COMMONWEALTH OF PENNSYLVANIA

January 20, 2026

E-FILED

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

Dear Secretary Homsher:

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

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

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

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures
cc: Celia Hashlamoun
Kevin Higgins
Parties of Record

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. 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	:	**Docker Nos. A-2025-3058927** **A-2025-3058928** **A-2025-3058929**

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 Steven Gray. Please address all correspondence in that matter as follows:

Steven Gray, Esq.
Senior Attorney
Assistant Small Business Advocate
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
sgray@pa.gov

II. FILING BACKGROUND

The 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. (the "Joint Applicants") 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 ("*Joint Application*") was filed with the Pennsylvania Public Utility Commission ("Commission") on November 26, 2025.

On December 16, 2025, the OSBA filed a Notice of Intervention in response to the *Joint Application*.

III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA's case in these proceedings will be:

Celia Hashlamoun
Energy Strategies
111 East Broadway, Suite 1200
Salt Lake City, Utah 84111
chashlamoun@energystrat.com

Kevin C. Higgins
Principal, Energy Strategies
111 East Broadway, Suite 1200
Salt Lake City, UT 84111
khiggins@energystrat.com

The OSBA will participate in these proceedings to ensure that the interests of small business customers are adequately represented and protected. The OSBA has identified the following issues that it will evaluate in these proceedings:

1) Definition and scope of transaction costs that the Joint Applicants have committed to not recover from ratepayers. Whether the Joint Applicants' commitments regarding

transactions costs lack a defined scope and definition sufficient to determine which costs will be excluded from recovery from Pennsylvania ratepayers.

2) Treatment of integration and transition costs. Whether and under what circumstances, costs associated with post-closing integration or transition activities may be recorded on the books of the utilities and considered for recovery from ratepayers.

3) Post-merger service company cost allocation. Whether post-merger service company cost allocation practices will appropriately reflect cost causation and avoid the allocation of costs to Pennsylvania ratepayers that are attributable to other jurisdictions or affiliates.

4) Impact on Small Business Customers. Whether the proposed transaction is consistent with the provision of safe, adequate, and reasonable service at just and reasonable rates for small business customers.

The OSBA reserves the right to pursue additional issues that may arise throughout these proceedings.

IV. 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 date[1] as satisfying the in-hand requirement.

The OSBA requests that email delivery of documents also be provided to its witness, 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.

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

V. SETTLEMENT

The OSBA notes its willingness to enter settlement discussions at the appropriate phase of these proceedings.

VI. HEARING AND BRIEFING SCHEDULE

At the time of this writing, the OSBA is working with the parties to develop a procedural schedule.

Respectfully submitted,

/s/ Steven C. Gray
Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

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

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. 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	:	**Docker Nos. A-2025-3058927** **A-2025-3058928** **A-2025-3058929**

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 Mary D. Long
Administrative Law Judge
Pennsylvania Public Utility Commission
Piatt Place
301 Fifth Avenue, Suite 220
Pittsburgh, PA 15222
malong@pa.gov

Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
sgranger@pa.gov

Kimberly A. Joyce, Esquire
Essential Utilities Inc.
762 W. Lancaster Ave
Bryn Mawr, PA 19010
Kajoyce@essential.co

Harrison W. Breitman, Esquire
Joel Cheskis, Esquire
Johnathan M. Longhurst, Esquire
Crystal Zook, Esquire
PA Office of Consumer Advocate
Forum Place
555 Walnut Street, 5th Floor
Harrisburg, PA 17101
PAWCAquaExternal@paoca.org

Kenneth M. Kulak, Esquire
Mark A. Lazaroff, Esquire
Catherine G. Vasudevan, Esquire
Brooke E. McGlinn, Esquire
Morgan, Lewis & Bockius LLP
2222 Market Street
Philadelphia, PA 19103-3007
ken.kulak@morganlewis.com
mark.lazaroff@morganlewis.com
catherine.vasudevan@morganlewis.com
brooke.mcglinn@morganlewis.com

Anthony D. Kanagy, Esquire
Garrett P. Lent, Esquire
Hayley E. Wilburn, Esquire
Emily S. Grecu , Esquire
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

Ria M. Pereira, , Esquire
Lauren N. Berman, Esquire
Elizabeth R. Marx, Esquire
John W. Sweet, Esquire
Levi A. Phillips, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@pautilitylawproject.org

Meagan Moore, Esquire
PNG Companies LLC
375 North Shore Drive, Suite 600
Pittsburgh, PA 15212
meagan.moore@peoples-gas.com

Alexander R. Stahl, Esquire
Aqua Pennsylvania, Inc.
762 W. Lancaster Ave
Bryn Mawr, PA 19010
Astahl@aquaamerica.com

Maureen B. Carlton, Esquire
Andrew P. Griffin, Esquire
Aaron D. Nelson, Esquire
Curtin & Heefner LLP
1040 Stony Hill Road, Suite 150
Yardley, PA 19067
mbc@curtinheefner.com
apg@curtinheefner.com
adn@curtinheefner.com

Thomas Wyatt, Esquire
Matthew S. Olesh, Esquire
Matthew E. Selmasska, Esquire
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

Sean Kilkenny, Esquire
Alex J. Baumler, Esquire
Kilkenny Law, LLC
519 Swede Street
Norristown, PA 19401
sean@skilkennylaw.com
alex@skilkennylaw.com

Kevin Dooley Kent, Esquire
Joseph W. Jesiolowski, Esquire
Clark Hill PLC
Two Commerce Square
2001 Market Street, Suite 2620
Philadelphia, PA 19103
kkent@clarkhill.com
jjesiolowski@clarkhill.com

Michael L. Maddren, Esquire
Murphy Maddren Ltd
6 Dickinson Drive
Suite 115
Chadds Ford, PA 19317
mike@murphymaddren.com

Samuel J. Pasquarelli, Esquire
Sherrard, German & Kelly, P.C
535 Smithfield Street
Suite 300
Pittsburgh, PA 15222
samuel.pasquarelli@sgkpc.com

Date: January 20, 2026

/s/ Steven C. Gray
Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538