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...

Docket Nos.:

- A-2025-3058927
- A-2025-3058928
- A-2025-3058929

PETITIONER'S REPLY TO JOINT APPLICANTS' ANSWER TO THE PETITION FOR RECONSIDERATION OF LUIS FRANCISCO

NOW COMES, Luis Francisco, Petitioner *Pro Se* in the above-captioned proceeding, and respectfully files this Reply to the Joint Applicants' Answer dated July 6, 2026. In support thereof, Petitioner states as follows:

I. INTRODUCTION AND ARGUMENT

1. On July 6, 2026, the Joint Applicants filed an Answer seeking to dismiss Petitioner's Reconsideration Petition by relying heavily on the procedural *Duick* standard and alleging that Petitioner has failed to establish a direct legal "linkage" between his 1941 senior mortgage lien bonds and the current corporate structure of Essential Utilities, Inc. and Aqua Pennsylvania, Inc.
2. The Joint Applicants' position is legally deficient, textually inaccurate, and relies on an absolute failure to produce historical satisfaction materials. Petitioner's claims do not rely on "AI-generated misunderstandings" as the corporate counsel falsely claims, but rather on authenticated, physical, and historical corporate evidence currently held in the eFiling portal and re-submitted herein.

II. THE LEGAL LINEAGE AND SUCCESSOR LIABILITY ARE ABSOLUTE

3. The Joint Applicants claim that the documents presented by the Petitioner "do not appear to have any relationship to any of the Joint Applicants." This statement ignores the core principles of Pennsylvania utility corporate succession and property law.
4. The historical record establishes a direct, unbroken chain of operational and asset-backed liability:
   - **Rutherford Heights Water Supply Company** issued the original First Mortgage Gold Bonds and established the underlying asset liens.
   - **Suburban Water Company** subsequently acquired and formally absorbed Rutherford Heights Water Supply Company, explicitly assuming its debts, assets, and liabilities via the historical contract of assumption.

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- Through a series of corporate acquisitions, mergers, and name changes, those identical assets and structural liabilities passed directly into **Aqua America, Inc.**, which changed its name on February 3, 2020, to **Essential Utilities, Inc.**, and its operating subsidiary, **Aqua Pennsylvania, Inc.**

5. Petitioner has already submitted the 30-page Rutherford Heights Water Supply Company acquisition document and the 91-page Master Indenture of 1941 (Exhibit 4.1.17). These documents explicitly state that the successor entities are bound by the first mortgage restrictions. The corporate structure currently seeking a multibillion-dollar change of control is physically built upon and operates within the exact land, parcels, and utility infrastructure encumbered by Petitioner's bonds.

III. THE JOINT APPLICANTS HAVE FAILED TO PROVE LIEN SATISFACTION

6. Under long-standing Pennsylvania property law, a first mortgage lien remains a permanent cloud on a title until it is officially satisfied, cancelled, or released by a court of competent jurisdiction or the lienholder. No judge or regulatory body can simply "erase" a secured first mortgage debt without proof of payment.
7. The Joint Applicants have filed multiple answers and objections, yet **they have failed to produce a single piece of physical evidence—such as a satisfaction piece or a debt cancellation release—proving that the Rutherford Heights Water Supply Company debt was ever legally extinguished.**
8. Because the lien remains uncancelled, it creates an active cloud over the entire structural asset pool of Aqua Pennsylvania, Inc. The Commission cannot legally issue a Certificate of Public Convenience under Sections 1102 and 2210 while the underlying corporate property titles are not clean.

IV. RESPONSE TO THE "AI" DEFENSE AND THE DUICK STANDARD

9. The Joint Applicants attempt to diminish Petitioner's standing by citing a single line of cross-examination transcript regarding the initial historical research methods via artificial intelligence. This is a bad-faith diversion tactic. While digital tools may assist in discovering historical data, the **evidence itself** consists of physical, signed, and stamped historical financial instruments, coupons, and public records. The physical bonds exist; the unredeemed coupons exist; the 1941 Indenture exists.
10. This petition satisfies the *Duick* standard because it brings forth a critical, overlooked consideration that directly impacts the public interest: **Ratepayer Risk**. If this multi-billion dollar merger is approved without resolving this senior lien, the subsequent civil enforcement of this debt will create a massive financial shock to the resulting utility entity, directly impacting Pennsylvania utility rates and infrastructure safety.

V. CONCLUSION AND PRAYER FOR RELIEF

WHEREFORE, Petitioner Luis Francisco respectfully requests that the Pennsylvania Public Utility Commission:

- **GRANT** the Petition for Reconsideration;
- **REVERSE** the denial of the Petition for Interlocutory Review;
- **ORDER** the Joint Applicants to produce clear, historical physical proof of debt cancellation regarding the Rutherford Heights Water Supply Company infrastructure; and

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- **STAY or DENY** the issuance of the Certificate of Public Convenience until the titles and asset encumbrances are fully cleared.
Respectfully submitted,

/s/ Luis Francisco
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