



Information Regarding the Proposed Rate Increase Request of Reynolds Disposal Company Docket No. R-2020-3019612

On June 30, 2020, Reynolds Disposal Company (Reynolds or the Company) filed a request with the Pennsylvania Public Utility Commission (PUC) to increase rates for its customers. Reynolds provides wastewater service to approximately 685 customers (559 residential) in the Townships of Pymatuning, Delaware, and Hempfield in Mercer County.

If the rate increase request is granted as proposed by the Company, Reynolds will be permitted to recover an estimated annual increase in revenues of \$215,646. This represents an approximate overall 48% increase in the Company's annual revenues at present rates. This amount includes a proposed increase of \$198,426 in base rates and a proposed increase of \$17,220 in its Pennsylvania Infrastructure Investment Authority (PENNVEST) surcharge. Under the Company's proposal, rates (including base rates and the PENNVEST surcharge) for an average metered residential customer using 9,000 gallons per quarter would increase by \$47.44 from \$98.91 to \$146.35 per quarter.

The Company also has a number of unmetered customers. Under the Company's proposal, the bill for an unmetered residential customer would increase by \$71.60 from \$149.47 to \$221.07 per quarter. The Company has also proposed a change from quarterly to monthly billing for all customers (metered and unmetered).

During the next several months, the Office of Consumer Advocate will represent the interests of consumers and will participate fully in this case. We have retained expert witnesses to review the Company's filing, including all costs and expenses claimed. We will review the basis of the Company's claimed increase, including operation and maintenance expenses, capital expenditures, rate of return, taxes and the allocation of costs among customer classes. My Office will also carefully review the impact of the COVID-19 pandemic on consumers' ability to support any rate increase during this difficult time.

We have filed a Formal Complaint and have asked the PUC to suspend the proposed rate increase, pending a thorough investigation of the Company's request. We asked the PUC to hold evidentiary hearings to examine the reasonableness of the Company's proposed increase in rates.

This Office will also request that the PUC schedule public input hearings, if you desire an opportunity to express your views on the proposed rate increase. Requests for public input hearings will be granted if the PUC determines that there is substantial interest. If you would like to request a public input hearing, please contact my Office as soon as possible. If the PUC schedules such hearings, we will notify you of the date and time. We will also post public input hearing information on the Pennsylvania Office of Consumer Advocate's Facebook page at www.facebook.com/pennoca and on Twitter @pa_oa.

The Office of Consumer Advocate will be represented in this proceeding by Christine Maloni Hoover, Senior Assistant Consumer Advocate.

If you have any questions or need additional information, please do not hesitate to contact my Office's Consumer Liaison, Heather Yoder at 1-800-684-6560. Also, if you are aware of any relevant information regarding the proposed rate increase or the Company's quality of service, please contact us.

Tanya J. McCloskey
Acting Consumer Advocate