

BEFORE THE PENNSYLVANIA PUBLIC UTILITIES 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.	Case Nos.:
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	A-2025-3058927 A-2025-3058928 A-2025-3058929

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 542'S RESPONSE TO AQUA'S OPPOSITION TO INTERVENE

INTRODUCTION AND PROCEDURAL BACKGROUND

Petitioner International Union of Operating Engineers, Local 542 (the 'Union' or 'Petitioner') is a labor organization with over 5000 members in Pennsylvania and Delaware. Its headquarters are located at 1375 Virginia Dr., Fort Washington Pennsylvania, 19034. The Petitioner has a substantial interest in these proceedings. Since 2012 t he Petitionerhas entered into collective bargaining agreements with Aqua of Pennsylvania and other Aqua entities in both fresh water and wastewater facilities.

Approximately 300 members of the Union are employed at Aqua of Pennsylvania in all facets and job classifications. These employees are covered under various collective bargaining agreements between the Petitioner and various Aqua entities. The collective bargaining agreements run from various periods. The biggest bargaining unit's collective bargaining agreement expires in September, 2026, a mere five months away.

On November 26, 2025, the joint applicants, Aqua a/k/a Essential ('Aqua') and American Water filed what can be characterized as a merger. The Union, at this point served on Aqua request for information regarding the merger. As is demonstrated in Exhibit A of the Union's original motion to intervene aqua did not provide the information and merely referred to back to the collective bargaining agreement.

After reviewing their options and finding counsel, on April 1, 2026, the Union filed a motion to intervene out of time. A perusal of the docket will indicate that several parties also filed motions to intervene out of time. For some reason Aqua only opposed the motion to intervene filed by the Union that represents its employees.

Aqua in its motion alleged that the motion was out of time and there was no excuse for it and that the Union had no reason to be involved in this matter as the treatment of employees is not a matter for the PUC to concern itself with. More importantly Aqua at no time alleged that it, or any other entity, would be prejudiced by the granting the Motion to Intervene. Further, two other labor organizations as well as several other entities filed petitions to intervene out of time with no opposition.

The Union relies further on its position and facts set forth in its original Petition to Intervene.

**INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 542 HAS A
STAKE IN THE OUTCOME OF THIS MATTER**

Aqua alleges incorrectly that the Union does not have a stake in this matter. To contrary the Union not only has a stake in this matter as to its employees, but also the consumers of water and municipal water authorities throughout the Commonwealth of Pennsylvania.

Petitioner seeks to intervene to represent and protect the interests of its members at Aqua of Pennsylvania. Specifically, the Union seeks to ensure that these employees retain the same benefits and protections provided for in its collective bargaining agreement. It also seeks to ensure that the succeeding organization adheres to all requirements involving the operation of its business and the use of its employees to the benefit of the customers of the succeeding organization.

52 Pa. Code § 5.72 sets forth the eligibility requirements for a party to intervene and provides in part as follows:

Persons. A petition to intervene may be filed by a person claiming a right to intervene or an interest of such nature that intervention is necessary or appropriate to the administration of the statute under which the proceeding is brought. The right or interest may be one of the following:

- i. A right conferred by statute of the United States or of the Commonwealth;¹
- ii. An interest which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding;
- iii. Another interest of such nature that participation of the petitioner may be in the public interest.

The Union seeks intervention in the proceeding for due cause shown for the following reasons:

¹ The Union is the certified bargaining representative of employees of Aqua. As such it has certain rights per the Federal Labor -Management Relations Act.

The Union is the exclusive certified collective bargaining representative of over 300 production, maintenance and clerical employees of Aqua, which employees are required in many respects to conduct themselves in accordance with regulations of the Commission. The Union seeks to ensure that the succeeding organization adheres to the regulations of the Commission as those regulations impact the employees represented by the Union;

The Union seeks to further ensure that the succeeding organization acts in accordance with Commission regulations relative to the said employees and that the succeeding organization honors its contractual and legal commitments to the said employees.

The Union further seeks to protect the interests of all individuals who could be affected by the proposed transaction set forth in the Joint Application, including a potential rate impact. The Union has extensive knowledge regarding the manner in which Aqua conducts its business, which knowledge will be of significant assistance in providing for efficient delivery of water and processing waste water to the customers of the succeeding organization.

The Union has a substantial and bona fide interest in the subject matter of this docket and its interests cannot be represented or protected adequately by other existing parties to this docket.

The ways that this merger will effect the employees of Aqua represented by the Union as well as rate payers are as follows:

- The employees of Aqua and American Water will have less opportunity to change employers as now there is only one other major water company in Commonwealth of

Pennsylvania. This will result in cutting down on the opportunities for employees to change employers leading to less mobility and suppresses wages and stifles opportunity for employees to better themselves and upgrade their skills. It also will depress the skills and employees would acquire if there is less opportunity for mobility.

- In dealing with a monolithic employer, which this merger would allow, it lessens the bargaining power of the Union and consequently the bargaining power of the individual workers. The ability for the Union to bargain is at the heart of its mission. By allowing this merger to proceed unchecked, with labor not having a seat at the table, suppresses wages, benefits and other emoluments of employment.
- This merger would mean less competition in both clean water and waste water. It is axiomatic that when there is less competition prices are certain to rise. Labor Unions historical mission has been to represent all working people, not only it's members. Working people, the middle class and especially poor people would be affected by this merger as their water and wastewater rates would almost certainly rise.
- A merger of this magnitude would stifle innovation and therefore cause prices to rise. If there are more than one competing entities than there is incentive for those entities to look for new technologies that will make the product both better and less expensive. This is especially true in a regulated industry where prices are regulated. The only way to maximize profit is to look for new technologies and implement them.
- Should there be one monolithic water and wastewater company this would deflate the cost of municipalities when considering selling their water utility. If there is only one bidder the prices are more likely to be suppressed. This would certainly affect the price of municipal utilities when selling.

SUMMARY

For the above stated reasons, and the reasons set forth in the Union's original petition the Union urges the Administrative Law Judge to grant the Petition to Intervene-Out of Time. Since there will be no prejudice, nor is any claimed, to any entity by bringing the Unions' motion intervene said motion should be granted.

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CERTIFICATE OF SERVICE

I, Louis Agre, certify that I caused to be served a true and correct copy of the foregoing Notice of Entry of Appearance on all interested parties in accordance with the requirements of 52 Pa. Code §§ 1.54 by electronic mail to the individuals listed below.

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