



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

January 20, 2026

Via Electronic Filing

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

Re: Joint Application of American Water Works Company, Inc., Essential Utilities, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC and Alpha Merger Sub, Inc. 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
Docket Nos. A-2025-3058927, A-2025-3058928, A-2025-3058929
I&E Prehearing Memorandum

Dear Secretary Homsher:

Enclosed for electronic filing please find the Prehearing Memorandum of the Bureau of Investigation and Enforcement (I&E) in the above-captioned proceeding.

Copies are being served on parties per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads 'Scott B. Granger'.

Scott B. Granger
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 63641
(717) 425-7593
sgranger@pa.gov

SBG/nb
Enclosures

cc: Administrative Law Judge Mary D. Long (via email – malong@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of American Water	:	A-2025-3058927
Works Company, Inc., Essential Utilities,	:	A-2025-3058928
Inc., Aqua Pennsylvania, Inc., Aqua	:	A-2025-3058929
Pennsylvania Wastewater, Inc., Peoples	:	
Natural Gas Company LLC and Alpha	:	
Merger Sub, Inc. 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	:	

**PREHEARING MEMORANDUM OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

To Administrative Law Judge Mary D. Long:

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Prehearing Memorandum in the above-captioned proceeding.

The I&E Prosecutor in these proceedings will be Scott B. Granger. Contact information is as follows:

By mail: Scott B. Granger
 Pennsylvania Public Utility Commission
 Commonwealth Keystone Building
 400 North Street, 2nd Floor West
 Harrisburg, PA 17120

By e-mail: sgranger@pa.gov

By telephone: (717) 425-7593

By fax: (717) 772-2677

I. INTRODUCTION

On November 26, 2025, American Water Works Company, Inc. (“American Water”), Essential Utilities, Inc. f/k/a Aqua America, Inc. (“Essential”), Aqua Pennsylvania, Inc. (“Aqua PA”) and Aqua Pennsylvania Wastewater, Inc. (“Aqua PA WW”), Peoples Natural Gas Company LLC (“Peoples”), and Alpha Merger Sub, Inc. (“Merger Sub”) filed a Joint Application to obtain the approval of the Pennsylvania Public Utility Commission under Chapters 11 and 22 of the Public Utility Code (“Code”)¹ for a change of control of Aqua PA and Peoples to be effected by the merger of Essential and Merger Sub, a wholly owned subsidiary of American Water (the “Merger”).

As noted in the Application, Aqua America, Inc. changed its name to Essential Utilities, Inc. on February 3, 2020, following its acquisition of Peoples. The Commission authorized the Peoples acquisition subject to the commitments and conditions set forth in a non-unanimous settlement as modified by the PUC’s Opinion and Order entered January 24, 2020, at Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063.

The Application further noted, unless otherwise specified herein, references to Aqua PA also include Aqua PA WW, which is a wholly owned subsidiary of Aqua PA.

¹ 66 Pa. C.S. Sections 101, et seq.

Finally, the Application argues, the Merger will combine the industry-leading water, wastewater and natural gas utilities of American Water and Essential and their shared mission to provide clean, safe, reliable, and affordable essential utility service to customers. The Joint Applicants argued further that the enhanced scale and operational efficiency of the combined company will support continued investment in water and wastewater infrastructure in Pennsylvania and across the country, much of which is nearly a century old and in dire need of replacement. The Joint Applicants concluded by arguing, together, American Water and Essential will be better able to maintain an average customer water and wastewater bill that is affordable in the communities that the combined company will serve.

On December 5, 2025, the Office of Small Business Advocate (“OSBA”) filed a Notice of Appearance and Complaint in this proceeding.

On December 15, 2025, the Office of Consumer Advocate (“OCA”) filed a Notice of Appearance and Protest in this proceeding.

On December 19, 2025, the Coalition for Affordable Utilities Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) filed a Notice of Appearance and Protest in this proceeding.

On December 26, 2025, the City of Butler filed a Petition to Intervene.

On December 26, 2025, the County of Delaware filed a Petition to Intervene.

On December 26, 2025, East Whiteland Township filed a Petition to Intervene.

On December 26, 2025, Manchester Township filed a Petition to Intervene.

On December 26, 2025, Spring Garden Township filed a Petition to Intervene.

On December 26, 2025, West Manchester Township filed a Petition to Intervene.

On December 26, 2025, York Township filed a Petition to Intervene

On December 27, 2025, East Norriton Township filed a Petition to Intervene.

On December 27, 2025, State Representative John A. Lawernce filed a Letter of Concern.

On December 29, 2025, the Chester Water Authority filed a formal Protest.

On December 29, 2025, Upland Borough filed a formal Protest.

On December 29, 2025, the Township of Lower Makefield filed a Petition to Intervene.

On December 29, 2025, State Senator Carolyn T. Comitta filed a letter in opposition to the Merger.

On January 7, 2026, the Bureau of Investigation and Enforcement (I&E) filed a Notice of Appearance in this proceeding.

On January 7, 2026, Administrative Law Judge Mary D. Long issued a Prehearing Conference Order.

On January 8, 2026, the Utility Workers Union of America, AFL-CIO, Local 612, filed a Petition to Intervene and Notice of Appearance in this proceeding.

On January 12, 2026, the North York Borough filed a Petition to Intervene.

Finally, a telephonic Prehearing Conference is scheduled for Thursday, January 22, 2026, beginning at 11:00 am before Administrative Law Judge Mary D. Long presiding telephonically from Pittsburgh.

II. WITNESSES AND ISSUES

I&E currently expects that it may call the following expert witnesses, without being limited thereto, who will address the issues listed *infra*. The list represents I&E's

preliminary determination of the potential issues in these proceedings. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues as it deems appropriate if any such relevant issues arise. The witnesses and issues are as follows:

Witnesses:

- D.C. Patel, Fixed Utility Financial Analyst
- Ethan Cline, Fixed Utility Valuation Engineer
- Anthony Spadaccio, Fixed Utility Supervisor
- Christine Wilson, Fixed Utility, Supervisor

Issues:

- Acquiring a Certificate of Public Convenience,
- Requirements of Necessary or Proper for the Service,
- Accommodation, Convenience, or Safety of the Public,
- Requirements of Affirmatively Promoting the Service, Accommodation, Convenience or Safety of the Public in Some Substantial Way,
- Conditions Imposed Upon the Issuance of a Certificate of Public Convenience,
- Affiliated Interest Agreements,
- Impact on Competition,
- Impact on Employees,
- Other Claimed Substantial Affirmative Public Benefits,
- Claimed Synergies in the Aggregate,
- Effect on Current and Future Rates Charged to Affected Ratepayers,
- Costs and Benefits of Transaction,
- Claimed Benefits of Centralized Resources,
- Claimed Benefits of Claimed More Stable Operating Cash Flow,
- Claimed Benefits and Expanded Opportunities for Essential Utilities Employees,
- Impacts on Competition,
- Impacts on Corporate Structure,
- Impacts on Post-Merger Day-to-Day Operations of Joint Applicants,
- Impacts on Continuity of Safe and Reliable Service to All Affected Ratepayers,
- Penn Estates Criteria Analysis,
- Requested Expedited Treatment,

- Rising Utility and Consumer Costs Generally,
- Effect on Future Section 1329 Acquisitions,
- Effect on Future Section 529 Acquisitions,
- Just and Reasonable Rates,
- Protecting the Public Interest.

The I&E witnesses may be contacted through the information listed above for Prosecutor Granger. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of any witnesses listed above.

III. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, answers to data requests and interrogatories, quarterly and annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

IV. DISCOVERY

Discovery in these proceedings will be conducted according to 52 Pa. Code §§5.321 et. seq. No modifications to the rules of discovery have been proposed by I&E. I&E will give due consideration to any discovery modifications proposed by any other party. In the past, I&E has not opposed the discovery modifications as routinely proposed by the OCA. Also, pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing.

V. SCHEDULE

As of this date, the parties are actively negotiating an amicable litigation schedule.

I&E tentatively proposes the following schedule.

Filed	November 26, 2025
Prehearing Conference	January 22, 2026
Other Parties Direct	May 21, 2026
Rebuttal Testimony	June 25, 2026
Surrebuttal Testimony	July 23, 2026
Rejoinder Outline	July 29, 2026
Evidentiary Hearings ²	August 4 thru 6, 2026
Main Brief	September 3, 2026
Reply Brief	September 24, 2026

VI. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs during the closure of Commission offices, and consistent with Paragraph 8 of the Commission's March 20, 2020 Emergency Order,³ I&E will both only serve and accept electronic delivery of documents. Upon re-opening of Commission offices, and only on a forward-moving basis from that point forward, I&E requests parties provide a follow-up hard copy by regular first-class mail in addition to electronic delivery.

² Upon the rescinding of Governor Tom Wolf's Proclamation of Disaster Emergency, and the re-opening of the Keystone Commonwealth Building, if in-person Hearings are requested, I&E requests that Hearings be held in Harrisburg, PA.

³ *Re: Suspension of Regulatory and Statutory Deadlines, Modification to Filing and Service Requirements*, Docket No. M-2020-3019262.

VII. SETTLEMENT

I&E is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully, or partially, litigate this proceeding.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Scott B. Granger", is written over a horizontal line.

Scott B. Granger

Prosecutor

PA Attorney I.D. # 63641

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120
(717) 425-7593

Dated: January 20, 2026

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of American Water Works :
Company, Inc., Essential Utilities, Inc., Aqua :
Pennsylvania, Inc., Aqua Pennsylvania :
Wastewater, Inc., Peoples Natural Gas :
Company LLC and Alpha Merger Sub, Inc. : Docket Nos. A-2025-3058927
for a Certificate of Public Convenience : A-2025-3058928
Under Sections 1102(A)(3) and 2210(C) of : A-2025-3058929
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 :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing Prehearing Memorandum dated January 20, 2026, in the manner and upon the persons listed below:

Served via Electronic Mail Only

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