

Application for a Certificate of Public Convenience under Sections 1102(a)(3) and 2210(c) of the Public Utility Code and All Other Necessary Approvals to Effect a Change of Control of Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., and Peoples Natural Gas Company LLC (the “Joint Application”) with the Pennsylvania Public Utility Commission (the “Commission”).

Specifically, the Applicants sought approval of the following affiliate interest agreements upon the closing of the merger proposed within their Joint Application:

- (a) The execution of a service agreement with American Water Works Service Company, Inc. by Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., and Peoples Natural Gas Company LLC;
- (b) The execution of a financial services agreement with American Water Capital Corporation by Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., and Peoples Natural Gas Company LLC; and
- (c) The execution of an office space lease by Aqua Pennsylvania, Inc. and American Water Works Service Company, Inc.

Within their Joint Application, the Applicant’s aver, in summary, that the “[t]he enhanced scale and operational efficiency of the combined company will support continued investment in water and wastewater infrastructure in Pennsylvania and across the country” and that “[t]ogether, American Water [Works Company, Inc.] and Essential [Utilities, Inc.] will be better able to maintain the average customer water and wastewater bill that is affordable in communities that the combined companies will serve.” (Joint Application, ¶ 1). See generally City of York v. Pennsylvania Public Utility Commission, 295 A.2d 825, 828 (Pa. 1972) (holding that applicants for approval of utility merger must demonstrate that the proposed merger “will affirmatively promote the ‘service, accommodation, convenience, or safety of the public’ in some substantial way”). See also 66 Pa.C.S. § 1103(a) (providing that “[a] certificate of public convenience shall be granted by order of the [C]ommission, only if the [C]ommission shall find or determine that the granting of such certificate is necessary or proper for the service, accommodation, convenience,

or safety of the public”). Pursuant to Section 2210(a) (pertaining to mergers involving natural gas distribution companies or natural gas suppliers) of the Public Utility Code, 66 Pa.C.S. §§ 101, et seq., the Commission is also required to consider “(1) [w]hether the proposed merger, consolidation, acquisition or disposition is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail gas customers from obtaining the benefits of a properly functioning and effectively competitive retail natural gas market[; and] (2) [t]he effect of the proposed merger, consolidation, acquisition or disposition on the employees of the natural gas distribution company and on any authorized collective bargaining agent representing those employees.”

By correspondence dated December 1, 2025, the Commission acknowledged acceptance of the Joint Application and directed the Applicants to publish notice of the proceedings in a newspaper of general circulation and to file proof of publication of the same with the Commission on or before December 29, 2025. The Commission published notice in the Pennsylvania Bulletin on Saturday, December 13, 2025 pursuant to 52 Pa. Code § 5.14. On December 29, 2025 and January 13, 2026, respectively, the Applicants filed proofs of publication of the public notice in newspapers of general with the Commission.

The Office of Consumer Advocate (“OCA”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), Upland Borough, and the Chester Water Authority each filed a Protest to the Joint Application on December 15, 2025, December 22, 2025, and December 29, 2025, respectively. The Office of the Small Business Advocate (“OSBA”) filed a Notice of Intervention on December 16, 2025.

The City of Butler, the County of Delaware, East Whiteland Township, Manchester Township, West Manchester Township, Spring Garden Township, and York Township each filed

a Petition to Intervene on December 25, 2025. East Norriton Township and North York Borough filed Petitions to Intervene on December 29, 2025 and January 12, 2026, respectively. On December 29, 2025, the Township also filed a Petition to Intervene in the above-captioned matters pursuant to 52 Pa. Code § 5.71(a)(2). The Utility Workers Union of American, AFL-CIO, Local 612, filed a Supplemental Petition to Intervene Out of Time on January 15, 2026.

The respective Petitions to Intervene remain unadjudicated as of the date of this Prehearing Memorandum. The Honorable Administrative Law Judge Mary D. Long entered a Prehearing Conference Order on January 7, 2026, which scheduled a Telephonic Prehearing Conference for Thursday, January 22, 2026 at 11:00 a.m. and directed the parties to file their respective Prehearing Conference Memoranda by Tuesday, January 20, 2026 pursuant to 52 Pa. Code § 5.222(d). The OCA served three (3) sets of Interrogatories on the Applicants, American Water Works Company, Inc. and Essential Utilities, Inc., on January 12, 2026 and January 13, 2026, respectively.

II. Proposed Witnesses and Areas of Testimony.

The Township will participate in the proceedings before the Commission to investigate the lawfulness and reasonableness of the merger proposed by the Applicants within their Joint Application. The Township will respectively request that the Commission deny any aspect of the merger proposed by the Joint Application, which is proven by the evidence of record to be unnecessary or improper for the service, accommodation, convenience, or safety of the public, including the Township and its residents, or evidences that any aspect of the proposed merger is likely to result in anticompetitive or discriminatory conduct, such that there is an unlawful exercise of market power that will prevent retail gas customers within the Township from obtaining the benefits of a properly functioning and effectively competitive retail natural gas market, or otherwise.

It is anticipated that the Township will participate in the proceedings primarily through observation, fact gathering, and, if determined necessary, cross-examination of the parties' witnesses. As such, it is not anticipated that the Township's participation in the proceedings will independently consume significant time. That being said, the Township may offer the direct testimony of the following witnesses during the proceedings:

(a) David W. Kratzer Jr., Township Manager, 1100 Edgewood Road, Yardley, PA 19067. Manager Kratzer will testify to the history of the Township's wastewater system, including the sale of the wastewater system to Aqua Pennsylvania Wastewater, Inc., and the potential concerns of the Township and its residents if the merger proposed in the Joint Application is approved.

(b) Mega Bhandary, Township Chief Financial Officer, 1100 Edgewood Road, Yardley, PA 19067. Chief Financial Officer Bhandary will supplement the testimony of Manager Kratzer, focusing on the potential financial impacts on the Township and its residents if the merger proposed in the Joint Application is approved.

The Township reserves the right to reasonably amend its witness list and to call additional witnesses, as necessary, and hereby agrees to notify the Honorable Administrative Law Judge Mary D. Long and all parties to the proceedings if the Township determines that additional witnesses will be called.

III. Proposed Discovery Schedule.

The Township does not anticipate having to engage in detailed discovery in these proceedings, if any at all. Therefore, the Township is in agreement with the following discovery schedule proposed by the OCA, and as also agreed upon by the OSBA and the Bureau of Investigation and Enforcement ("I&E"):

(1) Answers to written interrogatories will be served in-hand within eight (8) calendar days of service of the interrogatories except that service of interrogatories served after 12:00 noon on a Friday shall be deemed service on the following business day;

(2) Objections to interrogatories will be communicated orally within three (3) days of service.

(3) Motions to dismiss objections and/or direct the answering of interrogatories will be filed within three (3) business days of service of written objections to interrogatories;

(4) Responses to motions to dismiss objections and/or direct the answering of interrogatories will be filed within three (3) business days of service of such motions;

(5) Responses to requests for document production, entry for inspection, or other purposes will be served in-hand within eight (8) calendar days or objected to within five (5) business days of service;

(6) Requests for admission will be deemed admitted unless answered within eight (8) calendar days or objected to within five (5) business days of service.

(7) Answers to on-the-record data requests will be served in-hand within seven (7) calendar days of request;

(8) Rulings over motions shall be issued, if possible, within seven (7) calendar days of the filing of the motion;

(9) Any discovery or discovery related pleadings such as objections, motions, answers to motions served after 12:00 noon on a Friday or after 12:00 noon on any business day preceding a state holiday shall be deemed to have been served on the following business day for purposes of tracking responsive due dates; and

(10) That due dates be “in-hand” and that electronic or fax service on the due date will satisfy the “in-hand” requirement.

The Township is also willing to agree to any other reasonable discovery schedule proposed by the parties.

IV. Proposed Procedural Schedule.

The Township is in agreement with the following procedural schedule, as also agreed upon by the statutory advocates and the low-income advocates:

Other Parties' Direct	Thursday, May 21, 2026
All Parties' Rebuttal	Thursday, June 25, 2026
All Parties' Surrebuttal	Thursday, July 23, 2026
All Parties' Rejoinder	Wednesday, July 29, 2026
Hearings	Tuesday-Thursday, August 4-6, 2026
Main Brief	Thursday, September 3, 2026
Reply Brief	Thursday, September 24, 2026

The Township is also willing to agree to any other reasonable procedural schedule proposed by the parties.

V. Settlement Proposals.

The Township is willing to discuss settlement proposals to resolve the proceedings, or any parts thereof, with the other parties to the proceedings.

Respectfully submitted,

CURTIN & HEEFNER LLP

Dated: January 20, 2026

/s/ Maureen B. Carlton, Esquire
Maureen B. Carlton, Esquire
Pa. I.D. No. 53250
mbc@curtinheefner.com
Andrew P. Griffin, Esquire
Pa. I.D. No. 319496
apg@curtinheefner.com
Aaron D. Nelson, Esquire
Pa. I.D. No. 327076
adn@curtinheefner.com
1040 Stony Hill Road, Suite 150
Yardley, PA 19067
(215) 736-2521

<p>Alexander R. Stahl, Esq. Aqua Services, Inc. 762 W. Lancaster Ave. Bryn Mawr, PA 19010 astahl@aquaamerica.com</p>	<p>Kimberly A. Joyce, Esq. Essential Utilities, Inc. 762 W. Lancaster Ave. Bryn Mawr, PA 19010 kajoyce@essential.co</p>
<p>Anthony D. Kanagy, Esq. Garrett P. Lent, Esq. Hayley E. Wilburn, Esq. Emily S. Grecu, Esq. Post & Schell P.C. 17 North Second Street, Suite 500 Harrisburg, PA 17101 akanagy@postschell.com glent@postschell.com hwilburn@postschell.com egrecu@postschell.com</p>	<p>Meagan Moore, Esq. PNG Companies LLC 375 North Shore Drive, Suite 600 Pittsburgh, PA 15212 meagan.moore@peoples-gas.com</p>
<p>Harrison W. Breitman, Esq. Joel Cheskis, Esq. Johnathan M. Longhurst, Esq. Crystal Zook, Esq. Office of Consumer Advocate 555 Walnut Street 5th Floor, Forum Place Harrisburg, PA 17101 HBreitman@paoca.org JCheskis@paoca.org JLonghurst@paoca.org CZook@paoca.org PAWCAquaExternal@paoca.org</p>	<p>Ria M. Pereira, Esq., Lauren N. Berman, Esq., Elizabeth R. Marx, Esq., John W. Sweet, Esq., Levi A. Phillips, Esq. Pennsylvania Utility Law Project 118 Locust Street Harrisburg, PA 17101 pulp@pautilitylawproject.org</p>
<p>Thomas Wyatt, Esq. Matthew S. Olesh, Esq. Matthew E. Selmasska, Esq. Obermayer Rebmann Maxwell & Hippel, LLP Centre Square West 1500 Market Street, Suite 3400 Philadelphia, PA 19102 Thomas.Wyatt@obermayer.com Matthew.Olesh@obermayer.com Matthew.selmasska@obermayer.com</p>	<p>Kevin Dooley Kent, Esq. Joseph W. Jesiolowski, Esq. Clark Hill PLC Two Commerce Square 2001 Market Street, Suite 2620 Philadelphia, PA 19103 kkent@clarkhill.com jjesiolowski@clarkhill.com</p>

<p>Sean Kilkenny, Esq. Alex J. Baumler, Esq. Kilkenny Law, LLC 519 Swede Street Norristown, PA 19401 sean@skilkennylaw.com alex@skilkennylaw.com</p>	<p>Samuel J. Pasquarelli, Esq. Sherrard, German & Kelly, PC 535 Smithfield Street Suite 300 Pittsburgh, PA 15222 samuel.pasquarelli@sgkpc.com</p>
<p>Michael Maddren, Esquire Murphy Maddren LTD 6 Dickinson Drive, Suite 115 Chadds Ford, PA 19317 mike@murphymaddren.com</p>	

Respectfully submitted,

CURTIN & HEEFNER LLP

Dated: January 20, 2026

/s/ Maureen B. Carlton, Esquire
Maureen B. Carlton, Esquire
Pa. I.D. No. 53250
mbc@curtinheefner.com
Andrew P. Griffin, Esquire
Pa. I.D. No. 319496
apg@curtinheefner.com
Aaron D. Nelson, Esquire
Pa. I.D. No. 327076
adn@curtinheefner.com
1040 Stony Hill Road, Suite 150
Yardley, PA 19067
(215) 736-2521