

**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	:	A-2025-3058927
Natural Gas Company LLC and Alpha	:	A-2025-3058928
Merger Sub, Inc. for a Certificate of	:	A-2025-3058929
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	:	
	:	

**INTERIM ORDER
DENYING MOTION TO COMPEL FILED BY LOCAL 612**

Note: This Order contains an abbreviated procedural history.

On November 26, 2025, the 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. (Joint Applicants) filed applications (Joint Applications) to obtain the approval of the Commission under Chapters 11 and 22 of the Public Utility Code for a change of control of Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc. (Aqua PA) and Peoples Natural Gas Company LLC (Peoples) to be affected by the merger of Essential and Merger Sub, a wholly owned subsidiary of American Water (the Merger). The Joint Applicants also requested that the Commission approve, under Chapter 21 of Code, certain new affiliated interest agreements to facilitate the sharing of resources and best practices created by the Merger between American Water and Essential Utilities. The Joint Application included written testimony and exhibits describing the Merger and the substantial affirmative public benefits it is expected to produce in Pennsylvania.

The Bureau of Investigation & Enforcement (I&E) and the Office of Small Business Advocate (OSBA) filed notices of appearance. The Office of Consumer Advocate (OCA), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), the Chester Water Authority (CWA), and Upland Borough, Delaware County, filed protests. The County of Delaware; East Whiteland Township, Chester County; Manchester Township, York County; Spring Garden Township, York County; West Manchester Township, York County; York Township, York County; City of Butler, Butler County; East Norriton Township; the Township of Lower Makefield, Bucks County; and North York Borough, York County; and the Utility Workers Union of America, AFL-CIO, Local 612 (UWUA or Local 612) filed petitions to intervene.

A Prehearing Conference was held on January 22, 2026, with Administrative Law Judge Mary Long, presiding. The parties discussed a litigation schedule and other procedural matters.

On January 26, 2026, ALJ Long issued a Prehearing Order that memorialized the matters decided and agreed upon by the Parties attending the Prehearing conference. The litigation schedule agreed to and approved by ALJ Long requires, *inter alia*, written rebuttal testimony to be served by June 25, 2026; written surrebuttal testimony to be submitted by July 23, 2026; written rejoinder outlines to be submitted by July 29, 2026; and evidentiary hearings to be held on August 4-6, 2026.

On February 5, 2026, a Judge Change – Assignment Notice was issued, indicating the Presiding ALJ had been changed from ALJ Mary D. Long to ALJs Emily I. DeVoe and Ann Quimby.

On April 1, 2026, the International Union of Operating Engineers Local 542 (Local 542) filed a Petition to Intervene Out of Time.

On May 6, 2026, the undersigned ALJs issued an Interim Order granting Local 542's Petition to Intervene.

On July 13, 2026, Local 542 filed a Memorandum in Support of its Motion to Compel and In Response to Joint Applicants Objections to Request for Production of Documents (Motion).¹ It explains it propounded interrogatories upon Joint Applicants on July 1, 2026, requesting the following:

All collective bargaining agreements between any labor organization and American Water Works company and any of its affiliates, subsidiaries or any other related companies. This request is for all collective bargaining agreements that were in effect during the relevant time. January 1, 2022 until the present date.

Any and all documents that would indicate the rates of pay, benefits, retirement benefits, insurance benefits, and any other remuneration of bargaining unit employees employed by American Water Works company and any of its affiliates, subsidiaries or any other related companies.

Motion ¶ 2.

Local 542 avers that the Joint Applicants objected to the discovery requests, and Local 542 subsequently agreed to limit the scope of its request to Pennsylvania and New Jersey only, but Joint Applicants refuse to withdraw their objections.

Local 542 submits that the limiting of the geographical scope sufficiently addresses the Joint Applicants' objections with regard to "overly broad" and "burdensome," and the only remaining issue to address is Joint Applicants' objection as to relevance.

¹ The filing on July 13, 2026, was styled as a "Memorandum in Support of a Motion," but there was only one filing made – the Memorandum – with no accompanying motion. Joint Applicants filed an Answer to the filing, so there is no evidence in the record to show that our treatment of the filing as a motion will adversely affect the substantive rights of a party. Therefore, we are using our discretion under 52 Pa Code 1.2, and treating the Memorandum as a motion to compel.

Local 542 maintains the discovery requests are relevant. Although the Joint Applicants have stated that all collective bargaining agreements shall stay in place and all relationships between labor organizations and the new company will be recognized, Local 542 asserts the merger will at some point become complete, leaving one entity, rather than two. Motion ¶¶ 6-7. Local 542 submits that after the merger, “the wages and benefits of each entity may become a point of contention.” Motion ¶ 7. Specifically, it maintains that any disparity of wages will affect the members of all unions under the proposed merger, and when wages are unequal, companies will either attempt to lower wages or force out higher paid employees, impacting the job security and compensation of Local 542’s members. Motion ¶ 8. Further, Local 542 reports wage and benefit information impacts the ability to retain present employees and attract new ones, thus impacting rates and service to customers. Motion ¶ 9. Finally, Local 542 avers the wages paid to American Water employees, who would be in direct competition for diminished jobs under the new company, is directly relevant to the job security and compensation of Local 542’s members. Motion ¶ 10.

On July 16, 2026, Joint Applicants filed an Answer to the Motion, noting they orally informed Local 542 of their objections on July 2, 2026. Joint Applicants objected to the discovery requests as overly broad, unduly burdensome, and seeking information that is not relevant to the proceeding. Answer p. 2. Joint Applicants argue the Motion should be denied because (1) it was untimely filed, pointing out Local 542’s motion was due to be filed within three business days after Joint Applicants filed their objections, and (2) the requests constitute an “improper fishing expedition” seeking irrelevant information during a time of collective bargaining negotiations between Local 542 and Aqua PA. *Id.*

Joint Applicants argue the Commission’s decision in this merger proceeding will not impact the wages, hours, or working conditions of the Joint Applicants’ employees who are represented by Local 542. Motion p. 5. They aver Aqua PA and Peoples will continue to operate as separate utility subsidiaries after the Merger, and American Water has committed to maintaining a sufficient workforce, operational facilities, and offices to continue to provide clean, safe, reliable, and affordable essential utility services to customers. *Id.* Joint Applicants aver this commitment includes honoring all Essential collective bargaining agreements under

their terms as of closing, Aqua PA's and Peoples' pension obligations to employees, and PAWC's collective bargaining agreements and pension obligations. *Id.*

Since pay and benefits will not be impacted by the proposed merger, Joint Applicants argue the discovery requests are not relevant. Further, they assert Local 542's speculation that they "may become a point of contention" in the future does not confer relevance to the discovery requests. Joint Applicants note, to the extent that Local 542 contends that wages and benefits may be a point of contention because PAWC will be merged with Aqua PA at some point, no such merger is proposed in this proceeding, and any such merger, if proposed, will require Commission review and approval in a separate proceeding. *Id.* at 6.

DISCUSSION

The principal issue to be addressed in this case is whether the issuance of a certificate of public convenience granting the approvals required to effect the proposed Merger "is necessary or proper for the service, accommodation, convenience or safety of the public" in accordance with Section 1102(a)(3) of the Code. In *City of York v. Pa. P.U.C.*, 449 Pa. 136, 295 A.2d 825 (1972) (*City of York*), the Pennsylvania Supreme Court articulated the legal standard for approval of public utility mergers and acquisitions known as the public benefits test:

[A] certificate of public convenience approving a merger is not to be granted unless the Commission is able to find affirmatively that public benefit will result from the merger [T]hose seeking approval of a utility merger [are required] to demonstrate more than the mere absence of any adverse effect upon the public [T]he proponents of a merger [are required to] demonstrate that the merger will affirmatively promote the 'service, accommodation, convenience, or safety of the public' in some substantial way.

The Commission's rules provide that a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action. 52 Pa. Code § 5.321(c). It is not ground for objection that the information sought will be inadmissible at hearing if the information sought appears reasonably calculated to lead to the

discovery of admissible evidence. *Id.* Additionally, a party shall initiate discovery as early in the proceedings as reasonably possible. 52 Pa. Code § 5.331(a).

In the Prehearing Order issued on January 26, 2026, the parties were advised that modifications to the Commission's rules for formal discovery had been adopted:

After rebuttal testimony is served, the deadlines shall be reduced as follows:

a. Answers to written interrogatories and responses to requests for document production, entry for inspection or other purposes will be served in-hand within five (5) days of service of the interrogatories.

b. Objections to written interrogatories and requests for document production, entry for inspection or other purposes, will be communicated orally to the propounding party within two (2) calendar days of service; unresolved objections shall be served on the propounding party in writing within three (3) calendar days of service.

c. Motions to dismiss objections and/or direct the answering of interrogatories and/or production of documents will be filed within three (3) business days of service of written objections.

d. Answers to motions to dismiss objections and/or direct the answering of interrogatories and/or production of documents will be filed within three (3) business days of service of such motions.

The Motion should be Denied as Untimely Filed

Local 542's petition to intervene was granted on May 6, 2026. Despite a Commission rule that parties initiate discovery as early as reasonably practicable, Local 542 did not propound its discovery until July 1, 2026, almost two months after its petition to intervene was granted, and less than a month prior to the first day of the evidentiary hearing.

After it served the discovery requests, the Joint Applicants timely communicated their objections per the modified discovery rules on July 2, 2026, and served its written

objections on July 6, 2026.² Under the modified discovery rules, Local 542 was required to file its Motion within three days of service of written objections, or July 9, 2026. Instead, it filed the Motion on July 13, 2026, about three weeks before the first day of the evidentiary hearing, and ten days before the deadline for the filing of written surrebuttal testimony.

The Commission's rules provide that the presiding officer will rule on the motion as soon as possible, no later than 15 days of its filing. 52 Pa Code § 5.342(g)(2). If we took the allotted time to issue a decision on the Motion, it would be served on July 28, 2026 – exactly one week from the first day of hearing.

This proceeding is a complex case with multiple parties. The discovery rule modifications have been adopted to accommodate these complexities and the time and resource burdens they place on the parties and the presiding officers. Local 542 provides no information as to why it took two months to propound discovery or why it failed to file the Motion timely. The parties' strict adherence to the modified discovery rules becomes more imperative the closer we get to the evidentiary hearing. Hypothetically, if we were to grant the Motion, and issued our order on the 15th day, July 28, 2026, there would be one day for Joint Applicants to provide and Local 542 to review the information, because written rejoinder outlines are due by July 29, 2026.

The Motion Should be Denied because the Discovery Requests are Not Relevant to the Instant Proceeding

Local 542 acknowledges that Joint Applicants have stated that all collective bargaining agreements shall stay in place and all relationships between labor organizations and the new company will be recognized. It hypothesizes that at some point, the wages and benefits of each entity may become a point of contention.” Motion ¶ 7.

² It appears the written objections should have been served within three calendar days of service, or July 4, 2026, which was a state and federal holiday. Even accounting for this holiday, the written objections should have been served on the next calendar day – July 5 – not July 6, 2026.

We agree with the Joint Applicants that Local 542's speculation does not confer relevance to the discovery requests. Joint Applicants have explained that Aqua PA and Peoples will continue to operate as separate utility subsidiaries after the merger, and all Aqua PA and Peoples collective bargaining agreements will be honored after the transaction closes.

The principal issue to be addressed in this case is whether the proposed Merger "is necessary or proper for the service, accommodation, convenience or safety of the public;" the Joint Applicants must "demonstrate that the merger will affirmatively promote the 'service, accommodation, convenience, or safety of the public' in some substantial way." We find that Local 542 failed to sufficiently demonstrate the requested information is relevant or reasonably calculated to lead to admissible evidence in the instant proceeding.

THEREFORE,

IT IS ORDERED:

1. That the Motion to Compel filed by International Union of Operating Engineers Local 542 in Response to Joint Applicants' Objections is denied.

Date: July 24, 2026

_____/s/
Emily I. DeVoe
Ann Quimby
Administrative Law Judges

A-2025-3058927, A-2025-3058928, & A-2025-3058929 - 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

Revised May 6, 2026

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