	
211.0 Misc. Paid-in-Capital	$ -	$ -	
215.0 Retained Earnings	$ 3,098,652	$ 2,708,513	
216.0 Reacquired Stock	$ -	$ -	
	$ -	$ -	
Total Equity	$ 3,098,652	$ 2,708,513	55.00%
Total Capital	$ 3,171,152	$ 4,924,569	100.00%

Cost Rates

Type	Principal Amount	Cost Rates	Interest Expense
232.0 Short Term Debt:			
Loan A	$ -	0.00%	$ -
Loan B	$ -	0.00%	$ -
New Loan	$ -	0.00%	$ -
Total Short-Term Debt	$ -	0.00%	$ -
224.0 Long-Term Debt:			
Loan A	$ 114,582	5.74%	$ 6,577
Loan B	$ 176,908	3.64%	$ 6,439
Loan C	$ 61,648	2.22%	$ 1,369
Loan D			$ -
Total Long-Term Debt	$ 353,138	4.07%	$ 14,385

Name of Utility: Reynolds Disposal Company

Rate of Return

Year Ended 12/31/2027

Type of Capital	Capital Structure (1)	Cost Rates (2)	Weighted Cost of Capital (3=1x2)
224.0 Long-Term Debt	45.00%	5.85%	2.63%
Common Equity	55.00%	9.75%	5.36%
Total	100.00%		7.99%

Gannett Fleming Valuation and Rate Consultants, LLC

Memo

To: Gregory R. Herbert

From: Harold Walker III

Date: June 29, 2026

Re: The Reynolds Disposal Company's Overall Rate of Return

I understand the Reynolds Disposal Company is trying to minimize their rate increase request and is seeking a minimum overall rate of return. Based upon a review of current information, an overall rate of return of 7.99% based upon Reynolds Disposal Company's hypothetical capital structure on December 31, 2025, including a 9.75% cost of common equity is recommended. However, it should be noted that a full-scale company specific cost of equity study has not been conducted at this time. In the event that this rate filing is fully litigated, it may be necessary for one to be performed.

The first step in developing an overall rate of return is the selection of capital structure ratios to be employed. Next, the cost rate for each capital component is determined. The overall rate of return is the product of weighing each capital component by its respective capital cost rate. This procedure results in the Reynolds Disposal Company's overall rate of return being weighted proportionately to the amount of capital and cost of capital employed by each class of investor.

Based on a review of the Reynolds Disposal Company's 2025 capital structure ratios, I believe it is appropriate to evaluate the Reynolds Disposal Company's current cost of capital using hypothetical capital structure ratios because their actual capital structure ratios on December 31, 2025, were 12% debt and 88% equity. These ratios are <u>not</u> similar to the current water/wastewater industry practice of about 45% debt and 55% equity. Based upon the previously mentioned, I believe it is appropriate to evaluate the Reynolds Disposal Company's current cost of capital using hypothetical capital structure ratios of 45% debt and 55% equity.

Reynolds Disposal Company's average long-term debt capital cost rate is about 4.08%. I recommend using recent yields on public utility bonds rated A of 5.85% for the Reynolds Disposal Company's embedded debt cost rate since hypothetical capital structure ratios are being used. The Reynolds Disposal Company's cost of equity is at least 9.75% based on the PA PUC's current allowable DSIC rate for water utility distribution system improvement charge purposes.

Based upon the recommended capitalization ratios of 45% debt and 55% equity, debt cost of 5.85%, and 9.75% return on common equity, a reasonable overall rate of return of 7.99% is indicated at this time, as shown on the next page.

To: Gregory R. Herbert
From: Harold Walker
Date: June 29, 2026
Re: The Reynolds Disposal Company's Overall Rate of Return
Page: 2

REYNOLDS DISPOSAL COMPANY

	12/31/2025	12/31/2024	Average L- Debt	Interest 2025	Debt Cost
LONG-TERM DEBT					
Loan Payable - First National Bank - Improvements 2022	102,639.76	126,524.27	114,582.02	6,579.29	5.74%
Loan Payable - PennVest	143,027.89	210,788.63	176,908.26	6,448.20	3.64%
Loan Payable - PennWorks	42,399.62	80,895.61	61,647.62	1,369.29	2.22%
TOTAL LONG-TERM DEBT	288,067.27	418,208.51	353,137.89	14,396.78	4.08%
TOTAL STOCKHOLDERS' EQUITY	2,112,602.23	2,125,559.00			
TOTAL CAPITTALIZATION	2,400,669.50	2,543,767.51			

Actual Captilization Ratios

Debt	12%	16%
Equity	88%	84%
	100%	100%

Recommendation

	Ratios	Cost	Weighted Cost
Debt	45%	**5.85**	2.63
Equity	55%	**9.75**	5.36
			7.99

	A Rated Public Utility Bond Yields
Mar-26	5.82
Apr-26	5.81
May-26	5.88
Average	5.84
USE	**5.85**

E. DIRECT TESTIMONY OF GREGORY R. HERBERT

RDC STATEMENT NO. 1

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

PREPARED DIRECT TESTIMONY

OF

GREGORY R. HERBERT, PROJECT MANAGER

GANNETT FLEMING
VALUATION AND RATE CONSULTANTS, LLC

REGARDING INCOME STATEMENT, RATE BASE, OPERATING REVENUE AND EXPENSE ADJUSTMENTS AND RATE DESIGN

July 2026

Q. State your name and business address.

A. My name is Gregory R. Herbert. My business address is 300 Sterling Parkway, Suite 200, Mechanicsburg, Pennsylvania.

Q. By whom are you employed?

A. I am employed by Gannett Fleming Valuation and Rate Consultants, LLC ("Gannett Fleming").

Q. Please state your position with Gannett Fleming, and briefly describe your general duties and responsibilities.

A. My title is Project Manager, Rate Studies. My duties and responsibilities include the preparation of accounting and financial data for revenue requirements, the allocation of cost of service to customer classifications, and the design of customer rates in support of public utility rate filings.

Q. Have you presented testimony in rate proceedings before a regulatory agency?

A. Yes. I have testified before the Pennsylvania Public Utility Commission, the Virginia State Corporation Commission, the New Jersey Board of Public Utilities, the Illinois Commerce Commission, the Indiana Utility Regulatory Commission, the North Carolina Public Utilities Commission, the Public Utility Commission of Texas, and the Rhode Island Public Utility Commission concerning revenue requirements, cost of service allocation, and rate design. A list of cases in which I have testified is attached to my testimony as Appendix A.

Q What is your educational background?

A. I have a Bachelor of Science in Economics from the Pennsylvania State University, University Park, Pennsylvania.

Q. Would you please describe your professional affiliations?

A. I am a member of the American Water Works Association and the National Association of Water Companies.

Q. Briefly describe your work experience.

A. I joined the Gannett Fleming Valuation and Rate Consultants, LLC in May 2017, as a Rate Analyst. In December 2025 I was promoted to my current position as Project Manager, Rate Studies, where I assist utilities with the preparation of accounting and financial data regarding revenues under present and proposed rates, including pro forma adjustments to the historic test year, Future Test Year and Fully Projected Future Test Year revenues, and the design of customer rates. I also develop pro forma revenue requirements, and conduct cost allocations by customer class, capital recovery fee, lead-lag, and depreciation studies for investor-owned and municipal-owned utilities. Prior to my employment at Gannett Fleming, I was a Senior Analyst, in the Performance Reporting Group of Cambridge Associates, LLC where I oversaw the financial preparation of monthly and annual performance and benchmarking reports for public and private endowment clients.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony (included in Section E of the Rate Filing Packet) is to explain and support the Reynolds Disposal Company's (Company or RDC) overall revenue requirement and rate design related to its Supplement No. 9 to

Tariff Sewage – Pa. P.U.C. No. 4, including RDC's income statement, rate base, pro forma revenue and expense claims based on the Historic Test Year ("HTY"), Future Test Year ("FTY") and Fully Projected Future Test Year ("FPFTY") ending December 31, 2025, 2026 and 2027. A copy of Supplement No. 9 is attached as Section C in the supporting data, Rate Filing Packet.

Q. Did you prepare and present information in support of RDC's claims in this proceeding?

A. Yes. Attached as Section C is the Rate Study and Data in Support of Proposed Tariff Sewage Pa. P.U.C. No. 4, Supplement No. 9 ("Rate Study") filed with the Pennsylvania Public Utility Commission on July 31, 2026. The Rate Study presents the Company's response to the Pennsylvania Public Utility Commission Tariff Regulations for general rate filings required under 52 Pa. Code 53.52, information to be submitted with tariff revisions. The Rate Study sets forth the following: the specific reasons for the proposed rate increase, RDC's income statement, summary of rate base, revenue under present and proposed rates and operating expenses and adjustments for the twelve months ended December 31, 2025, 2026 and 2027. In addition, the Rate Study sets forth RDC's taxes other than income, depreciation and tax adjustments for the Historic, Future and Fully Projected Future Test Years.

Q. Please summarize the Company's request in this filing.

A. The Company is requesting $289,025 in additional annual revenue or an increase of 42.9% in total revenue. Schedule D of the Rate Study is the Company's income statement which incorporates the supporting information contained in the Rate Study.

PRO FORMA REVENUE ADJUSTMENTS

Q. Describe the development of pro forma revenues under present and proposed rates.

A. Schedule C of the Rate Study develops RDC's revenues under present and proposed rates. The development of pro forma revenue includes the elimination of Pennvest Surcharge revenues, as the Company will pay off its Pennvest loan in December 2027 of the Fully Projected Future Test Year. The loss of revenue from the Pennvest Surcharges was rolled into the calculation of the proposed base rates.

PRO FORMA OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS

Q. Please explain the development of the pro forma HTY, FTY and FPFTY historic test year operation and maintenance expense (O&M) shown Schedule B of the Rate Study.

A. The pro forma HTY, FTY and FPFTY adjustments are summarized in Schedule D of the Rate Study. The O&M adjustments are also detailed in Schedule B.

Q. Please summarize each adjustment.

A. The adjustments are summarized below:

Adjustment E-1 – Adjusts HTY salaries to reflect pro forma salaries for the year ended December 31, 2026 and 2027. The Company's labor force splits time with the Water Company and Development Corporation. The pro forma 2026 and 2027 labor expenses are based on the Company's historical review of hours charged to the Disposal Company.

Adjustment E-2 – Adjusts chemical expense to reflect pro forma usage and 2026 unit costs of chemicals.

Adjustment E-3 – Annualizes purchased power cost to reflect the three-year average increase in annual purchased power costs and the increased contract rate that became effective 6/1/2025 and will expire on 5/31/2028.

Adjustment E-4 – Amortizes expected rate case expense over a period of 3 years.

Adjustment E-6 – Annualizes insurance expense for Company's anticipated annual increase of 3.5% to its premiums.

PRO FORMA DEPRECIATION AND INCOME TAX ADJUSTMENTS

Q. Please explain the development of the pro forma HTY, FTY and FPFTY taxes other than income, depreciation and income taxes shown on page 13 of the Rate Study.

A. The pro forma Historic Test Year, Future Test Year and Fully Projected Future Test Year Income Taxes and Depreciation Expense adjustments are summarized on Schedule D of the Rate Study.

Q. Please describe your adjustments to Depreciation Expense and Income Taxes.

The Adjustments are summarized below:

Depreciation Expense:

Adjustment E-5 - Adjusts Depreciation Expense based on the Company's 2025 annual depreciation expense plus the annual depreciation expense on the new additions planned in the Future Test Year and Fully Projected Future Test Year.

Income Taxes:

These adjustments are reflected in the Income Statement in Schedule D and the supporting calculations are also included in Schedule D.

MEASURE OF VALUE

Q. Please explain the original cost measure of value on page 9 of the Rate Study.

A. The original cost measure of value as of December 31, 2025, 2026 and 2027 is comprised of the original cost less the ratemaking book reserve for the total utility plant in service and contributions in aid of construction. The original cost of plant in service and the depreciation reserve as of December 31, 2025, 2026 and 2027 are presented on Schedule E of the Rate Study. The net utility plant in service amounts are adjusted adding claims for materials and supplies and current assets. The total original cost measure of value for the HTY, FTY and FPFTY are $2,489,024, $2,368,309 and $2,686,648 respectively.

RATE OF RETURN

Q. Please explain Rate of Return claim.

A. RDC's overall rate of return claim is 7.99% based on a hypothetical capital structure of 45.0% debt and 55.0% equity. The rate of return claim of 7.99% is supported by the memo in Schedule G of the Rate Study provided by my colleague Mr. Harold Walker.

RATE DESIGN

Q. Please describe the proposed rate structure.

A. Schedule C of the Rate Study presents a summary of present and propose rates. The Company's rate structure includes customer charges for all meter sizes and the consumption charges. As the Company is requesting an overall increase of under $1 million, the present rates are increase "across the board" by 78.6% to derive the proposed rates. The pro forma revenues under proposed rates results in an overall increase of 44.2% to pro forma revenues under present rates.

Q. What is the effect of the propose rates on typical bills?

A. The effect of the proposed rates over present rates for 5/8-inch customers' monthly bills at various consumption levels is presented in Schedule B of the Rate Study. A typical residential usage is 4,400 gallons per month.

Q. Does this conclude your direct testimony?

A. Yes, it does. However, I reserve the right to supplement my testimony as additional issues and facts arise during the course of the proceeding.

Appendix A – List of Cases Testified
For Gregory R. Herbert

GREGORY R. HERBERT – LIST OF CASES TESTIFIED

Year	Jurisdiction	Docket No.	Client Utility	Subject
2021	PA PUC	2021-3026116	Borough of Hanover	Revenue and Revenue Requirements
2021	PA PUC	2021-3026682	City of Lancaster – Water Fund	Revenue and Revenue Requirements
2023	VA-SCC	PUR-2023-00073	Aqua Virginia, Inc.	Bill Analysis/Rate Design
2024	NJ-BPU	WR24010057	Aqua New Jersey, Inc.	Bill Analysis/Rate Design
2024	IL-CC	24-0044	Aqua Illinois, Inc.	Bill Analysis/Rate Design
2024	PA-PUC	R-2024-3045192	Veolia Water Pennsylvania	Rev. Req./Rate Design
2024	PA-PUC	R-2024-3045193	Veolia Wastewater Pennsylvania	Rev. Req./Rate Design
2024	PA-PUC	R-2024-3047822	Aqua Pennsylvania, Inc. (Water)	Bill Analysis
2024	PA-PUC	R-2024-3047824	Aqua Pennsylvania, Inc. (Wastewater)	Bill Analysis
2024	PA-PUC	R-2024-3050208	Newtown Artesian Water Co.	Rev. Reg./Rate Design
2025	PA-PUC	R-2025-3053112	Philadelphia Gas Works	Cost of Service
2025	PA-PUC	R-2025-3053442	The York Water Company	Cost of Service and Rate Design
2025	PA-PUC	R-2025-3053573	The York Water Company (WW)	Cost of Service and Rate Design
2025	NCUC	W-218 Sub. 629	Aqua North Carolina, Inc.	Bill Analysis/Rate Design
2025	PUC-TX	Docket No. 58124	Aqua Texas, Inc. (Water and WW)	Bill Analysis/COS/Rate Design
2025	VA-SCC	PUR-2025-00071	Aqua Virginia, Inc. (Water and WW)	Bill Analysis/COS/Rate Design
2025	RIPUC	25-30-WW	Veolia Rhode Island, Inc.	Cost of Service and Rate Design
2025	PUCO	25-0594-WW-AIR	Aqua Ohio, Inc. (Water)	Bill Analysis/COS/Rate Design
2025	PUCO	25-0593-ST-AIR	Aqua Ohio, Inc. (Wastewater)	Bill Analysis/COS/Rate Design
2025	PA-PUC	R-2025-3057983	Pennsylvania American Water	Cost of Service
2025	PA-PUC	R-2025-3058051	Pennsylvania American Water (Wastewater)	Cost of Service
2025	PA-PUC	R-2025-3057237	City of Lancaster-Bureau of Water	Rev. Req/COS/Rate Design
2026	NJ-BPU	WR26010017	Aqua New Jersey, Inc.	Bill Analysis/COS/Rate Design
2026	IL-CC	26-0495	Aqua Illinois, Inc.	Bill Analysis/COS/Rate Design
2026	IN-URC	No. 46425	Aqua Indiana, Inc.	Bill Analysis/COS/Rate Design

VERIFICATION

I, Gregory R. Herbert, Project Manager, Rate Studies, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing Reynolds Disposal Company entire filing packet and Statement No. 1 are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to sworn falsification to authorities).

Gregory R. Herbert

Date: July 31, 2026

F. CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

I hereby certify that I have this 31st day of July, 2026 served a true and correct copy of the foregoing letter, Supplement No. 9 to Tariff Sewage Pa. P.U.C. No. 4 and accompanying supporting information upon the persons and in the manner set forth below:

VIA E-MAIL ONLY

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SAXTON & STUMP

Seth A. Mendelsohn

DATE: July 31, 2026

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