

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held April 16, 2026

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair, Statement
Kathryn L. Zerfuss
John F. Coleman, Jr.
Ralph V. Yanora

Joint Application of American Water Works	:	A-2025-3055551
Company, Inc., Pennsylvania-American Water	:	A-2025-3055552
Company, Nexus Regulated Utilities, LLC and	:	A-2025-3055553
Community Utilities of Pennsylvania Inc.,	:	A-2025-3055554
pursuant to Sections 1102 and 1103 of the Public	:	
Utility Code, for all of the necessary authority,	:	
approvals, and certificates of public convenience	:	
to approve the transfer of control of Community	:	
Utilities of Pennsylvania Inc. from Nexus	:	
Regulated Utilities, LLC to American Water	:	
Works Company, Inc.	:	

ORDER

BY THE COMMISSION:

We adopt as our action the Recommended Decision of Administrative Law Judge Erin L. Gannon dated March 13, 2026;

THEREFORE,

IT IS ORDERED:

1. That the Joint Petition for Approval of Unanimous Settlement of All Issues filed on December 23, 2025, at Docket Nos. Docket Nos. A-2025-3055551, A-2025-3055552, A-2025-3055553 and A-2025-3055554, including all terms and conditions, be approved without modification.

2. That the Joint Application filed by American Water Works Company, Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania Inc., on May 30, 2025, be approved subject to the modifications set forth in the Joint Petition for Approval of Unanimous Settlement of All Issues.

3. That a Certificate of Public Convenience be issued pursuant to Sections 1102(a) and 1103 of the Public Utility Code, 66 Pa.C.S. §§ 1102(a), 1103, evidencing Commission approval of:

a. the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company;

b. the transfer to Pennsylvania-American Water Company, by merger, of all assets of Community Utilities of Pennsylvania Inc. used or useful in the public service (the Systems);

c. Pennsylvania-American Water Company's right to begin to offer, render, furnish, or supply water service in the areas served by the Systems;

d. Pennsylvania-American Water Company's right to begin to offer, render, furnish or supply wastewater service in the areas served by the Systems;

e. Community Utilities of Pennsylvania Inc.'s abandonment of all water service in the Commonwealth; and

f. Community Utilities of Pennsylvania Inc.'s abandonment of all wastewater service in the Commonwealth.

4. That the Commission permit Pennsylvania-American Water Company to issue compliance tariff supplements, consistent with the *pro forma* tariff supplement submitted with the Joint Application as Appendix R, including all rates, rules and regulations regarding conditions of Pennsylvania-American Water Company's water service, to become effective upon one day's notice, and permit the implementation of all other rates, and the rules and regulations regarding conditions of Pennsylvania-American Water Company's water service, as reflected in Pennsylvania-American Water Company's prevailing water tariff, to become effective upon the completion of the merger.

5. That the Commission permit Pennsylvania-American Water Company to issue compliance tariff supplements, consistent with the *pro forma* tariff supplement submitted with the Joint Application as Appendix S, including all rates, rules and regulations regarding conditions of Pennsylvania-American Water Company's wastewater service, to become effective upon one day's notice, and permit the implementation of all other rates, and the rules and regulations regarding conditions of Pennsylvania-American Water Company's wastewater service, as reflected in

Pennsylvania-American Water Company's prevailing wastewater tariff, to become effective upon the completion of the merger.

6. That Pennsylvania-American Water Company shall record the original cost of Community Utilities of Pennsylvania Inc.'s utility plant in service net of accumulated depreciation as of the acquisition Closing date. Pennsylvania-American Water Company will not request recovery of an acquisition adjustment under Section 1327(a) of the Pennsylvania Public Utility Code.

7. That, in the first base rate case in which Pennsylvania-American Water Company includes the System assets, Pennsylvania-American Water Company will identify the capital additions made to the acquired System which are necessary for Pennsylvania-American Water Company to integrate the Systems into its operating footprint separately from those capital additions which are safety-, reliability-, quality of service-, or environmentally-related or otherwise necessary for regulatory compliance. Pennsylvania-American Water Company's analysis or report separately identifying these investments shall be made available to the parties to that proceeding upon request.

8. That the Stock Purchase Agreement and the Statement of Merger be approved as affiliated interest agreements pursuant to 66 Pa.C.S. § 2102.

9. That the Commission issue a Certificate of Filing or Approval for the following agreements, pursuant to 66 Pa.C.S. § 507:

a. Water Services Agreement dated January 16, 2007, by and between Utilities, Inc. – Westgate and the City of Bethlehem; and

b. Addendum to Water Services Agreement dated June 6, 2017, by and between Utilities, Inc. – Westgate and the City of Bethlehem.

10. That the Commission issue any other approvals or certificates appropriate, customary, or necessary under the Code to carry out the transactions contemplated in the Joint Application in a lawful manner.

11. That the Distribution System Improvement Charge provisions of Pennsylvania-American Water Company's effective water and wastewater tariffs will apply to the former Community Utilities of Pennsylvania Inc. water and wastewater customers in the Systems no later than the first base rate case in which those systems are included. That Pennsylvania-American Water Company will not seek to recover investments in the water or wastewater systems in its Distribution System Improvement Charge until Pennsylvania-American Water Company applies the Distribution System Improvement Charge to the Systems' customers.

12. That immediately after Closing, System customers will become eligible for all Pennsylvania-American Water Company payment options and customer programs, including applicability of Pennsylvania-American Water Company's arrearage management program.

13. That within the first billing cycle following Closing, Pennsylvania-American Water Company shall include a bill insert to System customers regarding its low income programs and shall include such information in a welcome letter to the Systems' customers. The bill insert and welcome letter shall include, at a minimum, a description of the available low income programs, eligibility requirements for participation in the programs, and Pennsylvania-American Water Company's contact information.

14. That the welcome letter will be sent within the first thirty (30) days of Closing and will also include information about the Office of Consumer Advocate and the Office of Small Business Advocate, about payment options (including low-income

programs, eligibility requirements, Pennsylvania-American Water Company contact information) and in-person bill payment locations reasonably proximate to the areas served by the System. The welcome letter shall also refer customers to Pennsylvania-American Water Company's website (including the link) where a customer can find information concerning the transaction, which will include information regarding the Office of Consumer Advocate and the Office of Small Business Advocate with a hyperlink. Unless Pennsylvania-American Water Company, the Office of Small Business Advocate and the Office of Consumer Advocate agree to work together on a different timeline, within 15 days of a final order in this proceeding, Pennsylvania-American Water Company will provide the Office of Small Business Advocate and the Office of Consumer Advocate with a copy of the draft welcome letter; the Office of Small Business Advocate and the Office of Consumer Advocate will provide any suggestions to Pennsylvania-American Water Company within ten (10) days of receipt; and Pennsylvania-American Water Company, in good faith, will consider incorporation of said suggestions.

15. That Community Utilities of Pennsylvania Inc. will provide a one-time credit on the final bills issued by Community Utilities of Pennsylvania Inc. to Community Utilities of Pennsylvania Inc.'s customers to reimburse customers for the net balance of the Integration Customer Protection Deferral Mechanism. The balance of the Integration Customer Protection Deferral Mechanism account will be determined as of the last day of the month prior to Closing of the Transactions. A credit will only be provided if the dollar amount of benefits exceeds the dollar amount of costs.

16. That, within twelve (12) months following the date of Closing, Pennsylvania-American Water Company will complete an initial hydraulic model or other analysis to evaluate fire suppression flows available throughout the Tamiment and Westgate systems and develop a capital plan consistent with its model and analysis to determine the scope of improvements necessary to provide sufficient pressure for fire suppression and the cost of any such improvements.

17. That, within eighteen (18) months following the date of Closing, or, if delayed as a result of permitting or regulatory approvals, a reasonable time thereafter, Pennsylvania-American Water Company will begin construction on the identified capital improvements necessary to provide sufficient water pressure for fire suppression in the Tamiment and Westgate systems.

18. That, upon Closing, Pennsylvania-American Water Company will assess the treatment needs in the Tamiment system and determine if additional treatment or filtration is required to address particulate matter in the water concerns raised at the public input hearing. An initial report will be prepared within nine (9) months of Closing detailing the results of the assessment. The report will be shared with the parties to this proceeding.

19. That, within eighteen (18) months following the date of Closing, Pennsylvania-American Water Company will organize an in-person collaborative in each of Community Utilities of Pennsylvania Inc.'s current water and wastewater service territories. At this collaborative, Pennsylvania-American Water Company will provide customers the opportunity to describe concerns they have regarding the quality of their water or wastewater service. The Office of Consumer Advocate and Office of Small Business Advocate will be invited to participate in the in-person collaboratives and will have input into the locations of the collaboratives. The customer collaborative will be held between May 1 and September 30 and will include customer education on concerns regarding water hardness, particulate matter in water, and water conservation. Pennsylvania-American Water Company will meet with the Office of Consumer Advocate and Office of Small Business Advocate to discuss the issues it intends to present at the collaboratives at least sixty (60) days prior to the collaboratives, and will consider in good faith any feedback provided by the Office of Consumer Advocate and Office of Small Business Advocate. Pennsylvania-American Water Company will provide a description of

each concern identified by Community Utilities of Pennsylvania Inc.'s customers to the Office of Consumer Advocate and Office of Small Business Advocate within sixty (60) days following the collaboratives.

20. That, within twelve (12) months of Closing, but prior to the first general rate increase request which includes Community Utilities of Pennsylvania Inc.'s system assets, Pennsylvania-American Water Company will conduct an evaluation of a wastewater deduct meter pilot program for Community Utilities of Pennsylvania Inc.'s Utilities, Inc. of Pennsylvania Chester County (former Utilities, Inc. of Pennsylvania Division) service territory. The evaluation may assume that (1) the pilot program will be voluntary and/or (2) the customer using the deduct meter will provide a contribution in aid of construction for the cost of the deduct meter, its installation, and related plant in service accounts. This evaluation should estimate the costs to Pennsylvania-American Water Company to implement the program, estimate the number of customers who may benefit from enrollment in the program within the studied system, estimate the costs to customers to install and maintain a deduct meter (if applicable), estimate the potential bill savings that the customers would experience, and estimate the effect on other customers' rates due to the adjustment to billing determinants. Pennsylvania-American Water Company will provide the written evaluation to the Office of Consumer Advocate and Office of Small Business Advocate at the time of completion and, upon request, will produce the same in discovery in the first general rate increase request which includes Community Utilities of Pennsylvania Inc.'s system assets.

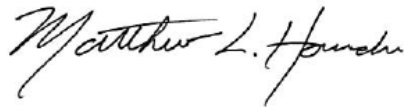
21. That, to the extent not otherwise specifically addressed by the Settlement agreement, Community Utilities of Pennsylvania Inc.'s 2024 rate case settlement terms are not applicable to Pennsylvania-American Water Company upon Closing the transaction, however, Pennsylvania-American Water Company will take actions consistent with its response to OCA-II-5 with respect to Community Utilities of Pennsylvania Inc.'s low-income customers.

22. That within ten (10) days after Closing of the transactions contemplated in the Joint Application, Pennsylvania-American Water Company shall file notice of Closing with the Commission at this docket.

23. That, upon receipt of notice of Closing of the transactions, pursuant to Ordering Paragraph No. 22 above, the Commission's Secretary shall mark this proceeding at Docket Nos. A-2025-3055551, A-2025-3055552, A-2025-3055553 and A-2025-3055554 as closed.

24. That a copy of this decision shall be served upon the Commission's Bureau of Technical Utility Services.

BY THE COMMISSION,

A handwritten signature in black ink, appearing to read "Matthew L. Homsher". The signature is written in a cursive style with a large initial "M".

Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: April 16, 2026

ORDER ENTERED: April 17, 2026