



COMMONWEALTH OF PENNSYLVANIA

September 17, 2026

E-FILED

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

**Re: Pennsylvania Public Utility Commission v. Reynolds Water Company /
Docket No. R-2026-3064271**

Enclosed please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

Enclosures

cc: Jason Hails / Roger Cathcart
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2026-3064271
v.	:	
	:	
Reynolds Water Company	:	

**PREHEARING MEMORANDUM
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business customers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). To discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in the above-referenced matter is Assistant Small Business Advocate Rebecca Lyttle. Please address all correspondence in that matter as follows:

Rebecca Lyttle, Esq.
Assistant Small Business Advocate
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
relyttle@pa.gov

II. FILING BACKGROUND

On July 31, 2026, Reynolds Water Company (“Company”) filed, Supplement No. 14 to the Company's Tariff Water - Pa. P.U.C. No. 4 ("Supplement No. 14") with accompanying

supporting information. Supplement No. 14 proposes increases in rates designed to produce additional annual revenue of \$359,994.00.

In early August 2026, various individuals filed opposition to the rate increase. On August 20, 2026, the Office of Small Business Advocate (“OSBA”) filed a Formal Complaint on the Tariff listed above. On August 21, 2026, the Office of Consumer Advocate filed a Formal Complaint.

III. IDENTIFICATION OF WITNESSES

Assisting in the development and presentation of the OSBA’s case in this proceeding are:

Jason Hails
Quantiv Advisory, LLC
925 Wappoo Road, Suite A
Charleston, SC 29407
j.hails@quantivadvisory.com

Roger Cathcart, CPA, CA, CBV
Cathcart Advisors, Inc.
Financial Regulatory Advisors
300-330 St. Mary Ave.
Winnipeg, MD, R3C 3Z5
Canada
REMC@CathcartAdvisors.com

IV. TENTATIVE SUPPLEMENT NO. 14 ISSUES

The OSBA will participate in this proceeding to ensure that the interests of small business customers are adequately represented and protected. After an initial review of the materials submitted by the Parties, the OSBA has identified the following list of Supplement No. 14 issues that it will evaluate in this proceeding:

- (1) Whether the proposed transactions will result in the provision of safe, adequate, and reasonable service at just and reasonable rates for the Company’s small business customers;
- (2) Whether the proposed transactions will result in substantial affirmative benefits for the Company’s small business customers;
- (3) Whether the proposed rate increase requested may be unjust, unreasonable,

unduly discriminatory, and otherwise contrary to law, particularly as they pertain to the Company's small business customers;

- (4) Whether the Company's proposed rate of return is reasonable;
- (5) Whether the Company's proposed rate design is reasonable;
- (6) Whether the methodologies used in its water cost-of-service study is appropriate;
- (7) Whether the full revenue requirement is justified;
- (8) Whether all projected capital projects (especially 2027 additions) are known, measurable, prudent, used-and-useful, and optimally timed/phased;
- (9) Whether expense projections (labor escalations, power, chemicals, maintenance programs) are reasonable and not overstated;
- (10) Whether there should be reductions or gradualism given the impact on small business cash flow and competitiveness; and
- (11) Whether small commercial users with lower volumes may be particularly sensitive to fixed meter-charge increases which may cause the small commercial class to subsidize other rate classes.

V. VARIOUS OTHER ISSUES

- (1) The number and location of public input hearings;
- (2) Whether the Company will advertise the Public Input Hearing Notice by text, on its web page, social media, including, but not limited to, Facebook as well as issue a press release to local media;

- (3) Whether the Company's Public Input Hearing Notice will include information for small businesses consumers such as the following:

Small Businesses owners in the Commonwealth are allowed to testify without an attorney if they had not filed a Complaint on this issue. The Pennsylvania Office of Small Business Advocate (OSBA) is an independent state agency that represents the interests of small business consumers with 1-250 employees. Please contact the OSBA if you are a small business owner and would like to provide testimony during a hearing: OSBA@pa.gov or telephone (717) 783-2525.

- (4) Whether Parties may submit evidentiary documents electronically to the court reporter instead of printed copies;
- (5) Font Size required for all filed documents;
- (6) Whether Your Honor requires both a PDF and a Word version of all documents;
- (7) Whether the Company will provide OSBA's contact information on its web site;
- (8) Whether the Company has the ability to contact its consumers by text;
- (9) Whether the Company has a small business formal payment plan;
- (10) Whether the Company offers small business consumers the option for budget billing;
- (11) Whether the Company offers pertinent documents in multiple languages; and
- (12) Whether the Company will supply the OSBA with yearly reports on how many small commercial customers bills were in arrears and how many were terminated for non-payment.

The OSBA reserves the right to pursue additional issues that may arise throughout this proceeding.

VI. SERVICE OF DOCUMENTS

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic

mail delivery of documents on the due date¹ as satisfying the in-hand requirement.

The OSBA requests that email delivery of documents also be provided to its witnesses identified above.

In addition to email copies of pleadings, briefs, and exceptions, the OSBA requests email copies of responses to discovery propounded by the OSBA or any other Party.

VII. SETTLEMENT

The OSBA notes its willingness to enter settlement discussions at the appropriate phase of this proceeding.

VIII. HEARING AND BRIEFING SCHEDULE

- (1) The OSBA does not oppose a mediator being assigned to this proceeding; and
- (2) At the time of this writing, the OSBA is working with the other Parties to develop a procedural schedule.

Respectfully submitted,

/s/ Rebecca Lyttle
Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA. 17101

Dated: September 17, 2026

¹ In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket Nos. R-2026-3064271
v.	:	C-2026-3064619
	:	
Reynolds Water Company	:	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Emily I. DeVoe
Administrative Law Judge
Pennsylvania Public Utility Commission
Piatt Place
301 Fifth Avenue, Suite 220
Pittsburg, PA 15222
edevoe@pa.gov

Carrie B. Wright, Esquire
Joanna Toft-Funk, Esquire
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
carwright@pa.gov
jtoftfunk@pa.gov

Janna E. Williams, Esquire
Olivia M. Spergel, Esquire
Office of Consumer Advocate
Forum Place
555 Walnut Street, 5th Floor
Harrisburg, PA 17101-1923
JWilliams@paoca.org
OSpergel@paoca.org

Seth A. Mendelsohn, Esquire
Faith Fogle Pensinger, Esquire
Saxton & Stump, LLC
4250 Crums Mill Road, Suite #201
Harrisburg, PA 17112
smendelsohn@saxtonstump.com
fpensinger@saxtonstump.com

Date: September 17, 2026

/s/ Rebecca Lyttle
Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399