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 Initial In-Person Evidentiary Hearing	Docket Nos.: A-2025-3058927 A-2025-3058928 A-2025-3058929

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Hearing Room 5

Keystone Building, 1st Floor

400 North Street

Harrisburg, PA 17120

INDEX TO EXHIBITS

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A-2025-3052829

Hearing Date: August 4, 2026

NUMBER	FOR IDENTIFICATION	IN EVIDENCE

Joint Applicants Exhibits:

Hearing 1 753 753

List of Testimony and Exhibits

I&E Exhibits:

Hearing 1 755 756

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CAUSE-PA Exhibits:

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with Appendices and Exhibits

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Surrebuttal Testimony of Patrick M. Cicero

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Verification

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Direct Testimony of Celia Hashlamoun with Verification and Exhibit

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Surrebuttal Testimony of Celia Hashlamoun with Verification

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Direct Testimony of Christine A. Reuther

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JOINT APPLICANTS HEARING EXHIBIT NO. 1

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	:	**DOCKET NOS. A-2025-3058927** **A-2025-3058928** **A-2025-3058929**

LIST OF JOINT APPLICANTS' TESTIMONY & EXHIBITS[1]

Joint Applicants Statement No. 1	**Direct Testimony of Cheryl Norton**
Joint Applicants Statement No. 1-R	**Rebuttal Testimony of Cheryl Norton**
▪ **Joint Applicants Exhibit CN-1R**	**Joint Applicants' Updated Merger Commitments**
▪ **Joint Applicants Exhibit CN-2R**	**List of Other Party Recommendations that the Joint Applicants Are Accepting, Clarifying or Modifying**
Joint Applicants Statement No. 1-RJ	**Rejoinder Testimony of Cheryl Norton**
Joint Applicants Statement No. 2	**Direct Testimony of David Bowler**
Joint Applicants Statement No. 2-R	**Rebuttal Testimony of David Bowler**
Joint Applicants Statement No. 2-RJ	**Rejoinder Testimony of David Bowler**
Joint Applicants Statement No. 3	**Direct Testimony of Colleen Arnold**
Joint Applicants Statement No. 3-R	**Rebuttal Testimony of Colleen Arnold**
Joint Applicants Statement No. 3-RJ	**Rejoinder Testimony of Colleen Arnold**

[1] All statements include signed verifications by the applicable witness.

Joint Applicants Statement No. 4	**Direct Testimony of Michael Huwar**
Joint Applicants Statement No. 4-R	**Rebuttal Testimony of Michael Huwar**
▪ **Joint Applicants Exhibit MH-1R**	**Copy of Peoples' Settlement Commitments from Docket No. C-2024-3050319**
Joint Applicants Statement No. 4-RJ	**Rejoinder Testimony of Michael Huwar**
Joint Applicants Statement No. 5	**Direct Testimony of Daniel J. Schuller**
Joint Applicants Statement No. 5-R	**Rebuttal Testimony of Daniel J. Schuller**
Joint Applicants Statement No. 5-RJ	**Rejoinder Testimony of Daniel J. Schuller**
Joint Applicants Statement No. 6-R	**Rebuttal Testimony of Matthew W. Prine**
Joint Applicants Statement No. 6-RJ	**Rejoinder Testimony of Matthew W. Prine**

JOINT APPLICANTS
STATEMENT NO. 1

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

DOCKET NO. A-2025-

DIRECT TESTIMONY

WITNESS: CHERYL NORTON

SUBJECT: OVERVIEW OF THE MERGER, BENEFITS OF THE MERGER, EFFECT OF MERGER ON RATES, JOBS, AND LOCAL COMMUNITIES

DATED: NOVEMBER 26, 2025

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DIRECT TESTIMONY
OF
CHERYL NORTON

I. INTRODUCTION AND PURPOSE OF TESTIMONY

1. Q. Please state your full name and business address.

A. My name is Cheryl Norton. My business address is 1 Water Street, Camden, NJ 08102.

2. Q. By whom are you employed and in what capacity?

A. I am employed by American Water Works Service Company, Inc. and serve as Executive Vice President and Chief Operating Officer ("COO") for American Water Works Company, Inc. ("American Water"). In that role, I am responsible for the successful performance of American Water's regulated state subsidiaries. I also lead business development and customer service across American Water's footprint, as well as systemwide Engineering, Health and Safety, Environmental and Regulatory Compliance and Information Technology (IT).

3. Q. Please briefly describe your educational and professional background.

A. I received a Bachelor of Science degree in biology and a Master of Science degree in environmental studies from Southern Illinois University at Edwardsville. I have been with American Water since 1988, when I began my career as a research analyst at the American Water Central Laboratory conducting microbiological research related to improved treatment techniques. I continued to work in the research department through May 2000, holding Senior Research Analyst and Environmental Scientist positions. From 2000 to 2007, I served as laboratory director for American Water's Central Laboratory in Belleville, Illinois, assuming oversight of all operational areas of Illinois American Water, including water quality, field operations, production and maintenance for water and sewer. In 2007, I became the Vice President of Operations for Illinois-

American Water Company ("Illinois American Water") in Belleville, Illinois assuming oversight of all operational areas of Illinois American Water including water quality, field operations, production and maintenance for water and sewer. In January 2011, I became President at Kentucky-American Water Company, in November of 2015, I became President of Missouri-American Water Company, and in March, 2019, I assumed the roles of Senior Vice President of the Eastern Division of American Water, which was comprised of New Jersey, New York, Virginia, and Maryland and President of New Jersey-American Water. In 2020, I also took on the role of American Water's Chief Environmental Officer, overseeing environmental leadership and compliance across American Water's national footprint. In March 2021, I took on my current role as COO.

4. Q. Have you previously testified before the Pennsylvania Public Utility Commission (the "Commission")?

A. No.

5. Q. What is the purpose of your testimony in this proceeding?

A. My testimony first provides an overview of the proposed merger of American Water and Essential Utilities, Inc. ("Essential"). Second, I explain why American Water decided to merge with Essential and, in particular, how the Merger will strengthen the combined company's utilities to better serve our customers and support the shared vision and core values of both merger partners. Third, I discuss the benefits the Merger will produce and explain why it is in the best interest of Essential's utilities, their customers and the communities they service in Pennsylvania. Finally, I introduce other witnesses submitting direct testimony in support of the Merger.

II. OVERVIEW OF THE MERGER

6. Q. Please provide an overview of the Merger.

A. On October 26, 2025, American Water, Alpha Merger Sub, Inc., a new wholly owned subsidiary of American Water formed for the sole purpose of effectuating the Merger ("Merger Sub"), and Essential entered into an Agreement and Plan of Merger (the "Merger Agreement") to combine American Water and Essential in an all-stock, tax-free merger (the "Merger"). As explained in the Joint Application and the direct testimony of American Water's Executive Vice President and Chief Financial Officer ("CFO"), David Bowler (Joint Applicants Statement No. 2), when the Merger is complete, Essential will be a wholly owned subsidiary of American Water. American Water will remain the ultimate corporate parent of Pennsylvania-American Water Company ("PAWC")[1] and all other existing American Water subsidiaries, and will become the ultimate corporate parent of Essential and all its subsidiaries, including Aqua Pennsylvania, Inc. ("Aqua PA"), Aqua Pennsylvania Wastewater, Inc. ("Aqua PA WW"),[2] and Peoples Natural Gas Company LLC ("Peoples").

7. Q. Please describe the post-Merger American Water operational structure.

A. Operationally, the post-Merger corporate structure will continue to reflect a regional focus, and the combination of American Water and Essential in Pennsylvania will not in any way reduce the regulatory oversight of the Commission with respect to each of the Pennsylvania operating utilities and their rates and operations. While the corporate headquarters of the combined company will be in Camden, New Jersey, Essential's

[1] American Water is not proposing to merge PAWC and Aqua PA/Aqua PA WW at this time.

[2] Unless otherwise specified herein, references to Aqua PA also include Aqua PA WW, which is a wholly-owned subsidiary of Aqua PA.

existing corporate offices in Bryn Mawr and Pittsburgh, Pennsylvania, will each continue to maintain a strong operational presence. In addition, day-to-day operations will continue to be locally managed by dedicated local employees serving our customers and living in and giving back to our communities.

III. OVERVIEW OF AMERICAN WATER AND REASONS FOR THE MERGER

8. Q. Please provide a brief history of American Water and a summary of its business operations today.

A. With a history dating back to 1886, American Water employs more than 6,700 dedicated professionals and is the largest and most geographically diverse investor-owned water and wastewater utility in the United States. We provide clean, safe, reliable and affordable drinking water and wastewater services to 3.5 million customer connections, or more than 14 million people in 14 states, including Pennsylvania, and on 18 military installations. The primary operating assets of American Water's utilities include approximately 80 surface water treatment plants, 520 groundwater treatment plants, 190 wastewater treatment plants, 54,500 miles of transmission, distribution, and collection mains and pipes, 1,200 groundwater wells, 1,800 water and wastewater pumping stations, 1,100 treated water storage facilities, and 75 dams.

American Water has a strong financial track record and broad access to capital markets, as discussed further by Mr. Bowler. Notably, over the next five years, American Water plans to invest nearly $18 billion across its footprint, including $3.3 billion in 2025, to replace pipes and pumps, upgrade plants, and otherwise support the resiliency of utility systems, as well as for acquisitions of water and wastewater systems to provide needed water quality and delivery improvements to additional communities.

9. Q. What are American Water's mission, vision and core values?

A. American Water's mission is to provide clean, safe, reliable, and affordable water and wastewater services to customers, and it has a long-standing history of commitments to safety, affordability, customer service, protecting the environment, an inclusive workforce and strengthening communities. As part of our vision—We Keep Life Flowing®—American Water's customer-focused company culture is grounded in our five core values:

1. **Safety First:** Safety is our top focus – for every employee, customer, and community we serve. This includes physical safety, emotional safety, and health and wellbeing. Safety always comes first, without exception.

2. **Trust, Dignity & Respect:** These are the central underpinnings of how we interact with each other. It means being dependable, honest, transparent, and accountable, ensuring everyone is acknowledged, heard, and empowered to thrive, while fostering a positive and inclusive environment promoting active listening, and open communication. Everyone should feel valued.

3. **One Team:** We leverage our size, scale, and expertise to act as a cohesive team working towards a greater purpose, sharing our successes and challenges. We are committed to working together to achieve shared goals.

4. **Environmental Leadership:** We deliver clean, safe, reliable, and affordable water and wastewater services to our customers, setting the standard for excellence while acting as a trusted steward of our most precious resource.

5. **High Performance:** We are committed to excellence in everything we do because what we do is so critical to the lives of our customers. High Performance is all about executing to the best of our abilities including getting the fundamentals right every time and addressing issues quickly and transparently.

10. Q. What were the main considerations driving the Merger?

A. The merger of American Water and Essential brings together two industry leaders with a shared mission and common core values that are committed to safety, sustainable growth, operational excellence, a superior customer experience and recognition as a top-tier employer, all while protecting the natural environment in the areas in which

they operate. Together, and as further discussed by Mr. Bowler, the Merger creates a stronger, more resilient utility with improved credit quality, a balanced capital structure, and a stable cash flow to support long-term growth and reliable service. The credit profile of the combined company falls comfortably within American Water's current credit ratings of A (Standard & Poor's or "S&P") and Baa1 (Moody's), and the combined equity market capitalization of $40 billion will rank among the top 250 in the S&P 500.

This business combination expands diversification across service territories and broadens the customer base—17 states and 4.7 million water and wastewater connections. It also presents opportunities to leverage operational and financial expertise and efficiencies from complementary platforms to drive high-quality, affordable service, and maximize the ability to help solve water and wastewater challenges across the United States. The enhanced scale and operational efficiency of the combined company will support sustained and necessary investment in water, wastewater and natural gas infrastructure in Pennsylvania and across the country. The unification of two highly skilled and experienced teams will also expand the ability to attract top talent and retain employees by offering broader career advancement prospects across the organization.

In short, the Merger will result in a combined company with a breadth and depth of expertise unmatched in the water and wastewater regulated utility space.

11. Q. Please describe American Water's history of owning and managing public utility infrastructure in Pennsylvania.

A. American Water has owned and operated water systems in Pennsylvania for nearly 140 years, and has owned and operated wastewater systems since 1995. Its wholly-owned subsidiary, PAWC, provides high-quality water and wastewater services to approximately 810,000 customers (representing a population of approximately 2.4 million people) in 38 of the 67 counties across the Commonwealth. PAWC maintains 11,650 miles of water and sewer pipeline and plans to invest about $525 million to $625 million annually in infrastructure renewal. For more than 25 years, PAWC has also been an industry leader in helping resolve the significant challenges faced by troubled water and wastewater systems through acquisitions of small systems (less than 1,000 customer connections each) and by acting as receiver for multiple systems.

Over the past 10 years American Water subsidiaries have invested $10 billion in infrastructure improvements that includes replacement of 3,500 miles of water and sewer mains and associated hydrants, valves, service lines, and water meters. In Pennsylvania alone, over that same period, PAWC has invested over $1.4 billion in pipeline infrastructure.

IV. BENEFITS THE MERGER WILL PRODUCE

12. Q. Please provide an overview of the benefits that the Merger will produce.

A. The Merger will create benefits for Aqua PA and Peoples, their customers, and the communities that they serve. First, the Merger will create a larger platform to continue and enhance the provision of essential utility services including industry-leading water and wastewater service and water-quality best practices, support needed infrastructure

investment, and drive innovation, sustainability, and a better overall customer experience. Second, the Essential utilities and their customers will benefit from being part of a larger corporate organization with a strong financial track record, as detailed in the direct testimony of Mr. Bowler. Third, the Joint Applicants are confident that the Merger will generate synergies and result in overall aggregate cost savings opportunities for the combined company over the long-term. Fourth, Essential's charitable contributions and community support will be embodied in a firm commitment to maintain aggregate charitable giving in its service areas at levels consistent with those historically provided by Aqua PA and Peoples for two years after completion of the Merger, and thereafter, at levels consistent with American Water's contributions in the areas it serves. Finally, American Water is proposing to take several important steps to protect customers and employees and to maintain the local presence of Aqua PA and Peoples, which I will describe later in my testimony.

13. Q. Please explain how the increased scale and scope of the post-Merger organization will benefit customers of Essential.

A. In addition to the financial benefits described by Mr. Bowler, the increased scale and scope of the combined company will deliver operational efficiencies, better customer service, and broader resources and capabilities. The size and breadth of American Water, combined with Essential, will enable the entire American Water enterprise (which will now include Essential) to maximize its purchasing power and obtain significant discounts on necessary goods and services including, but not limited to, water treatment chemicals, pipe valves and fittings, meters, engineering services, consulting services, professional services, and employee benefits.

The water and wastewater industries are highly capital intensive due to the need to comply with increasingly stringent environmental standards, while also rehabilitating and replacing aging water and wastewater system infrastructure. The expanded set of resources and greater scale achieved through the Merger will support continued investment in critical infrastructure and our ability to meet the evolving needs of our customers. Customers will also benefit from the combined best practices, knowledge, and skills of both utilities. Aqua PA and Peoples, along with American Water's and Essential's other regulated subsidiaries, will have exclusive access to a "deeper bench" of highly trained professionals who possess significant operational experience in various specialized areas and are skilled at, and dedicated to, providing necessary, cost-effective, value-added service that supports the provision of clean, safe, reliable, and affordable water, wastewater, and natural gas service in a manner consistent with the long-term best interest of customers. This centralized expertise will drive and further enhance knowledge sharing, standardization of processes and practices, training, and operational efficiencies among American Water's subsidiaries, including Aqua PA and Peoples.

14. Q. What other benefits do you believe will be realized as a result of the combination of American Water's and Essential's water and wastewater capabilities?

A. American Water maintains various centralized or center-led resources that drive knowledge sharing and standardization to support enhanced operational efficiency across the business. This includes our Central Laboratory, research and development ("R&D") program, environmental compliance model, operational training program, and geographic information system ("GIS") and engineering departments, to name a

few. The availability of these resources to Essential's utilities will enhance their capabilities and aid in enhancing their service to customers.

15. Q. Please describe American Water's Central Laboratory.

A. American Water's Central Laboratory supports research and water compliance efforts through sophisticated testing and analysis, each of which is further discussed below. The Central Laboratory processes more than 30,000 sample events each year, is certified in 19 states and territories, and performs testing using 35 methodologies for over 220 compounds. Our NELAC[3]-certified laboratory will perform over 120,000 individual analyses in 2025. A laboratory information management system ("LIMS") is used to manage certain water quality data and sample reporting requirements. The LIMS sample scheduling feature provides a tool to streamline thousands of water sample tests annually and ensures that the results are tracked and reported as required by the environmental regulators. It also allows the business to use that data to support its capital planning efforts. The lab has a history of being on the forefront of monitoring, testing, identifying and controlling analytes in advance of federal regulations, and regularly collaborates with the U.S. Environmental Protection Agency ("EPA") to help develop federal drinking water standards and regulations. Our highly sophisticated analytical and research capabilities are why the EPA regularly taps into our lab and our research team to help develop federal drinking water standards and regulations.

[3] NELAC stands for the National Environmental Laboratories Accreditation Conference. Established by the EPA in 1995 as a means to bring consistency in environmental laboratory accreditation programs, NELAC strives for consistent standards for environmental laboratories through the development of consensus standards based on International Organization for Standardization requirements.

16. Q. Please describe American Water's R&D efforts.

A. Since its inception, our R&D program has evolved to become a leading water-related research program, achieving advancements in the science of drinking water and wastewater. It is designed to enhance our services, help ensure compliance, and shape a more sustainable future.

The benefits of American Water's R&D team span multiple areas of our service offerings, driving increased strategic value, stronger industry leadership and regulatory alignment, greater innovation, proactive risk management, and an enhanced customer experience. As part of our R&D and innovation efforts, we are working with research institutions and partners to develop and pilot new technology advances. We collaborate on a significant number of our research projects with many stakeholders, including governmental entities (such as the EPA), consultants, universities, other utilities, and research agencies (such as the Water Research Foundation, WateReuse Research Foundation, and the Water Environment Research Foundation). We also participate in, and collaborate with, numerous state and local organizations through our state-regulated entities. We are also committed to working with companies that have developed promising technologies, allowing them to benefit from the resources, experience, and scope of an industry leader. Our R&D team leverages internal expertise and resources to lead solution-focused research for source water contamination events, such as harmful algal blooms ("HABs"). These efforts improve preparedness and support coordinated response.

For example, in the summer of 2024, a HAB occurred on the upper Mississippi River, a source for four American Water treatment plants in Iowa and Illinois.

American Water's R&D team supported a multi-state and corporate emergency response effort, implementing additional preparations for potential prolonged or severe HAB conditions. This event provided valuable insights into the benefits of involving R&D in emergency response, the importance of cyanotoxin management plans, and novel data from the bloom.

17. Q. Please describe American Water's environmental compliance model.

A. In addition to the Central Laboratory, use of LIMS technology, and the support of our R&D team, our environmental compliance is further bolstered by a center-led model leveraging Regional Directors to drive consistent compliance controls across the entire American Water footprint through creating and maintaining minimum requirements that are often more stringent than state regulatory requirements. This provides consistent support to state operations to support compliance controls and regulatory compliance with the Safe Drinking Water Act and the Clean Water Act. This center-led team provides a community of experts that helps ensure risks are escalated and mitigated, and that policy and regulatory changes are anticipated and shared to support compliance planning.

18. Q. Please describe American Water's GIS and engineering departments.

A. American Water's centralized GIS department drives standard asset data collection that serves as the basis for our work order management and pipe prioritization modeling, and also supports effective and efficient identification and deployment of alerts to customers when necessary. Having the ability to enter digital as-built drawings in real-time as work is completed, and keep asset location and condition information up-to-date, helps support the efficient and effective deployment of resources to address issues

in the field as they arise. This internal expertise can be leveraged to support Aqua PA and Peoples upon completion of the Merger and potentially reduce or even eliminate the need for external contractors with similar expertise.

In addition to local engineering resources, American Water has a robust centralized engineering team that supports efficient capital planning, deployment, and governance over the capital investment program. This includes effective management and performance of buried and above-ground utility plant assets; the treatment, storage, pumping, transmission and distribution of water; and the collection and treatment of wastewater. Our centralized engineering team is responsible for preparing long-term (20-year planning horizon) Comprehensive Planning Studies, developing design concepts for major capital improvement projects, completing design quality control and constructability reviews of consultant-prepared design packages, leading detailed in-house designs for smaller-scale projects, and providing technical expertise and specialized engineering disciplines for solving complex treatment or asset-performance problems. The team also has a construction management group to provide resources to local teams for large capital investment projects from bidding through completion, including expertise in alternative project delivery. There is also an engineering technology function as part of the centralized engineering team that develops and manages technology applications used across the engineering function. This team also supports enterprise-wide initiatives driven by ever changing regulatory requirements, such as evaluating and planning for per- and polyfluoroalkyl substances-related capital needs. This internal expertise can also be leveraged to support Aqua PA and Peoples upon completion of the Merger and potentially reduce the need for external contractors

with similar expertise. It also provides real opportunities for employees looking to grow and develop within the organization.

19. Q. Please describe American Water's operational training program.

A. American Water has implemented a centralized operations training team tasked with cultivating and sustaining a highly skilled and adaptable workforce of water and wastewater professionals to help ensure the sustained provision of safe, compliant, and reliable services to our customers, and enable employee growth. They are doing so by implementing operational training programs that enhance skills and capabilities of the frontline operations workforce to help ensure safe, efficient, and effective work across the enterprise. The team is also developing standardized curriculum and training for transmission and distribution, production, field services, and wastewater collections and plants, and has already developed and are actively delivering operations onboarding training for new hires. These resources can be shared and leveraged to continue to provide training and development for employees of the Essential utilities.

20. Q. Please elaborate on American Water's commitment to safety.

A. Safety is of paramount importance to American Water. It is a core value that goes beyond a priority and is simply how we choose to do our work. American Water is not only committed to conducting its operations in a safe and reliable manner and in conformance with applicable regulatory requirements, but it strives to foster a work environment that promotes emotional safety, a healthy lifestyle, and being physically safe while at work and home, and helps ensure that the communities we serve are kept safe and that employees choose safety in every job they perform. To American Water, defining what it means to be safe goes beyond measuring accident and injury rates, but

instead focuses on lowering or reducing exposures in the workplace that can lead to injuries. American Water's goal is zero injuries. In fact, American Water has established ten Life Saving Rules that every employee is required to follow to help achieve zero injuries. This includes requiring every employee to utilize Stop Work Authority in any situation that feels unsafe, whether seen in daily work activities or in our facilities. American Water's commitment to safety is based on its care for its customers, employees, contractors, the communities in which American Water operates, and the environment.

With the safety of our employees, customers, contractors, and the public in mind, we approach safety with a focus on continuous improvement through the implementation of proactive initiatives, plans, practices, and processes that complement and sustain a robust workplace safety program. American Water is also committed to securing assets across our system and recognizes the importance of protecting our water sources, treatment plants, infrastructure, and data from malevolent acts, as demonstrated by our robust physical security and cyber security programs. In addition, American Water's emergency response program demonstrates American Water's recognition that rapid response and recovery from security breaches and all other types of incidents are critical to maintaining the safe and reliable operation of water and wastewater systems.

21. Q. Do you expect the Merger to generate synergies at American Water and Essential?

A. Yes. The merging companies have established an integration task force to determine how Essential will be integrated into the American Water organization model. Currently, this effort is in the preliminary stages. However, the Joint Applicants

anticipate that the business combination will improve efficiency and the merger integration process is expected to lead to cost efficiencies in various functional areas. While there will be some costs to achieve Merger-related synergies, customers will realize benefits from those synergies as they are recognized in future rate cases in the form of costs that are lower than they would have been absent the Merger.

22. Q. Please explain how the Merger will maintain Essential's charitable contributions and community support.

A. American Water and Essential both have a legacy of volunteerism and generous support of communities in Pennsylvania, which will remain central to the combined company. Aqua PA and Peoples will continue to be strong and productive leaders in Pennsylvania communities by working to enhance system resiliency and customer service to attain operational excellence and deploy new technology that benefit their customers. Further, consistent with the terms of the Merger Agreement, American Water has agreed to continue to make charitable contributions in its service areas at levels consistent with those historically provided by Aqua PA and Peoples for the next two years after completion of the Merger and, thereafter, at levels consistent with American Water's contributions in the areas it serves.

23. Q. Please explain how the Merger will affect the local presence of Aqua PA and Peoples.

A. As discussed above, American Water intends to maintain Essential's Bryn Mawr and Pittsburgh offices in Pennsylvania. In addition, day-to-day operations will continue to be locally managed by dedicated local employees who serve our customers and live in and give back to our communities. In addition, American Water is committed to

maintaining the workforce, operational facilities, and offices to support Aqua PA's and Peoples' continued provision of clean, safe, reliable and affordable service over the long term. This includes honoring all Essential collective bargaining agreements under their current terms and pension obligations.

24. Q. What customer protections will be part of Merger?

A. As discussed in more detail in the testimony of Mr. Bowler, American Water and Essential will not pass along to utility customers any acquisition premium (i.e., goodwill) or transaction costs associated with the Merger. In addition, American Water will be extending additional measures to Aqua PA and Peoples that are designed to protect American Water's operating subsidiaries from exposure to financial risks that may be experienced by the parent company or affiliates. A full list of commitments is identified further below in my testimony.

25. Q. Please describe the benefits of the Merger for employees of Essential.

A. The Merger will offer expanded opportunities to Essential employees for career advancement and professional development for those employees who remain with the combined company. After the Merger, Aqua PA's and Peoples' day-to-day operations will continue to be locally managed by dedicated local employees and employee compensation and benefits are expected to stay the same following the completion of the Merger. This local team includes retaining Michael Huwar as President of Peoples. Together, American Water and Essential will broaden career paths, provide employees with more opportunities to grow, collaborate and contribute to a larger, more dynamic organization, and create long-term opportunities for career growth, both inside and outside of Pennsylvania.

26. Q. How will the Merger affect the access to and accountability of management?

A. The Merger will not affect access to and the accountability of management. Regulators, government officials, community leaders, and customers will continue to have access to people working at the utility level. American Water has a straightforward utility management structure with clear, direct lines of authority and reporting. Thus, American Water's operating utilities, which, post-Merger, will include the Essential utilities, are able to access the resources, expertise and financial strength of a large organization while maintaining the ability to respond to local conditions and priorities. As noted earlier, Essential will maintain its offices in Bryn Mawr and Pittsburgh, and the Commission and Pennsylvania stakeholders will enjoy the same access to Aqua PA and Peoples personnel as they do today. Simply stated, the Merger will not create multiple tiers of management that have to be penetrated to access the decision-makers in the organization.

27. Q. How will the Merger impact the retail natural gas market?

A. American Water does not own or operate any companies that directly or indirectly compete with Peoples Natural Gas or Peoples Gas. The Merger would also not result in any change in rates or changes to the gas operations or customer choice programs of Peoples. The Merger, therefore, would not result in anti-competitive or discriminatory conduct in the retail market for natural gas in Pennsylvania.

28. Q. Are the Joint Applicants willing to make commitments and assurances related to the Merger?

A. Yes. In furtherance of their shared mission to provide clean, safe, reliable, and affordable water, wastewater, and natural gas service, the Joint Applicants make several affirmative commitments regarding operations, capital investment, rates and governance going forward that collectively serve to bolster a finding that the Merger is in the public interest. Joint Applicants' list of commitments are set forth in Exhibit C to the Joint Application.

29. Q. Ms. Norton, will the public interest be served by completing the Merger?

A. Yes. It definitely will, for all of the reasons that I set forth above, which are explained in more detail in the Joint Application and the direct testimony of other witnesses supporting the Merger.

V. INTRODUCTION OF OTHER WITNESSES

30. Q. Please identify the other witnesses that have submitted direct testimony in support of the Merger.

A. The witnesses that submitted direct testimony with the Joint Application are listed below along with a general description of the subject matter of their direct testimony:

David Bowler is Executive Vice President and CFO of American Water. He provides an overview of the Merger and describes the economic aspects of the transaction and financial benefits arising from the merger, including enhanced access to capital. Mr. Bowler also discusses post-Merger commitments and proposed affiliated interest agreements. (Joint Applicants Statement No. 2).

Colleen Arnold is President of the Aqua companies of Essential. Ms. Arnold provides an overview of Essential and Aqua PA, discusses the current and post-Merger management of Aqua PA, discusses Aqua PA's current infrastructure improvement and replacement efforts, and discusses its existing customer and community commitments. Ms. Arnold also describes various benefits associated with the proposed Merger. (Joint Applicants Statement No. 3).

Michael Huwar is President of the Peoples subsidiary of Essential. He provides an overview of Peoples and an explanation of how Peoples is managed. Mr. Huwar also describes Peoples pipeline replacement efforts, including the rehabilitation of the Goodwin Tombaugh gathering system. He further addresses Peoples' prior settlement commitments and customer commitments and explains why American Water will be able to build on the benefits initiated by Essential after the Peoples acquisition. (Joint Applicants Statement No. 4).

Daniel Schuller is Executive Vice President and CFO of Essential. He provides support regarding Essential's current corporate ownership structure and its financial statements. He offers support on the financial benefits of the Merger. (Joint Applicants Statement No. 5).

VI. CONCLUSION

31. Q. Does this conclude your direct testimony?

A. Yes, it does. However, I reserve the right to supplement this testimony and/or file additional testimony if necessary or appropriate to do so.

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

DOCKET NO. A-2025-_____

VERIFICATION

I, Cheryl Norton, hereby declare that I am the Executive Vice President and Chief Operating Officer at American Water Works Company, Inc.; that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Statement are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.

DATE: November 26, 2025

Cheryl Norton
Executive Vice President and Chief Operating Officer
American Water Works Company, Inc.

JOINT APPLICANTS
STATEMENT NO. 1-R

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

DOCKET NOS. A-2025-3058927, A-2025-3058928 AND A-2025-3058929

REBUTTAL TESTIMONY

WITNESS: CHERYL NORTON

SUBJECT: BENEFITS OF THE PROPOSED MERGER; THE JOINT APPLICANTS' COMMITMENTS; OPPOSING PARTY CONCERNS AND PROPOSED CONDITIONS

DATED: JUNE 25, 2026

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REBUTTAL TESTIMONY
OF
CHERYL NORTON

I. INTRODUCTION AND PURPOSE OF TESTIMONY

1. Q. Please state your full name and business address.

A. My name is Cheryl Norton. My business address is 1 Water Street, Camden, NJ 08102.

2. Q. By whom are you employed and in what capacity?

A. I am employed by American Water Works Service Company, Inc. and serve as Executive Vice President and Chief Operating Officer ("COO") for American Water Works Company, Inc. ("American Water"). In that role, I am responsible for the successful performance of American Water's regulated state subsidiaries. I also lead business development and customer service across American Water's utilities, as well as systemwide Engineering, Health and Safety, Environmental and Regulatory Compliance and Information Technology (IT).

3. Q. Have you submitted any other testimony in this proceeding?

A. Yes, I submitted direct testimony that was marked as Joint Applicants Statement No. 1.

4. Q. What is the purpose of your rebuttal testimony in this proceeding?

A. The key purpose of my rebuttal testimony[1] is to reiterate why the proposed merger of American Water and Essential Utilities, Inc. ("Essential") (the "Merger") will serve the public interest and produce substantial affirmative public benefits. I highlight the numerous commitments the Joint Applicants[2] presented with their initial filing and

[1] My testimony is not intended to address every issue raised in this proceeding. The fact that a particular allegation is not discussed should not be interpreted as agreement but instead reflects the focused nature of rebuttal testimony.

[2] Joint Applicants include American Water, Essential, Aqua Pennsylvania, Inc. ("Aqua PA"), Aqua Pennsylvania Wastewater, Inc. ("Aqua PA WW"), and Peoples Natural Gas Company LLC ("Peoples"). Unless otherwise specified herein, references to Aqua PA also include Aqua PA WW, which is a wholly-owned subsidiary of Aqua PA.

discuss the additional commitments offered in this rebuttal testimony in response to certain concerns raised by witnesses on behalf of the Pennsylvania Public Utility Commission ("PUC" or the "Commission") Bureau of Investigation and Enforcement ("I&E"), the Pennsylvania Office of Consumer Advocate ("OCA"), the Office of Small Business Advocate ("OSBA"), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"), the City of Butler ("Butler"), North York Borough, Spring Garden Township, West Manchester Township and York Township ("York Area Intervenors"), County of Delaware ("DelCo"), County of Montgomery ("MontCo") and East Whiteland Township ("East Whiteland") (collectively, Butler, York Area Intervenors, DelCo, MontCo and East Whiteland, the "Municipal Intervenors") to provide added assurance that the Merger will serve the public interest and produce substantial affirmative benefits. I also respond in summary form to the principal contentions raised by the parties opposing the proposed merger and explain how the Joint Applicants have addressed those issues and why the relief sought by those parties is unnecessary and inappropriate. I then address certain conditions requested by the other parties in the areas of operations and staffing, local control and corporate governance, rate case plans, future acquisition activity, and charitable contributions. Finally, I identify other witnesses who are presenting rebuttal testimony on behalf of the Joint Applicants.

5. Q. Are you sponsoring any exhibits with your rebuttal testimony?

A. Yes. As explained in further detail in my rebuttal testimony, the Joint Applicants are willing to agree to many of the commitments proposed by other parties in their direct testimony. Exhibit CN-1R to my rebuttal testimony updates the commitments that were

included in Appendix C to the Joint Application. Exhibit CN-2R includes a comprehensive list of the conditions recommended by other parties in this proceeding that the Joint Applicants are accepting (in some cases, with clarifications or modifications)[3] and states where those conditions are reflected in Exhibit CN-1R and/or in the Joint Applicants' rebuttal testimony.[4] Since several of the parties' proposed conditions are similar, or use different language to reach a similar result, in many cases, we have proposed modified language in Exhibit CN-1R that addresses multiple proposed commitments identified in Exhibit CN-2R.

II. REVIEW OF JOINT APPLICANTS' COMMITMENTS

6. Q. In their direct testimony, witnesses for the OCA, the OSBA and certain intervenors question whether the Merger will serve the public interest. Please comment.

A. I am not a lawyer, but my understanding is that the Commission has found numerous mergers and acquisitions in the public interest without quantification or guarantees of rate benefits for customers as several parties seem to suggest is required. Unfortunately, a number of parties ignore the many benefits that we will bring through this transaction to Aqua PA, Peoples, their customers, and the communities they serve, and focus instead on issues unconnected to the operations of either utility. The key

[3] Inclusion of a recommendation in Exhibit CN-2R does not mean that the Joint Applicants believe it is necessary to include that recommendation word-for-word in the Joint Applicants' commitments as some recommendations are already reflected in one form or another in Exhibit CN-1R or in the Joint Applicants' testimony. *See* Exhibit CN-2R, n. 1.

[4] Although Pennsylvania-American Water Company ("PAWC") is not a party to this proceeding since no change of PAWC is occurring as a result of the Merger, American Water is willing to voluntarily agree to certain proposed conditions on its behalf in areas related to affiliate, accounting, acquisition, and customer protections. As noted elsewhere in testimony, PAWC-specific operational and customer program changes should be addressed in PAWC-specific proceedings.

question the Commission should consider in this case is whether customers and the Commonwealth will be better off with the Merger. Contrary to the positions advocated by certain witnesses, I do not believe that this proceeding should be leveraged to satisfy opposing parties' "wish lists."

7. Q. Please explain why you believe the Merger will serve the public interest and briefly summarize the commitments that the Joint Applicants made with their initial filing.

A. I firmly believe that the public will be better off if the proposed Merger is approved. As discussed in my direct testimony, the Merger will enhance overall utility operations and strengthen American Water's and Essential's ability to provide clean, safe, reliable, and affordable service to their Pennsylvania customers. It will do so by increasing the scale of the combined company, facilitating the sharing of best practices, unlocking synergies and cost savings, providing employees with more opportunities, and guaranteeing that Aqua PA and Peoples will continue their generous community support. In the Joint Application and direct testimony, the Joint Applicants made several other significant commitments, including honoring current collective bargaining agreements, implementing important customer protections, taking steps to maintain Aqua PA's and Peoples' local presence, assuring the maintenance of existing levels of charitable contributions, and providing wage and benefit protections for current employees.

8. Q. Are there any additional commitments that the Joint Applicants are willing to make based on their review of the other parties' direct testimony?

A. Yes. I&E, the OCA, OSBA, and other intervenors collectively recommend approximately 150 conditions covering a wide range of issues, including costs related to the merger, staffing and local presence related to Aqua PA and Peoples, customer-service commitments, low-income and universal service programs, affiliate relationships and ring-fencing, and accounting protections. The Joint Applicants carefully evaluated each of the proposed commitments and can accommodate approximately half of the parties' requests. As set forth in Exhibit CN-1R, the Joint Applicants have expanded the commitments originally included in Exhibit C to the Joint Application to reflect more than 70 of the conditions proposed by the other parties in their direct testimony. The Joint Applicants' collective commitments further demonstrate the Joint Applicants' dedication to their customers and the substantial affirmative benefits this Merger will bring to them and the Commonwealth of Pennsylvania.

III. THE MERGER WILL PRODUCE SUBSTANTIAL AFFIRMATIVE PUBLIC BENEFITS

9. Q. Please summarize the commitments being made by the Joint Applicants in this proceeding and explain why those commitments will produce substantial affirmative public benefits, and whether they support approval of the Merger.

A. The commitments set forth in Exhibit CN-1R, together with the direct and rebuttal testimony submitted by the Joint Applicant witnesses in this proceeding, reflect direct and substantial customer, employee, financial, operational, and community benefits that support a finding that the Merger will result in affirmative public benefits and

should be approved. These commitments respond to the comments raised by the parties in this proceeding and will ensure that customers will not be responsible for Merger-related costs, and that they will receive Merger-related benefits identified in the future, and are summarized below. Furthermore, in addition to those enumerated commitments, the Joint Applicants have demonstrated that American Water's greater scale, financial strength, liquidity, and access to capital will result in financial benefits to Aqua PA, Peoples, and their customers, and that Aqua PA's and Peoples' access to American Water's broader operational resources, including its centralized laboratory and engineering, safety, water quality, environmental compliance, training, procurement, technology, and research and development capabilities, will strengthen Aqua PA's and Peoples' provision of vital utility services in the Commonwealth.

- The Joint Applicants are making a number of service quality, operational, and infrastructure commitments that will benefit customers. Aqua PA and Peoples will continue to devote the resources necessary to maintain service quality and American Water commits to continue investing in infrastructure replacement, upgrades, and additions to support clean, safe, reliable, and affordable utility service for the customers of all of its Pennsylvania utilities. Each of the utilities will be operated prudently, efficiently, and cost-effectively to realize Merger benefits, including economies of scale, business efficiencies, synergies, best practices, and cost savings. I discuss some of these benefits further in my rebuttal testimony. Mr. Bowler discusses the concrete financial benefits that will inure to Aqua PA, Peoples, and their customers as a result of the Merger and Aqua PA's and People's improved financial strength and access to capital. Mrs. Arnold discusses further operational benefits to Aqua PA resulting from the Merger, and Mr. Huwar discusses Peoples' continued natural gas operations and commitment to continued safe, reliable, and affordable operations. Aqua PA and Peoples also affirm that they will continue to comply with prior applicable commitments made in the context of the Aqua PA/Peoples merger and in prior base rate case proceedings. Aqua PA and Peoples will also commit to comply with certain of those commitments that expired under their original terms for several years going forward.

- The Joint Applicants are making several significant commitments to protect customers. None of Aqua PA, Peoples, nor PAWC will seek recovery in rates of any transaction costs incurred in connection with the Merger or any acquisition

adjustment or goodwill associated with the Merger. The Joint Applicants also commit that goodwill associated with the Merger will not be recorded on the books of Aqua PA, Peoples, or PAWC and will not be included in the rates of any Pennsylvania public utility customers. Furthermore, the Joint Applicants will track all Merger-related transaction costs so the Commission can verify that costs will not be passed on to customers.

- The Merger will not result in any immediate changes in Commission-approved utility rates. However, customers will receive the future benefits of the Merger since the Joint Applicants commit to separately track by fiscal year all identifiable and quantifiable merger benefits/costs savings and the proposed post-Merger new rates of PAWC, Aqua PA, and Peoples would reflect all identifiable and quantifiable Merger benefits and savings through the ordinary ratemaking process, consistent with established cost-of-service ratemaking principles.

- The Joint Applicants are committed to preserving the financial integrity of each of Aqua PA, Peoples, and PAWC. For so long as Aqua PA and Peoples continue to operate as separate utility subsidiaries of American Water, each will have its own independent executives, officers, books of account, financial statements, capital structures, debt and equity costs, rate base, and operating and maintenance expenses for ratemaking purposes (as will PAWC). The Joint Applicants also commit to adopting appropriate ring-fencing protections to ensure financial transparency and protect customers. These provisions are identified in Exhibit CN-1R and Exhibit CN-2R and further discussed in the testimony of Mr. Bowler.

- The Joint Applicants are making a number of commitments related to continued local presence and employee benefits. Aqua PA's and Peoples' day-to-day operations will continue to be locally managed by dedicated local employees serving customers in Pennsylvania. The Commission and Pennsylvania stakeholders will also continue to have the same access to the same Aqua PA and Peoples personnel that they do today. American Water also commits to maintaining sufficient workforce, operational facilities, and offices to continue to provide clean, safe, reliable, and affordable utility service. American Water is committed to maintaining Aqua PA's headquarters in Bryn Mawer and Peoples' headquarters in Pittsburgh for at least five years following the Merger, and as long as Aqua PA and Peoples remain separate American Water utilities, their corporate headquarters will remain in their respective service territories. American Water is also committed to maintaining Aqua PA's Bryn Mawr laboratory for at least five years after closing of the Merger. With respect to employees, American Water will continue to honor all Essential collective bargaining agreements in effect and current pension obligations (and will also continue to honor PAWC collective bargaining agreements and pension obligations). American Water also commits to maintaining total compensation levels and benefits for existing Aqua PA and Peoples employees at levels no less favorable than those in effect immediately prior to closing for at least one year after closing of the Merger. The Merger will also expand the combined company's ability to attract and retain employees by offering

broader career advancement opportunities and Aqua PA's and Peoples' employees will benefit from expanded training, development, and career growth opportunities.

- The Joint Applicants have agreed to commitments related to customer protections and Commission oversight. Aqua PA and Peoples will provide notice to the Commission of any billing system conversion or integration in the three years after the Merger. The Joint Applicants also commit that the Merger will not interfere with PAWC's or Aqua PA's ability to finance or pursue acquisitions of troubled systems in Pennsylvania in continued support of the Commission's priority of remedying troubled systems. American Water has also agreed that Aqua PA and PAWC will not bid against each other for acquisitions, to the benefit of customers.

- Peoples will retain its experienced management and employees and ensure it has the requisite expertise to continue providing its customers with safe, reliable, and affordable service. Mr. Huwar will remain as President of Peoples following the Merger, and its management team will remain in place. Peoples will continue to comply with all applicable safety requirements, including its Distribution Integrity Management Plan and its Commission-approved Long-Term Infrastructure Improvement Plan.

- The Joint Applicants are making several commitments related to community support. American Water, in the two years following the Merger, commits to continuing to make charitable contributions at levels consistent with those historically provided by Aqua PA and Peoples in their respective service areas, and thereafter, at levels consistent with American Water's contributions in the communities it serves.

Collectively, these commitments constitute real improvements for Aqua PA, Peoples, and their customers that would not be realized absent the Merger, and together with the benefits discussed in the testimony of the Joint Applicants' witnesses, demonstrate that the Merger should be approved.

10. Q. I&E and CAUSE-PA raise concerns related to customer affordability.[5] Can you comment generally on American Water's commitment to maintain affordable utility rates for its Pennsylvania customers?

A. Delivering safe and reliable utility service to customers at affordable rates is integral to American Water's operating philosophy. That is not a slogan. It is a core part of how American Water operates and it is reflected in the manner in which American Water manages its investments, pursues operational efficiencies, and provides assistance to customers through its low-income and affordability programs.

Maintaining affordability while making the investments necessary to provide safe and reliable service requires a balanced approach. In addition, investments must be planned, financed, and executed in a way to minimize financial impact to customers. American Water can draw upon its scale, financial strength, disciplined capital planning, procurement capabilities, and operational expertise to prudently manage these investments, and will bring this expertise to Essential, benefitting Aqua PA, Peoples, and their customers. Aqua PA, Peoples, and PAWC will need to continue investing in their respective systems, but this Merger will help ensure that Essential's utilities and their customers benefit from the financial strength and operational expertise of American Water.

While parties have expressed concerns regarding customer affordability and requested the adoption of certain commitments intended to protect affordability, the Merger will benefit customer affordability in several ways. As explained by Mr. Bowler, the improved financial strength of the combined company is expected to

[5] *See, e.g.*, I&E St. No. 1, pp. 5-9; CAUSE-PA St. No. 1, pp. 5-6, 34-42, 59-60.

reduce financing costs to the benefit of customers. The Merger will also create operational efficiencies, including through procurement, shared best practices, improved technology, and access to American Water's enhanced centralized services. The Joint Applicants are committed to ensuring these benefits are passed through to customers as they are identified and quantified. Further, as Mr. Prine discusses, the combination of American Water and Essential will foster collaboration between their respective utilities and enable the utilities to replicate successful customer assistance programs across a broader utility enterprise.

11. Q. Some parties contend that the Merger benefits claimed by the Joint Applicants are inadequate and of little value to customers because the Joint Applicants have not quantified future cost savings and rate benefits from the transaction.[6] Do you agree?

A. No, I do not. As I explained in my direct testimony, the Merger will generate synergies and result in overall aggregate cost savings opportunities for the combined company in the long term. The Joint Applicants have already identified efficiencies related to (i) knowledge sharing and the standardization of processes, practices, and training; (ii) consolidating the costs of highly-skilled industry professionals; (iii) technology sharing (including those that may arise from being on a full SAP platform), (iv) leveraging the size and scale of the combined company to maximize its purchasing power and obtain discounts on necessary goods and services, including but not limited to water treatment chemicals, pipe valves and fittings, meters, engineering services,

[6] *See, e.g.*, OCA St. No. 1, pp. 35-36; CAUSE-PA St. No. 1, pp. 16, 21.

consulting services, professional services, and employee benefits, and (v) financing efficiencies, which are discussed further by Mr. Bower.

The simple fact is, however, is that it is too early in the integration process to quantity those cost savings. As Mr. Bowler explains, the Joint Applicants have established an Integration Management Office ("IMO") to integrate and combine American Water and Essential through a thoughtful and deliberate process. As part of that process, the Joint Applicants have conducted preliminary planning around the future state of the combined company. Integration planning teams across both companies are in the process of developing, designing and inventorying the decisions that will need to be made to integrate the two organizations. This process will outline the timing and criticality of these decisions, but the Joint Applicants are not at a point where definitive decisions have been made. Therefore, while integration planning has begun, the Joint Applicants have not yet quantified projected cost savings or efficiencies that will be reflected in base rates in the future. Pennsylvania customers will also benefit from reduced costs of combined operations that, in turn, will mitigate future rate increases, which is clearly in the public interest. In addition, the increased scale and scope of the combined company will enhance access to capital on competitive rates and will deliver better customer service through broader resources and capabilities. The financial benefits of the Merger are discussed in further detail in the rebuttal testimony of Mr. Bowler.

12. Q. It has also been suggested that certain of the benefits cited by the Joint Applicants are overstated because they purportedly do little more than maintain the status quo.[7] Is that a fair characterization?

A. No, primarily because there is no guarantee that the status quo would be maintained in the absence of the Merger. Accordingly, by making specific commitments in a variety of areas, including employment agreements and charitable support, the Joint Applicants have provided assurances that do not presently exist. In addition, Aqua PA and Peoples will agree to extend certain commitments made in the Aqua/Peoples merger which are expired under their original terms. I believe such commitments have real value to Pennsylvania and customers.

13. Q. Several parties imply that the sharing of best practices and synergies are nebulous concepts entitled to minimal consideration in assessing Merger benefits. Others criticize the Joint Applicants for not identifying operational changes that may be made after the Merger.[8] Please comment.

A. The Joint Applicants view "best practices" as generally referring to techniques or methodologies developed through experience and research that can be shared across organizations to improve operational performance and service quality. Following the Merger, Aqua PA and Peoples, along with other American Water and Essential operating utilities, will have exclusive access to a large pool of knowledgeable and experienced professionals. This centralized expertise will strengthen both organizations through the exchange of knowledge and experience by experts in their

[7] *See, e.g.*, CAUSE-PA St. No. 1, pp. 9-12.

[8] *See, e.g.*, OCA St. No. 1, pp. 35-36; CAUSE-PA St. No, 1, pp. 13-15.

respective areas of responsibility and, therefore, will benefit the customers they serve. The identification and implementation of best practices requires a level of research and detailed analysis that will be undertaken during the integration process.

14. Q. Parties to this proceeding also take issue with what they perceive as lack of information or diligence due to the early stage of Joint Applicants' integration efforts.[9] How do you respond?

A. American Water and Essential are undertaking a comprehensive integration planning process that considers the practical realities of preparing the two companies for integration over both the short and long term, rather than rushing to meet an arbitrary timeline. The implication that merger decisions and benefits should already be known and quantified ignores the reality of combining two large organizations. Making rushed decisions or guessing at quantification of benefits is not in the customers' best interests. The Joint Applicants are working toward long-term benefits of combining the two organizations.

15. Q. Can you please further describe the Joint Applicants' integration planning efforts?

A. Yes. The Joint Applicants have established an Integration Management Office designed with a "two in a box" approach. Across corporate functions, leaders from American Water and Essential are working side by side, with balanced representation from both organizations to shape planning and decision-making. Our integration planning processes will help ensure that efforts reflect the perspectives of both companies while maintaining continuity for our customers, employees, and the

[9] *See, e.g.*, I&E St. No. 1, pp. 12-13; OCA St. No. 1, pp. 10-11, 35-38; CAUSE-PA St. 1, pp. 8.

communities we serve. As part of the integration planning process, the Joint Applicants have conducted preliminary planning around the future state of the combined company. The teams supporting integration span several areas including customer, water and wastewater operations, gas operations, capital/engineering, supply chain, health and safety, security and facilities, information technology, finance, human resources, legal, external affairs/communications, business development, and state operations. The integration planning teams across both companies are in the process of developing, designing, and inventorying the decisions that will need to be made in order to integrate the two organizations. This process will outline the timing and criticality of these decisions, but Joint Applicants are not at a point where definitive decisions have been made. The Joint Applicants are working to achieve integration as efficiently and effectively as possible, but it is important to avoid rushed decisions that do not fully consider the impact on our customers, employees, and the communities we serve.

16. Q. CAUSE-PA witness Cicero recommends that the Commission require the Joint Applicants to retroactively apply commitments agreed to in other jurisdictions where approval of the Merger is necessary.[10] Should the Commission impose a "most favored nation" condition in this case?

A. No. Unlike acquisitions that involve a single jurisdiction, the Merger involves seven jurisdictions with different laws and regulatory frameworks. Automatically applying comparable regulatory conditions across each of these jurisdictions is unreasonable for several reasons. First, the most favored nation condition requested by CAUSE-PA can lead to overlapping or inconsistent conditions that are not supported by the record

[10] CAUSE-PA St. No. 1, pp. 87-88.

simply because another party received different terms later in another jurisdiction. In addition, there may be a balancing of interests, either in litigation or settlement in another jurisdiction, in deciding to adopt certain conditions that may be inappropriate or inequitable in Pennsylvania. Finally, a most favored nation clause creates uncertainty for the Joint Applicants as to the cost and operational impact of merger conditions because a concession made to one party in another jurisdiction could trigger additional obligations.

IV. THE POTENTIAL RISKS IDENTIFIED BY PARTIES OPPOSING THE MERGER ARE SPECULATIVE, OVERSTATED, OR HAVE BEEN ADEQUATELY ADDRESSED

17. Q. In addition to questioning the benefits of the Merger, several parties raise concerns about rate increases for Aqua PA, PAWC and Peoples customers, and affordability of service generally in Pennsylvania, as a basis for the Commission to reject the Merger.[11] Please comment.

A. The Merger will not change the water, wastewater, and natural gas rates in effect at the time of closing. The Joint Applicants have already committed to not pass along transaction costs to customers, and anticipated efficiencies from the Merger are expected to help moderate future rate increases. The Joint Applicants are also newly committing to additional rate-related measures, including that Aqua PA, Peoples and PAWC will separately track all identifiable and quantifiable Merger benefits/cost savings and present such information in future base rate filings.

[11] *See, e.g.*, CAUSE-PA St. 1, pp. 25-28, 32-43; County of Delaware St. 1, p. 4; I&E St. 2, pp. 4-8; OCA St. 1, pp. 33-35; OCA St. 2, pp. 17-21.

The Joint Applicants understand and agree that affordability is important. After the Merger, Aqua PA, Peoples, and PAWC will each continue to implement their independent customer assistance programs, with the potential for sharing best practices, cross-training, and exploring streamlined enrollment in the future. For example, as explained by Joint Applicant witness Prine, the Merger will put PAWC and Peoples in a better position to identify and serve low-income customers due to their overlapping service territories. The substantial number of recommendations regarding customer assistance programs made by the OCA and CAUSE-PA are addressed in detail by Joint Applicant witnesses Prine, Schuller, and Huwar. Mr. Prine and Mr. Schuller also provide an overview of the existing low-income and affordability programs of PAWC, Aqua PA, and Peoples, respectively.

18. Q. Witnesses for I&E, Local 542, and the Municipal Intervenors also claim that the Merger will have an adverse impact on competition in the private water market in Pennsylvania. Do you agree?

A. No. First, as I explained in my direct testimony, the Pennsylvania water and wastewater industry is highly fragmented, with many municipal water and wastewater providers and public utilities providing water and wastewater services throughout the Commonwealth. PAWC and Aqua PA, collectively, will serve only approximately 31% of Pennsylvania customers. Second, concerns that the Merger may dampen competition for the acquisition of municipal-owned systems is purely speculative. There are several companies, in addition to American Water and Essential, that either operate in and/or have recently participated in sales of municipal systems in

Pennsylvania. There is no evidence that the Merger will inhibit competition from these companies or others.

19. Q. OCA witness Smith suggests that the Merger could affect PAWC's and Aqua PA's ability or willingness to continue acquiring and investing in small and troubled water and wastewater systems in the Commonwealth. Is there any basis for this concern?

A. No. PAWC and Aqua PA have both demonstrated a long-standing commitment to improving water and wastewater systems in Pennsylvania, including by acquiring and investing in numerous small, troubled, and under-resourced water and wastewater systems throughout the Commonwealth. The Merger will not change that commitment. To the contrary, the combined company will have greater financial and operational resources available to support systems and Pennsylvanians in need.

20. Q. I&E witness Patel also states there is a lack of synergies and economies of scale between Peoples, American Water, and Essential due to the fact that Peoples is a natural gas distribution Company, and that Peoples is a "secondary business line attached to the merger because it is a subsidiary of Essential."[12] How do you respond?

A. First, while it is true that Peoples will not realize every synergy that Aqua PA is able to obtain as a result of a merger with another water and wastewater company, the fact that Peoples is a natural gas distribution company does not mean it will not realize any synergies and economies as a result of the Merger. As discussed herein and in the testimony of Mr. Bowler and Mr. Prine, we fully expect the Merger will create

[12] I&E St. No. 1, pp. 27-28.

synergies and benefits in a variety of areas for Peoples, including through technology adaptation, procurement, use of American Water's enhanced centralized services, and collaboration on low-income and affordability programs, and the strengthening of Peoples' financial position.

Second, American Water fully understands what it means to provide a regulated utility service to citizens of the Commonwealth, and its obligation to do so in a safe and reliable manner. That obligation remains the same whether the utility is providing water and wastewater services or natural gas distribution services. After the Merger, Peoples will continue to have the staff on hand and make the necessary investments in its system, including through pipeline replacement, to satisfy that obligation. Peoples' ability to comply with its pipeline replacement and safety commitments will not be negatively impacted by the Merger.

V. MANY OF THE REQUESTED CONDITIONS ARE UNREASONABLE AND, IN ANY EVENT, ARE NOT NECESSARY FOR THE MERGER TO PROVIDE SUBSTANTIAL AFFIRMATIVE PUBLIC BENEFITS

21. Q. Have you reviewed the commitments sought by I&E, the OCA, the OSBA and intervenors?

A. Yes. The Joint Applicants reviewed each condition recommended in the direct testimony of other parties. Several of the requested commitments were already proposed by the Joint Applicants in the Joint Application, and others were agreed to in discovery responses provided by the Joint Applicants in this proceeding. We have updated the list of commitments that was attached as Exhibit C to the Joint Application to incorporate the suggested commitments that we believe are reasonable. That updated list of commitments is attached as Exhibit CN-1R to my rebuttal testimony. However, several of the proposed commitments are not reasonable for the reasons set forth herein

or in the rebuttal testimony of the other Joint Applicant witnesses submitting rebuttal testimony.

22. Q. In your view, would any of the parties' requests be more appropriately addressed outside of this proceeding?

A. Yes. Several recommendations regarding PAWC's customer service and customer assistance programs are directly related to (and sometimes identical to) proposals made in PAWC's pending base rate proceeding.[13] In that pending case, the parties have developed a robust evidentiary record regarding, for example, PAWC's customer service performance and the requirements for and implementation of a range of PAWC customer assistance programs. I believe that it would be appropriate for the PUC to proceed with its consideration of those issues in the base rate proceeding, without any intervening or usurping actions taken in this Merger proceeding, especially where PAWC is not even a party to this proceeding.

23. Q. Do you believe any conditions proposed by the other parties are necessary for the Merger to produce substantial public benefits?

A. No. While certain of the conditions proposed by the other parties may provide benefits in addition to those the Joint Applicants have demonstrated would result from the proposed Merger, none of those conditions are necessary to establish that the Merger will deliver substantial affirmative public benefits to Aqua PA and Peoples customers.

[13] *See, e.g.*, CAUSE-PA St. 1, pp. 56-83 (identifying alignment with several recommendations made by CAUSE-PA witness Harry Geller in PAWC's pending base rate proceeding); OCA St. 2, pp. 6-7, 31-33 (identifying customer service and universal service recommendations, noting that many are based on testimony and recommendations in PAWC's pending base rate case).

24. Q. How is the remainder of this section of your testimony organized?

A. The following subsections of my testimony addresses the parties' positions and conditions in the areas of operations and staffing, local control and corporate governance, rate case plans, future acquisition activity, charitable contributions, affiliate protections, and bulk service to the York Intervenors.

A. Operations and Staffing

25. Q. What have the Joint Applicants committed to with respect to operations and staffing?

A. Joint Applicants have made multiple commitments regarding operations, quality of service and employees.

- Aqua PA and Peoples will continue to devote the necessary resources to maintain, at a minimum, current service quality. American Water is committed to providing clean, safe, reliable and affordable utility services to customers.

- American Water will continue to invest in infrastructure replacement, renewal, upgrades or additions to support the provision of clean, safe, reliable and affordable service.

- Aqua PA's and Peoples' day-to-day operations will continue to be locally managed by dedicated local employees serving our customers and living in and giving back to our communities. This includes retaining Michael Huwar as President of Peoples.

- American Water commits to maintaining sufficient workforce, operational facilities, and offices to continue to provide clean, safe, reliable and affordable essential utility services to customers. This includes honoring all Essential collective bargaining agreements under their current terms, as well as Aqua PA's and Peoples' pension obligations to employees.[14]

[14] Joint Application, Exhibit C, pp. 1-2.

26. Q. Do the Joint Applicants endorse the staffing and employment-related commitments proposed by I&E, the OCA, and the OSBA?

A. The Joint Applicants endorse the commitments identified above, and those recommendations made by the other parties that are consistent with those commitments. For example, I&E witness Patel recommends that "PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas [] continue to maintain . . . adequate staff in Pennsylvania to serve its customers . . . [and] honor all obligations to collective bargaining units according to employees' local union agreements and applicable laws and regulations."[15] In addition, OCA witness Smith recommends that (1) the "Joint Applicants commit to adhere to the collective bargaining agreements in effect as of Closing[,]" including existing pension obligations;[16] (2) "American Water commit to maintain levels of total compensation and benefits for the Aqua and Peoples existing employees at levels comparable to those in effect immediately prior to closing for at least one year after the closing date[;]"[17] and (3) American Water "commit to maintaining a qualified management team that will continue to operate the Peoples Companies after the proposed transaction occurs."[18] Each of these conditions is generally acceptable to the Joint Applicants and consistent with the commitments already made by the Joint Applicants to support their showing of substantial affirmative

[15] I&E St. No. 1, p. 45.

[16] OCA St. No. 1, pp. 17, 86.

[17] *Id.*, p. 86.

[18] *Id.*, p. 17.

public benefits.[19] Recommendations to make additional commitments beyond those already made are not necessary or appropriate.

27. Q. Please summarize the additional employee-related commitments the parties are recommending.

A. OCA witness Smith recommends that there "be no reductions in the [Joint Applicant]'s current Pennsylvania employment for at least three years from the merger consummation date"[20] and specifically recommends "Joint Applicants commit to maintaining field office staffing for the Peoples Companies and for Aqua at least at the levels approved in the most recent base rate case for the next five years."[21] He also recommends requiring "Aqua and Peoples [to] maintain the existing terms and conditions of employment and expects that all management and operating employees, other than the officers listed as expected to leave or retire [to] remain with the Peoples Companies after the acquisition."[22] OSBA witness Hashlamoun recommends that "[f]or a period of five years following closing of the transaction, the Companies should be required to maintain a local operational presence and annually report to the Commission regarding Pennsylvania staffing levels, facility locations and use of Pennsylvania contractors and vendors," asserting it is necessary "to provide transparency and allow the Commission to monitor whether the Companies are

[19] Please see Exhibit CN-2R for proposed modified language to I&E witness Patel's recommendation regarding adequate staff.

[20] OCA St. No. 1, p. 17.

[21] *Id.*

[22] *Id.*, p. 86.

maintaining sufficient local operational presence following the Merger."[23] OCA witness Smith recommends similar reporting.[24]

28. Q. How do you respond to the recommendation to commit to maintaining employment and making no reductions in workforce?

A. The proposed recommendations are not necessary or appropriate conditions for approval of the Merger. First, the Joint Applicants have already indicated that employee compensation and benefits are expected to stay the same following the completion of the Merger.[25] American Water commits that total compensation levels and benefits for existing Aqua PA and Peoples employees will be maintained at levels no less favorable than those in effect immediately prior to closing for at least one year after closing of the Merger. Existing collective bargaining agreements will also be honored. While Joint Applicants do not commit to maintaining any specific number of employees in the Commonwealth of Pennsylvania, the Joint Applicants have committed that "day-to-day operations will continue to be locally managed by dedicated local employees serving our customers and living in and giving back to our communities."[26] This means the day-to-day utility operations of the Pennsylvania utilities will continue to be directed, overseen, and executed by management and staff who are physically located within Pennsylvania and have direct responsibility for operating the systems, serving customers, and engaging with the communities in which they live and work. This also includes maintaining local operational decision-making

[23] OSBA St. No. 1, pp. 16, 18.

[24] OCA St. No. 1, p. 17.

[25] Section 5.7 of the Merger Agreement (Exhibit A to the Joint Application) documents this commitment.

[26] Joint Applicants St. No. 1, p. 5.

authority, retaining dedicated in-state employees who perform field operations, maintenance, and compliance activities, and ensuring that customers continue to receive clean, safe, reliable, and affordable service under the same Commission-approved tariffs and rates through a Pennsylvania-based operational structure.

However, as explained above, American Water and Essential are in the midst of integration planning. As part of that process, American Water and Essential will evaluate the appropriate organizational structure for the combined company and seek to identify ways in which the companies can achieve benefits for customers. It is important that the Joint Applicants maintain the flexibility to make decisions regarding the combined company's future organizational structure through a thoughtful and thorough process to support the provision of utility services to customers as efficiently as possible while maintaining or improving service.[27] Furthermore, while the Joint Applicants do not currently have any plans to reduce Peoples' workforce, they cannot guarantee that all Peoples' employees will maintain their employment – some may leave of their own volition. However, staffing will remain at levels required to deliver safe, reliable, and affordable service to customers, consistent with Commission regulations.

[27] This is not dissimilar from how utilities routinely assess their workforce needs to deliver safe, reliable, and affordable service to customers. In the normal course of business, American Water continually strives to find more efficient and cost-effective ways to operate and maintain its business. As part of that effort, it strives to manage its cost structure as efficiently as possible, including employee costs. American Water recognizes its duty to staff its business in a way consistent with providing safe, reliable and affordable utility service. This requires a constant evaluation of the right mix of internal and contract labor, straight time versus overtime, training programs, and technology. In this vein, American Water continues to evaluate costs and expenses going forward, always looking for the best solution for the unique and changing challenges it faces. A substantial portion of any utility's cost structure is associated with its cost of labor. As such, as a position becomes vacant in its organization, American Water looks to the value of that position, reviews the overall need for that position and considers, among other things, whether it should be transferred to another area, modified, or even eliminated. Workforce optimization and improved business performance are the goals of these efforts.

29. Q. How do you respond to the request for reporting proposed by OSBA?

A. The recommended reporting is not necessary to provide the transparency and monitoring OSBA seeks. In each rate case following the Merger, Aqua PA and Peoples will provide information regarding their operations, including staffing levels. At that time, the Commission can evaluate each company's operations and determine whether the companies are maintaining the appropriate staffing levels to continue to support the provision of safe, reliable and affordable service. Each of the utilities will also be subject to regular Commission management audits. Separate, annual reporting is not required for the Commission to have visibility into each company's local presence and operations.

30. Q. How do you respond to Local 542's assertion that the Merger will reduce bargaining power for utility workers?[28]

A. I do not believe that is a practical concern associated with the Merger. As regulated public utilities, Aqua PA and Peoples are required to provide safe and reliable utility services to customers and Joint Applicants recognize their duty to staff their business in a way consistent with providing safe, reliable, and affordable utility service. In order to do so, and to continue to attract and retain employees, American Water also recognizes the importance of offering market compensation. To that end, American Water offers a total rewards program that includes market-based total direct compensation (inclusive of base and performance compensation), which is on par with other companies American Water competes with for talent. Offering market-based total compensation ensures that compensation is not only competitive, but also

[28] Local 542 St. No. 1, p. 3.

reasonable. Further, although Aqua PA (and Essential) and PAWC (and American Water) require employees with similar skills, many of those skills are transferable across water and wastewater utilities, and even across other industries, and, therefore, Aqua PA and PAWC are not the only employers competing for labor with similar skills. In addition, as I have previously noted, PAWC and Aqua PA, collectively, will serve only 31% of Pennsylvania water and wastewater customers. There are numerous other water and wastewater utilities and municipal systems competing for talent.[29] Finally, the practical reality is that the presence of union representation in and of itself mitigates the asserted risk of compensation reductions inconsistent with market trends.

31. Q. How do you respond to claims that operational synergies will lead to work force reductions and reduced advancement opportunities?

A. Operational synergies do not inherently require workforce reductions or constrain employee advancement opportunities. Synergies can include a broad range of efficiencies – process improvements, technology integration, procurement efficiencies, and better coordination – that improve performance without reducing labor demand. This may include redeploying, retraining, or reassigning employees to new or modified roles rather than simply reducing the workforce. Further, contrary to Local 542's assertion, synergies can enhance advancement opportunities by expanding the scope and sophistication of the organization rather than stifling advancement opportunities. As I explain in my direct testimony, "[t]ogether, American Water and Essential will broaden career paths, provide employees with more opportunities to grow, collaborate

[29] The Commission's website lists a total of 37 water utilities and 12 wastewater utilities, noting that the lists are only inclusive of Pennsylvania utilities with a website under the Commission's jurisdiction, and are not a complete list of all utilities under the Commission's jurisdiction. *See* https://www.puc.pa.gov/water-wastewater/.

and contribute to a larger, more dynamic organization, and create long-term opportunities for career growth, both inside and outside of Pennsylvania." First, the sharing of best practices and exposure to different operating environments enhances employees' skills and development at all levels of the organization. In addition, the increased size and scope of the combined organization allow employees access to a broader range of roles across functions, geographies, and business lines, enabling both vertical advancement and lateral mobility.

32. Q. The Parties make various recommendations regarding the maintenance of operational facilities. Can you please summarize those recommendations?

A. I&E witness Patel recommends that PAWC, Aqua PA, and Peoples Gas continue to maintain their respective office locations in Pennsylvania to serve their customers in the same manner they do currently.[30] OCA witness Smith recommends that Essential's, Aqua PA's and Peoples' headquarters remain in Pennsylvania for five years after the Merger, specifically seeking that the Bryn Mawr facility for Essential and Aqua PA not be moved without prior Commission approval and that the Peoples' and Aqua PA's headquarters not be moved out of their respective service territories without prior Commission approval.[31] OCA also recommends Aqua PA be required to maintain its Bryn Mawr testing facility for at least 10 years after the Merger.[32] CAUSE-PA witness Cicero recommends that the "Joint Applicants be required to maintain customer service and field office staffing for current Essential Companies (inclusive of Aqua and Peoples) at physical locations in the Commonwealth so long as the merged entity serves

[30] I&E St. No. 1, p. 43.

[31] OCA St. No. 1, pp. 17-18.

[32] *Id.*, p. 17.

Pennsylvania ratepayers."[33] OCA, OSBA and CAUSE-PA also seek related annual reporting.

33. Q. How do you respond to the proposed conditions regarding maintaining and/or relocating the existing headquarters of Essential, Aqua PA and Peoples, and the continued use of Aqua's Bryn Mawr testing facility?

A. American Water and Essential are committed to maintaining the office complex located in Bryn Mawr, as well as the headquarters for Peoples' in Pittsburgh, for a period of five years following completion of the Merger.[34] The Joint Applicants are also willing to commit to maintain the Bryn Mawr testing facility for at least five years following completion of the Merger. Exhibits CN-1R and CN-2R show the Joint Applicants' acceptance of these conditions generally, with some modifications. This does not mean that the Joint Applicants should be precluded from evaluating their office locations, lab facilities or other facilities from time to time to support the continued provision of safe, reliable and affordable service as efficiently as possible over the long-term. With respect to the recommendation to require prior Commission approval to move headquarters, my understanding is that no such prior approval is generally required. The Joint Applicants should not be precluded from evaluating their headquarters or office needs from time to time as changes could be beneficial for employees and customers. As noted above, Joint Applicants have agreed to certain commitments recommended by the parties, including maintaining headquarters within applicable service territories. Therefore, imposing a layer of review is administratively

[33] CAUSE-PA St. No. 1, p. 55.

[34] Section 5.20 of the Merger Agreement (Exhibit A to the Joint Application) documents this commitment.

burdensome and inefficient for both the Commission and the Joint Applicants and unnecessary. Of course, to the extent that any such move involves the sale of real property, then Aqua PA or Peoples will seek Commission approval consistent with applicable laws and regulations.

34. Q. What is your response to CAUSE-PA witness Cicero's proposed condition that the Joint Applicants maintain customer service and field office staffing for Aqua PA and Peoples at physical locations in the Commonwealth so long as the combined company serves Pennsylvania customers?

A. As Joint Applicants have consistently stated, "Aqua PA's and Peoples' day-to-day operations will continue to be locally managed by dedicated local employees serving our customers and living in and giving back to our communities." American Water recognizes that local field operations are critical to supporting the provision of safe, clean, reliable and affordable utility service to customers. Local field personnel help provide critical system knowledge, enable timely emergency response, execute field-based regulatory requirements, and maintain direct engagement with customers and municipalities. Requiring Joint Applicants to maintain customer service staffing at physical locations in the Commonwealth is different. Preserving the flexibility to locate customer service functions either in-state or out-of-state is a prudent operational safeguard that will enable the Joint Applicants to manage costs, maintain service quality, and ensure operational resilience—ultimately supporting their obligation to provide clean, safe, reliable, and affordable service to customers over the long-term. Regardless of where customer service employees are located, American Water will remain committed to having these employees provide its Pennsylvania customers with

the highest levels of customer service and ensure that the employees are appropriately trained to respond to Pennsylvania customers. Further, just because the option is preserved does not mean the Joint Applicants intend to use it. It does mean that Joint Applicants have the ability to make future decisions based on facts and circumstances at any given time, including how best to meet customer and business needs that may change from time to time, the availability of a qualified work force, and potential efficiencies associated with moving customer service personnel, whether to a different facility or to remote work.

35. Q. OCA witness Smith also makes a recommendation regarding O&M and capital budgets. What is that recommendation?

A. Mr. Smith recommends:

> Report[ing] deviations from Aqua's and the Peoples Companies budgeted capital and O&M expenditures made in anticipation of American Water ownership, and similar reporting deviations from Aqua's and the Peoples Companies budgeted capital and O&M expenditures that are made after transaction consummation and the reasons for those deviations.[35]

He asserts that such reporting is required "because it should help to ensure that the Aqua and Peoples Companies' capital and O&M expenditures are not curtailed by American Water in the years following the transaction."[36]

36. Q. How do you respond to Mr. Smith's recommendation?

A. OCA witness Smith's recommendation is not necessary or appropriate.[37] The Joint Applicants have made commitments to maintain necessary resources and invest in

[35] OCA St. No. 1, pp. 16, 75.

[36] *Id.*, p. 76.

[37] Not seeking any curtailment is also inconsistent with Joint Applicants' goal to achieve Merger-related synergies, that are good for customers and should be supported by the other parties.

systems to support the provision of clean, safe, reliable and affordable service.[38] Joint Applicants will honor those commitments, but that does not mean the budgets will not change. Both O&M and capital budgets are dynamic because they reflect evolving real-world conditions. O&M expenses are driven by daily operations and respond to factors such as weather, system performance, input cost changes, and unplanned events. Capital budgets, by contrast, are based on forward-looking project estimates that are refined over time as designs mature, costs become more certain, and priorities shift. As a result, it is normal and expected for both O&M and capital budgets to be updated throughout the year in the ordinary course of business. Requiring Joint Applicants to track and report every change in a budget is an inefficient and unnecessary use of time and resources. Further, the appropriate forum for reviewing a utility's costs and investments is during a rate case proceeding where they can be considered holistically, along with their impact on rates and service.

B. Local Control and Corporate Governance

37. Q. Ms. Norton, please summarize the Joint Applicants' commitments that ensure local control and presence of Aqua PA and Peoples following the Merger.

A. The Joint Applicants have committed to maintaining a local presence in the Commonwealth of Pennsylvania. Exhibit C to the Joint Application states:

> Aqua PA's and Peoples' day-to-day operations will continue to be locally managed by dedicated local employees serving our customers and living in and giving back to our communities. This includes retaining Michael Huwar as President of Peoples.

[38] *See* Joint Application, Exhibit C.

In addition, I have clarified what this commitment means earlier in my rebuttal testimony and explained the specific commitments we have made regarding certain offices.

38. Q. In addition to the commitments made by Joint Applicants, OCA witness Smith also proposes certain commitments associated with American Water's Board of Directors. What are those recommendations?

A. To address his concern with American Water overseeing a gas distribution utility for the first time, OCA witness Smith recommends three conditions:

> American Water will have a board of directors consisting of at least one member who possesses substantial experience at a natural gas utility and with pipeline safety issues and gas utility pipeline integrity management.
>
> The American Water Board of Directors and Executive Committee shall include the Pittsburgh, PA area and service area of the Peoples Companies among the locations of their meetings.[39]
>
> The American Water Board of Directors shall meet with the Peoples Companies executive management at least once per month for the first three years post-merger and shall meet at least once per year in the Pittsburgh, PA headquarters office and/or at a location in the utility service area of the Peoples Companies.[40]

39. Q. How do you respond to Mr. Smith's recommendations?

A. First, I do not believe Mr. Smith's concerns are warranted. As the Joint Applicants have indicated, Peoples' day-to-day operations will continue to be locally managed by employees with the expertise to support the continued provision of safe and reliable gas service. This includes leadership at the highest level of the Peoples' organization

[39] OCA St. No. 1, p. 79.

[40] *Id.*, p. 81.

– Michael Huwar has extensive experience in the gas industry and will remain the President of Peoples. In addition, American Water's Board of Directors ("BOD" or "Board") usually meets in one of its business operating areas across the country each year. Pittsburgh will be considered as part of that rotation, like the other operating subsidiaries. Requiring the Board to meet in Pittsburgh every year is not appropriate or equitable considering that, post-Merger, the combined company will have regulated operations in 17 states. If every state demanded the same, there wouldn't be enough BOD meetings to spread across all the service areas in one year. The Board's current approach considers all of the operations for which it has oversight, which is a reasonable and equitable way to understand local and operational nuances. Further, it is not reasonable to require that the American Water BOD meet directly with the Peoples leadership team once a month. Board members are responsible for governance and strategic oversight, not day-to-day execution. While they are expected to understand the material risks, implications, and strategic context of an issue, they are not expected to possess granular operational knowledge. A monthly meeting of the entire BOD is not necessary to gain that understanding or to fulfill their fiduciary responsibilities.[41] Lastly, with respect to board composition, American Water has a robust process for identifying, evaluating and nominating candidates for the Board, including an annual review of appropriate skills and characteristics required of Board members in the context of the current make-up of the Board, the Company's strategy,

[41] Further, as a matter of process, the American Water Board does not hold regular meetings monthly even on other matters of importance.

and the current business environment in which it operates.[42] The Nominating/Corporate Governance Committee will be responsible for evaluating the Board make-up and determining whether it includes the appropriate skills and characteristics among its Board members.[43] I expect that the addition of gas operations will be considered as part of that evaluation.[44] It is worth noting that even if a candidate with gas experience is nominated, their election to the Board will be subject to shareholder approval.

For all the foregoing reasons, Mr. Smith's proposed recommendations are not appropriate or necessary for the continued provision of safe and reliable gas service to customers.

C. Rate Case Plans

40. Q. Please describe the other parties' recommendations regarding future rate case filing timing.

A. Several of the parties are recommending rate case stay-outs over a variety of periods. I&E witness Patel and OSBA witness Hashlamoun both recommend a moratorium on

[42] *See* American Water Works Company, Inc. Corporate Governance Guidelines, available at https://s26.q4cdn.com/750150140/files/doc_downloads/governance/2026/2026-04-29_Corporate-Governance-Guidelines.pdf

[43] *See* American Water Works Company, Inc. Nominating/Corporate Governance Committee of the Board of Directors Charter, available at https://s26.q4cdn.com/750150140/files/doc_downloads/governance/2025/CHARTER_Nominating-Corporate-Governance-Committee_FINAL.pdf

[44] The American Water Board already includes a member with gas operations experience. Patricia L. Kampling served as the chairman of the board and chief executive officer of Alliant Energy Corporation, a Madison, Wisconsin-based energy company, from 2012 to 2019. Ms. Kampling held various positions with Alliant Energy, including President, Chief Operating Officer, Chief Financial Officer, Treasurer and Vice President of Finance. Alliant Energy Corporation provides regulated energy service to approximately 1 million electric and 430,000 natural gas retail customers across Iowa and Wisconsin. In addition, Christopher Franklin, who has substantial experience in natural gas, will become a member of the Board immediately following the Merger.

filing rates cases for three years following the closing of the transaction.[45] OCA witness Smith similarly recommends a moratorium on rate case filings "of three years from the date of each of their most recent rate case filing."[46] CAUSE-PA witness Cicero recommends a "5-year rate case stay-out that would begin at the later of approval of the Merger application in this case or the end of the fully projected future test year for any rate case that is pending or filed prior to approval of the application in this case."[47] The Municipal Intervenors suggest a moratorium on rate increases as a potential condition to approval, but do not specify a time frame.[48]

41. Q. Do you agree with the recommendations to prohibit future rate case filings for any period of time?

A. I do not.

42. Q. Why is it inappropriate and unadvisable to impose a rate case moratorium in this proceeding?

A. As explained by Mr. Bowler in Statement No. 2R, an arbitrary moratorium on rate case filings ignores well established regulatory principles that utilities are entitled to recover prudent and reasonable costs, and an opportunity to earn a reasonable return. Further, utilities rely on predictable revenue to support their continued provision of safe, reliable, and compliant utility services, which include much needed capital investment. Effectively freezing rates does not freeze the need for capital investment. Not allowing

[45] I&E St. No. 1, p. 39 (including PAWC in the recommendation in addition to the parties to the proceeding – Aqua PA, Aqua PA-WW, and Peoples); OSBA St. No. 2, pp. 5, 9.

[46] OCA St. No. 1, p. 73 (the reference to "their" includes Aqua PA, Aqua PA-WW, Peoples and PAWC).

[47] CAUSE-PA St. No. 1, p. 44 (it appears CAUSE-PA is also including PAWC in addition to the parties to the proceeding).

[48] City of Butler St. No. 1, p. 5; County of Delaware St. No. 1, p. 5; East Whiteland Township St. No. 1, p. 5; County of Montgomery St. No. 1, p. 5.

for timely cost recovery does one of two things: it requires the deferral of much needed investment, or it creates a situation where rates are increased substantially more in the future proceeding to recover the reasonable and prudent investments incurred by the utility during the rate case moratorium. In some instances, it could be both, because there are projects that simply cannot be deferred (like those required to maintain regulatory compliance). Gradual, evidence-based rate adjustments through the Commission's normal regulatory processes are more transparent, more predictable, and less disruptive for customers than a sudden catch-up after years of suppressed recovery.

43. Q. Please briefly discuss the problems with deferring capital investment, even if it is technically possible?

A. Deferring capital investment is more costly and disruptive over the long run. One good example of this is pipe replacement. From the perspective of long-term sustainable customer service and water rates, replacing pipes that are near the end of their useful life in a systematic, responsible manner will result in lower costs to customers over time, rather than waiting to replace pipes until after they experience breaks or blockages. This is because planned pipe replacements are much less costly on a unit cost basis (per linear foot) than the costs of responding to increasing pipe breaks. For example, during 2025, PAWC experienced a cost of approximately $150 per linear foot of planned work to replace or reline pipe, compared to a cost of $827 per linear foot of replacing pipe during unplanned work such as breaks and blockages. In addition, breaks and blockages lead to unintended service disruptions, possible health risks from potential drinking water contamination, and instances of sewer backups and property damage that can have significant impact to our customers and communities.

D. Future Acquisition Activity

44. Q. Do any of the parties make recommendations regarding future acquisition activity?

A. Yes. OCA witness Smith recommends a "three-year stay-out on Section 1329 acquisitions, other than for troubled water and wastewater utility systems," which would apply to any acquisitions in progress at the time of closing in addition to future acquisitions.[49] CAUSE-PA witness Cicero seeks to put a cap on cost recovery for all future acquisitions by limiting the amount of rate base that can put into rates to the lesser of the negotiated purchase price, fair market value, or 125% of the depreciated original cost of the system.[50] CAUSE-PA also recommends that the Commission prohibit Aqua and PAWC from bidding against each other in any acquisitions post-closing.[51] OCA and CAUSE-PA assert that these conditions are necessary to protect customers from upwards pressure on future rates.[52]

45. Q. How do you respond to these recommendations?

A. American Water takes seriously the affordability of its service to customers, but restricting future acquisition activity is not the way to do it. This proceeding is to evaluate this Merger for approval, not any and all potential future acquisitions. Yet, that is what the proposed conditions seek to do. Each future acquisition, including the appropriate rate base to be included in future rates, should be evaluated as part of its own proceeding based on the facts and circumstances presented in connection with the

[49] OCA St. No. 1, p. 42.

[50] CAUSE-PA St. No. 1, pp. 44, 51.

[51] *Id.*, p. 51.

[52] OCA St. No. 1, p. 42; CAUSE-PA St. No. 1, p. 50.

acquisition. It is inappropriate to decide now what can and can't be done in the future without knowing the details surrounding future acquisitions. Further, American Water is not seeking to engage, and never has engaged, in any sort of "gamesmanship to increase the acquisition price" of acquisitions as CAUSE-PA asserts. Therefore, American Water does commit to not having Aqua PA and PAWC bid against each other in any acquisitions following completion of the Merger. Mr. Bowler further discusses the recommendation regarding future acquisition activity in his rebuttal testimony.

E. Charitable Contributions

46. Q. What have the Joint Applicants committed to with respect to future charitable contributions?

A. Joint Applicants made the following commitment related to the charitable contributions made by Aqua PA and Peoples:

> American Water will continue to make charitable contributions at levels consistent with those historically provided by Aqua PA and Peoples in their service areas for the next two years after completion of the Merger, and thereafter, at levels consistent with American Water's contributions in the areas it serves.[53]

47. Q. How does American Water's commitment generally translate into dollars?

A. The commitment to make charitable contributions is focused on the public utilities under the jurisdiction of this Commission for which Joint Applicants seek a change in control – Aqua PA and Peoples. If you take a 3-year average of charitable contributions made by Aqua PA and Peoples, the commitment to charitable contributions is

[53] Joint Application, Exhibit C, p. 2.

approximately $5.5 million[54] each year for the two years following closing of the Merger.

48. Q. What are the recommendations with respect to charitable contributions?

A. OCA and CAUSE-PA are seeking to significantly expand a fully-shareholder funded commitment to make charitable contributions in the future. OCA recommends:

> American Water, Essential Utilities and their Pennsylvania public utilities shall, during the ten-year period following Merger Close, provide for the next ten years at least $10 million in annual contributions to public 501(c)(3) charities, that are not industry associations or donor-advised funds, $8.84 million of which must go to an organization providing services in Pennsylvania. American Water shall file by April 30 of each year an annual report on the contributions made in the prior calendar year, which shall at minimum specify which company(ies) made the contribution (e.g. Aqua, the Peoples Companies, American Water Service Company, PAWC, etc.), the amount of the contribution, and the recipient of the funds. These charitable contributions shall not be recovered in rates.[55]

CAUSE-PA recommends maintaining charitable contributions at existing levels for the Essential, Aqua PA and Peoples for at least 10 years following the Merger and further recommends that American Water and its affiliates "be required to commit for 10 years post-closing to provide annual charitable contributions at levels equal to at least their highest annual amount during the past three calendar years."[56]

49. Q. Do you believe it is necessary or appropriate to expand American Water's commitment to make charitable contributions as suggested by OCA and CAUSE-PA?

[54] *See* OCA-JA-I-55_Attachment 1_EU in Attachment RCS-2 at 113-14.

[55] OCA St. No. 1, p. 75.

[56] CAUSE-PA St. No. 1, p. 54.

A. No, I do not. American Water has long believed in the importance of being a good neighbor and good steward of the environment and regularly makes charitable contributions to a variety of organizations to support employees in their own charitable endeavors, provide stronger support for disaster relief efforts, and to provide funding for higher-level initiatives related to clean water, conservation, education, and community sustainability. This is why American Water was comfortable making the commitment it did in the first place, which is substantial. This does not mean it is appropriate to require American Water to contribute shareholder funds at the highest levels in recent history without allowing for flexibility in how much is contributed in future years consistent with its commitment or in how those funds are deployed.[57]

It is also not appropriate to consider American Water's contributions made outside the Commonwealth of Pennsylvania and then require contributions in those amounts to be directed to Pennsylvania. American Water advances its commitment to being a responsible corporate citizen and trusted community partner in all of its jurisdictions through sustained charitable investment, strong employee engagement, and targeted customer assistance and affordability programs. By aligning enterprise-wide priorities with local action and maintaining a focus on customer affordability and resilience, American Water continues to help communities thrive while advancing its mission to provide safe, clean, reliable, and affordable water and wastewater service. It would be inappropriate to focus that commitment only on one jurisdiction. However,

[57] In addition to requiring substantially more dollars be diverted to Pennsylvania, OCA also seeks to dictate the organizations American Water can support with its own shareholder funds. OCA St. No. 1, p. 75.

the Joint Applicants' current commitments will still result in benefits to Aqua PA, Peoples, their customers, and the Commonwealth.

50. Q. How do you respond to the assertion that American Water contribution levels will decrease substantially after the first two years?[58]

A. As explained above, after the first two years American Water is seeking to level set its charitable contributions to better align with its other operating subsidiaries. While this may be at lower levels than the first two years, they are still significant commitments that would result in over $2 million in charitable contributions in the Commonwealth of Pennsylvania.[59] In addition to the two-year commitments identified above, these long-term contribution commitments provide a substantial benefit to the community at no cost to customers since the cost is solely borne by shareholders. To require American Water to nearly double or even quadruple the amount as proposed by OCA and/or maintain an elevated level of charitable contributions for 10 years as proposed by OCA and CAUSE-PA removes any discretion or flexibility American Water has to adjust to changing circumstances over a 10-year period.

F. Existing Bulk Service Agreements

51. Q. Will the Merger alter or impair PAWC's existing bulk service agreements with the York Intervenors?

A. No, it will not. As explained above, PAWC is not a party to the proceeding and there are no proposed changes to any of its rates, tariffs or service agreements under

[58] CAUSE-PA St. No. 1, pp. 22-23.

[59] The three-year average of American Water charitable contributions in the Commonwealth of Pennsylvania is $722,570. If that amount is provided across Pennsylvania public utilities (Aqua PA, Peoples and PAWC), it adds up to $2,167,710. *See* OCA-JA-I-55_Attachment 1_AW in Attachment RCS-2 at 100.

consideration. Nevertheless, American Water is willing to commit on behalf of PAWC that PAWC will continue to operate under the terms and conditions of each of the York Intervenors respective service agreements.

I would also like to reemphasize that Aqua PA, Peoples, and PAWC will remain individual Pennsylvania utilities post-Merger, and the Merger will not impact any respective obligations under their tariffs, prior Commission Orders, or existing service agreements.

VI. IDENTIFICATION OF OTHER REBUTTAL WITNESSES

52. Q. Please identify the other witnesses who are submitting rebuttal testimony on behalf of the Joint Applicants.

A. In addition to my rebuttal testimony, the Joint Applicants are presenting rebuttal testimony from the following witnesses:

David Bowler (Joint Applicants Statement No. 2-R). Mr. Bowler is Executive Vice President and Chief Financial Officer ("CFO") of American Water and his rebuttal testimony explains the financial benefits of the Merger and addresses conditions proposed by other parties in the following areas: rate impacts, rate credits, rate case stay outs, transaction and transition costs, synergy savings, capital structure, financing and dividends, tax/accumulated deferred income tax protections, recordkeeping requirements, affiliate protections, and a speculative sale of Peoples.

Colleen Arnold (Joint Applicants Statement No. 3-R). Ms. Arnold is President of the Aqua companies of Essential and her rebuttal testimony addresses benefits of the proposed merger and prior contractual obligations.

Michael Huwar (Joint Applicants Statement No. 4-R). Mr. Huwar is President of the Peoples subsidiary of Essential and his rebuttal testimony addresses a range of concerns and proposed Merger conditions related to Peoples, including pipeline replacement activities and commitments from prior PUC proceedings.

Daniel Schuller (Joint Applicants Statement No. 5-R). Mr. Schuller is Executive Vice President and Chief Financial Officer of Essential and his rebuttal testimony addresses recommended customer performance objectives and cost of service recommendations.

Matthew W. Prine (Joint Applicants Statement No. 6-R). Mr. Prine is American Water Works Service Company, Inc. ("Service Company") Vice President and Chief Customer Officer and his rebuttal testimony addresses concerns and proposed Merger conditions raised by other parties in the areas of customer service and customer assistance programs.

VII. CONCLUSION

53. Q. Does this conclude your rebuttal testimony?

A. Yes, it does.

EXHIBIT CN-1R
JOINT APPLICANTS' UPDATED MERGER COMMITMENTS

In furtherance of their shared mission to provide clean, safe, reliable, and affordable water and wastewater service, the Joint Applicants make the following commitments:

Merger Impact on Rates

1. Aqua Pennsylvania, Inc. ("Aqua PA"), Aqua Pennsylvania Wastewater, Inc. ("Aqua PA WW")[1] and Peoples Natural Gas Company, LLC ("Peoples") will not seek recovery in rates of: (1) any transaction costs (including costs relating to new equity issuances or debt borrowing to finance such costs) incurred in connection with the Merger by American Water Works Company, Inc. ("American Water"), Essential Utilities, Inc. ("Essential") or their subsidiaries, or (2) any acquisition adjustment or "goodwill" associated with the Merger. As such, the goodwill associated with the Merger will not be recorded on Aqua PA's or Peoples' books. American Water agrees to the same on behalf of Pennsylvania-American Water Company ("PAWC"). American Water (on behalf of itself and PAWC), Essential Utilities, Aqua PA, and Peoples shall also ensure that such goodwill is not included in and does not impact rates charged to any Pennsylvania public utility customers and is not included in the ratemaking capital structure of any Pennsylvania public utilities.

    a. All merger related transaction costs will be recorded on American Water and Essential's books and will be specifically tracked to facilitate verification that none of the transaction costs are being included directly or indirectly in the cost of service of any Pennsylvania public utility. Joint

[1] Unless otherwise specified herein, references to Aqua PA also include Aqua PA WW, which is a wholly-owned subsidiary of Aqua PA.

Applicants agree to make transaction costs available to the Pennsylvania Public Utility Commission ("Commission"), in reasonable detail, upon request.

2. Aqua PA's and Peoples' Commission-approved rates and tariffs in effect when the Merger closes will not change as a result of the Merger.

    a. Joint Applicants confirm that the consummation of the merger will not affect accounting and ratemaking treatments of Aqua PA's or Peoples' accumulated deferred income taxes ("ADIT"), including excess deferred income taxes, accumulated deferred tax credits or net operating losses. No tax elections or accounting methods shall be employed related to the Merger that would in any way result in any reduction to Aqua PA's or Peoples' respective net ADIT balances that are used to reduce rate base in Aqua PA's or Peoples' respective rate cases.

3. In their next respective rate case filings following consummation of the Merger, the proposed post-merger new rates of Aqua PA and Peoples will reflect all identifiable and quantifiable merger benefits and savings through the ordinary ratemaking process and consistent with established cost-of-service ratemaking principles. American Water agrees to the same on behalf of PAWC.

Quality of Service

4. Aqua PA and Peoples will continue to devote the necessary resources to maintain, at a minimum, current service quality. American Water is committed to providing clean, safe, reliable and affordable utility services to customers.

5. American Water (on behalf of itself and PAWC), Essential, Aqua PA, and Peoples will take all prudent actions to operate each utility efficiently and cost-effectively with the objective of realizing merger benefits (e.g., economies of scale, business efficiency and synergies, best practices, cost savings, etc.) and provide safe and reliable services at affordable rates to their respective customers.

6. American Water will continue to invest in infrastructure replacement, renewal, upgrades or additions to support the provision of clean, safe, reliable and affordable service.

7. American Water (on behalf of itself and PAWC), Essential, Aqua PA, and Peoples will refrain from engaging in any types of unfair trade practices and anti-competitive business conduct or practices directly or indirectly adversely impacting their customers, and other utilities' interests in Pennsylvania.

8. The Joint Applicants commit that the merger will not interfere with Aqua PA's or PAWC's ability to finance or pursue acquisitions of troubled Commission-regulated Pennsylvania water and wastewater utilities and that Aqua PA, and American Water on behalf of PAWC, commit to continuing to pursue such acquisitions, as appropriate.

9. American Water commits to not have Aqua PA and PAWC bid against each other for acquisitions.

10. Aqua PA and Peoples will notify the Commission of any billing system conversion or integration that occurs within three years following the closing of the Merger.

11. For so long as each remains a separate legal entity, Aqua PA and Peoples agree to the following performance objectives and universal service program ("USP") design enhancements for an additional five years after closing of the Merger:

a. Aqua PA 2020 commitments include the following based on current calculation methodologies:

   i. answering at least 82% of calls within 30 seconds, having a busy-out rate of no more than 0.25%, and an average call abandonment rate no higher than 2.5%;

   ii. developing a live Excel spreadsheet system to track customer complaints, reviewing the information through conducting a root cause analysis of adverse trends, and, within 24 months, reducing the average number of days to respond to customer complaints to less than 10 days;

   iii. providing a yearly report to OCA, I&E, and OSBA for 5 years demonstrating its achievement of its service quality metrics;

   iv. including renters and homeowners in USP eligibility criteria;

   v. maintaining data collection and reporting requirements that identify estimated and confirmed low-income customers and bill payment experience for those customers;

   vi. USP includes: (1) a bill payment/customer assistance program; (2) a hardship fund; (3) a water conservation program; (4) a low income service repair line and replacement program; and (5) a comparable funding mechanism that exists for electric and gas utilities in Pennsylvania.

b. Peoples 2020 commitments include the following based on current calculation methodologies:

i. call center service level of 82%, a 2.0% call abandonment rate, a 0% busy-out rate, a .008% rate of bills not rendered each billing period, a .15% rate of meters not read within 6 months, a 1% rate of company disputes not answered within 30 days, and an average emergency response time of 27.5 minutes;

ii. tracking field operation appointments and continuing its standard of meeting 99% of all appointments for five years.

c. If at any time any of the performance objectives are not achieved (e.g. due to extreme weather events), Peoples and Aqua PA should be given the opportunity to explain the reason the objective was not achieved in the annual report to OCA, I&E, and OSBA.

Local Presence and Commitments to Employees

12. Aqua PA's and Peoples' day-to-day operations will continue to be locally managed by dedicated local employees serving our customers and living in and giving back to our communities. This includes retaining Michael Huwar as President of Peoples. American Water agrees to the same on behalf of PAWC.

13. American Water commits to maintaining sufficient workforce, operational facilities, and offices to continue to provide clean, safe, reliable, and affordable water and wastewater utility services to customers. This includes honoring all Essential collective bargaining agreements under their current terms, as well as Aqua PA's and Peoples' pension obligations to employees. American Water also agrees, on behalf of PAWC, to honor all of PAWC's collective bargaining agreements under their current terms and PAWC's pension obligations to employees.

a. Concerning employee compensation and benefits of the Aqua PA and Peoples employees, American Water shall commit to maintain levels of total compensation and benefits for Aqua PA's and Peoples' existing employees at levels no less favorable than those in effect immediately prior to closing for at least one year after the closing date.

b. Aqua PA's headquarters located in Bryn Mawr (including the testing facility) and Peoples' headquarters located in Pittsburgh shall be maintained for at least five years from merger consummation.

14. The American Water Board of Directors and Executive Committee shall include the Pittsburgh, PA area and service area of Peoples among the locations of their meetings.

Charitable Contributions and Community Support

15. American Water will continue to make charitable contributions at levels consistent with those historically provided by Aqua PA and Peoples in their service areas for the next two years after completion of the Merger, and thereafter, at levels consistent with American Water's contributions in the areas it serves.

Corporate Organization and Financial Integrity

16. For so long as each remains a separate legal entity, Aqua PA and Peoples will continue to operate as separate utility subsidiaries with their own executives, officers, and employees and will continue to maintain separate books of accounts and financial statements reflecting their own respective assets and liabilities at each entity level including capital structures, debt and equity costs, rate base, and operating and maintenance expenses with breakdowns by line items for ratemaking purpose on a standalone basis. Aqua PA and Peoples will also compile financial statements and reports required by the Commission pursuant to the Public Utility

Code and applicable regulations and will provide such statements and reports to the Commission. American Water agrees to the same on behalf of PAWC. This commitment does not preclude the sharing of resources pursuant to an affiliate agreement approved by the Commission.

17. For so long as each Pennsylvania utility subsidiary remains a separate legal entity, American Water and Essential will commit to implementing appropriate ring-fencing protections to the extent necessary for business operations (water and wastewater operations, gas operations, and non-utility operations) and related financial transactions of each business segment, which are no less protective than the ring-fencing protections currently in effect. The ring fencing would include but is not limited to the following:

    a. American Water and Essential utility subsidiaries maintaining their status as corporate subsidiaries with their own corporate officers.

    b. each of the utility subsidiaries maintaining and issuing their own sets of financial statements pursuant to the Commission's requirements, specifically maintaining separate books and records, each in accordance with the applicable Uniform System of Accounts for their type of utility.

    c. each utility subsidiary maintaining the capability to issue its own long-term debt (with such debt issues subject to Chapter 19 of the Public Utility Code).

    d. the maintenance of an optimal capital structure for the utility subsidiaries.

18. Aqua PA and Peoples each have, and will continue to have (for so long as each remains a separate legal entity), their own capital structure, which is a function of their own debt and equity. Aqua PA and Peoples will maintain a debt ratio measured at an annual level not to

exceed approximately 50% (inclusive of short-term debt). American Water agrees to the same on behalf of PAWC.

19. American Water and its affiliated entities will continue to provide support for the utility subsidiaries' funding (capital) requirements at a just and reasonable cost and consistent with other competitive market terms and conditions.

20. American Water will provide the Essential utilities in Pennsylvania with no less than the same access to short-term debt, commercial paper, and other liquidity that Aqua PA and Peoples currently have in place. If this does not provide sufficient liquidity for day-to-day needs, additional short-term loans, at market rates, will be available. Neither American Water nor any of its affiliates will make any loan to Aqua PA or Peoples that bears interest at rates that are greater than the rates being paid at the time of such loan by American Water or such other affiliate on its own debt issued at the same time. Neither Aqua PA nor Peoples will assume liability for debts issued by American Water or its financing subsidiary, American Water Capital Corporation ("AWCC"). Although Aqua PA and Peoples may become a party to a financing services agreement with AWCC and AWCC may issue debt for the benefit of several operating companies, each company, including Aqua PA and Peoples, will be liable only for its individual borrowings or issuances under those arrangements.

21. The Joint Applicants will not use Aqua PA or Peoples assets to secure debt for the benefit of utilities or operations in other states. Aqua PA and Peoples will not provide funding on a long-term basis (i.e., for a term exceeding one year) to American Water and Essential or any other corporate affiliates and shall not provide debt guarantees or pledge utility assets for the parent company or other corporate affiliates' borrowings without prior Commission approval. American Water agrees to the same on behalf of PAWC.

22. Unless first approved by the Commission, Aqua PA and Peoples will not transfer any material asset to an affiliate except in an arm's length transaction and in compliance with Pennsylvania law.

23. American Water (on behalf of itself and PAWC), Essential, Aqua PA, and Peoples will not undertake any transactions that would lead to comingling of Pennsylvania utilities' funds with other affiliated entities without specific prior approval of the Commission.

24. Aqua PA and Peoples agree to seek Commission approval for all new or amended affiliated interest agreements with its parent company and affiliated entities consistent with Chapter 21 of the Public Utility Code. All transactions among the utility subsidiaries and their affiliated entities (including but not limited to American Water and Essential) would not promote any form of cross subsidization and render benefits to the shareholders of the group companies. American Water agrees to the same on behalf of PAWC.

25. Joint Applicants will report key credit metrics including Funds from Operations ("FFO")/debt, FFO/interest, and debt/capitalization for American Water and each Pennsylvania utility that has its own bond credit rating, and will use reasonable efforts to maintain the American Water, Aqua PA, and Peoples credit ratings at investment-grade for each of their publicly-traded debt securities.

Reporting

26. Post-merger American Water will file a Report of Action within 120 days of closing, which contains the closing date, the actual total merger consideration, and the actual accounting entry records in American Water and Essential's books that reflect the merger transaction.

27. Aqua PA and Peoples will identify and report, if applicable, the impact resulting from any constraints on their ability to monetize otherwise available tax benefits due to the post-merger affiliation with American Water and participation in a federal consolidated tax return.

Exhibit CN-2R[1]

No.	Party	Witness	Recommendation	Accept / Accept with Modifications	Supporting Reference
1.	I&E	Patel	Post-merger**,** American Water, Essential, PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would not undertake any transactions that would lead to comingling of Pennsylvania utilities' funds with other affiliated entities without specific prior approval of the Commission.	Accept	See Exhibit CN-1R, Item 23
2.	I&E	Patel	PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would continue to operate as separate utility subsidiaries with their own executives, officers, and employees and would continue to maintain separate books of accounts and financial statements at each entity level including capital structures, debt and equity costs, rate base, and operating and maintenance expenses with breakdowns by line items for ratemaking purpose on a standalone basis and comply with the Commission mandated financial statements and reports pursuant to the public utility code**. This does not preclude the sharing of resources** pursuant to **an affiliate agreement approved by** the Commission.	Accept, with clarification	See Exhibit CN-1R, Item 16
3.	I&E	Patel	PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would continue to maintain reasonable accounting procedures, policies, and controls to govern any inter-company trade and service transactions with affiliates and comply with all the terms and conditions of the Commission approved affiliated interest agreements. Specifically, this includes maintaining detailed accounting records sufficient to document all affiliated companies' charges for service transactions with PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas.	Accept	See Exhibit CN-1R, Item 18
4.	I&E	Patel	American Water would commit that no costs relating to new equity issuances or debt borrowing to finance the merger costs including any acquisition premium or goodwill would be allocated or charged to PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas and these utilities would not be permitted to include or claim any merger costs in future base rate cases.	Accept	See Exhibit CN-1R, Item 1
5.	I&E	Patel	~~All merger related costs such as (a) transaction~~**Transaction** costs including solicitation costs; ~~(b) transition costs; (c) costs to achieve the merger; (d) integration costs; (e)~~**and** golden parachute payments including retention bonuses and benefits; ~~and (f) any other incremental and incidental costs incurred to facilitate integration and consolidation of business operations of utilities~~ would not be claimed as recoverable or be recovered directly or indirectly (as a cost allocation from the parent or associated companies) as a part of cost of service by PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas in future rate proceedings. All **of** these costs would be funded by shareholders and excluded for ratemaking purposes.	Accept, with modification	Bowler, Section III;[2] See Exhibit CN-1R, Item 1

[1] In each instance where Joint Applicants accept a condition, or accept it with modification, it is captured in some way in the commitments set forth in Exhibit CN-1. This does not mean every commitment is reflected word-for-word; rather, the spirit of recommendation is reflected in the commitments included in Exhibit CN-1 or in the Joint Applicants' testimony.

[2] References to "Bowler" in this Exhibit CN-2R refer to the Rebuttal Testimony of David Bowler, Joint Applicants St. No. 2-R.

6.	I&E	Patel	All merger related transaction~~, consolidation, and transition costs including cost to achieve the merger~~ **costs** would be recorded on American Water and Essential's books and shall be made available in sufficient detail to the Commission on demand.	Accept, with modification	See Exhibit CN-1R, Item 1 and Bowler, Section III
7.	I&E	Patel	PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would agree to seek the Commission's approval for all new or amended affiliated interest agreements with its parent company and affiliated entities consistent with Chapter 21 of the Public Utility Code. All transactions among the utility subsidiaries and their affiliated entities (including but not limited to American Water and Essential) would not promote any form of cross subsidization and render benefits to the shareholders of the group companies.	Accept	See Exhibit CN-1R, Item 24
8.	I&E	Patel	No employees or executive officers' ~~severance compensation,~~ retention payments or bonuses~~, and benefits~~ (by way of cost allocation from the parent or affiliated companies) related to a change in control pursuant to this merger transaction would be claimed or allowed for recovery directly or indirectly (capitalized or expense portions) in any future rate proceedings of PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas.	Accept, with modification	See Exhibit CN-1R, Item 1 and Bowler, Section III
9.	I&E	Patel	Aqua PA, Aqua PA-WW, and Peoples ~~Gas~~ would separately ~~identify and quantify in dollars~~**track** by fiscal year, all **identifiable and quantifiable** merger benefits/cost savings ~~claimed to be realized due to business operation synergies, efficiencies, and best practices and detailed~~**and** information thereof would be included in future rate case filings. In short, the **proposed** post-merger new rates of PAWC, Aqua PA, Aqua PA-WW, and Peoples ~~Gas~~ would reflect all **identifiable and quantifiable** merger benefits and savings **through the ordinary ratemaking process and consistent with established cost-of-service ratemaking principle**.	Accept, with modification[3]	See Exhibit CN-1R, Item 3; Bowler, Section III
10.	I&E	Patel	All **identifiable and quantifiable** merger benefits/savings would be identified in the ~~merger compliance filing to be filed with the Commission on an annual basis~~ rate case **filing** by each Pennsylvania utility **following consummation** of the **Merger**.	Accept, with modification[2]	See Exhibit CN-1R, Item 3; Bowler, Section II
11.	I&E	Patel	Aqua PA, Aqua PA-WW, and Peoples Gas would ~~report and~~ identify **and report, if applicable,** the impact resulting from any constraints on their ability to monetize otherwise available tax benefits due to the post-merger affiliation with American Water and participation in a federal consolidated tax return.	Accept, with modification	See Exhibit CN-1R, Item 27
12.	I&E	Patel	American Water will ensure that the **consummation of the** merger would not affect accounting and ratemaking ~~treatments~~**treatment** of Essential's utility subsidiary companies accumulated deferred income taxes, including excess deferred income taxes, accumulated deferred tax credits, and net operating losses.	Accept, with modification	See Exhibit CN-1R, Item 2.a
13.	I&E	Patel	The holding/parent companies including their associate entities would continue to provide support for the utility subsidiaries' funding (capital) requirements at a just and reasonable cost and other competitive market terms and conditions.	Accept	See Exhibit CN-1R, Item 19

[3] Joint Applicants note that there are myriad costs and savings that may be achieved through the Merger, however many of these costs and savings may be of relatively small or de minimis value. Accordingly, Joint Applicants request flexibility in this tracking and reporting requirement to limit it to costs and savings that could be considered material.

14.	I&E	Patel	As long as Pennsylvania utility subsidiaries are separate legal entities, American Water and Essential would commit to implementing appropriate ring-fencing protections to the extent necessary for business operations (water including wastewater operations, gas operations, and non-utility operations) and related financial transactions of each business segment, which are no less protective of the ring-fencing protections currently in effect. The ring fencing would include but is not limited to the following: a) American Water and Essential utility subsidiaries maintaining their status as corporate subsidiaries with their own corporate officers. b) each of the utility subsidiaries maintaining and issuing their own sets of financial statements pursuant to the Commission's requirements. c) ~~all transactions among the utility subsidiaries and their corporate affiliates taking place~~ pursuant to the terms of the Commission-approved affiliated ~~agreement to avoid cross subsidization.~~ ~~d)~~ each utility subsidiary maintaining the capability to issue its own long-term debt (with such debt issues subject to ~~Commission approval~~**Chapter 19** of the **Public Utility Code**). ~~e~~**d**) the maintenance of an optimal capital structure for the utility subsidiaries.	Accept, with modification	See Exhibit CN-1R, Items 17, 18 and 24
15.	I&E	Patel	PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would not provide funding on a long-term basis (i.e., for a term exceeding one year) to American Water and Essential or any other corporate affiliates and shall not provide debt guarantees or pledge utility assets for the parent company or other corporate affiliates' borrowings without prior Commission approval.	Accept	See Exhibit CN-1R, Item 21
16.	I&E	Patel	PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would maintain a debt ratio measured at an annual level ~~closer to~~ not to **exceed approximately** 50% (inclusive of short-term debt).	Accept, with clarification	See Exhibit CN-1R, Item 18
17.	I&E	Patel	Post-merger, American Water, Essential, PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would take all prudent actions to operate each utility efficiently and cost-effectively with the objective of realizing claimed merger benefits (e.g., economies of scale, business efficiency and synergies, best practices, cost savings, etc.) and provide safe and reliable services at *affordable* rates to its customers.	Accept	See Exhibit CN-1R, Item 5
18.	I&E	Patel	Post-merger, American Water and Essential, including PAWC, Aqua PA, Aqua PA-WW, and Peoples ~~Gas~~, would refrain from engaging in any types of unfair trade practices and anti-competitive business conduct or practices directly or indirectly adversely impacting its ratepayers, and other utilities' interests in Pennsylvania.	Accept	See Exhibit CN-1R, Item 7
19.	I&E	Patel	Post-merger, American Water ~~would~~**will** file a Report of Action within ~~60~~**120** days of closing, which ~~would contain~~**contains** the closing date, the actual total merger consideration, and the actual accounting entry records in American Water and Essential's books that reflect the merger transaction ~~including: (a) all merger related transaction cost and transition cost accounting entries that are recorded in the books of each entity; (b) all merger related fair value, goodwill, and/or acquisition premium accounting entries for American Water and Pennsylvania utilities; (c) all merger~~	Accept, with modification	See Exhibit CN-1R, Item 26

			~~related tax accounting entries for American Water and Pennsylvania utilities; and (d) all merger related debt and equity financing accounting entries for American Water and Pennsylvania utilities~~.		
20.	I&E	Patel	All ~~pre-merger and post-merger costs including~~ merger agreement termination fees, if the merger is not consummated for any reasons, would be borne by American Water and Essential's shareholders and would not be recoverable from ratepayers.	Accept, with clarification[4]	See Exhibit CN-1R, Item 1 and footnote
21.	I&E	Patel	PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would continue to maintain its office locations and adequate staff in Pennsylvania to serve its customers ~~in the same manner as it does currently~~.	Accept, with modification	Norton, Section V;[5] see Exhibit CN-1R, Item 12
22.	I&E	Patel	PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would honor all obligations to collective bargaining units according to employees' local union agreements and applicable laws and regulations.	Accept	See Exhibit CN-1R, Item 13
23.	I&E	Gobrecht	Peoples continue to, at a minimum, adhere to the agreed upon commitments stated in A-2018-3006061, A-2018-3006062 and A-2018-3006063 for the continued replacements in the Goodwin and Tombaugh systems.	Accept	Huwar, Section IV[6]
24.	I&E	Gobrecht	Peoples continue to provide updated information to the Commission on a ~~quarterly~~**bi-annual** basis on the progress of the ROW issues and timeframes of anticipated completion of the remaining 2.8 miles of bare steel pipe within the Goodwin/Tombaugh system.	Accept, with modification	Huwar, Section III
25.	I&E	Gobrecht	Peoples should perform an evaluation on the **Goodwin and Tombaugh** system to see what is causing the high UFG rates. Some of the information that should be looked at includes meter accuracy and leakage rates. High UFG rates should be looked at as this pipe is converted to distribution piping and does not drive up the UFG rates on the distribution system and provides safe and reliable distribution service.	Yes, with modification and consistent with prior commitment	Huwar, Section III
26.			Peoples continue, at a minimum, to follow the following commitments that were made during the following settlements: a) Docket C-2024-3050319 involves the corrective actions towards Peoples incident response and training to react and respond to an incident. b) Docket M-2025-3052089 involves Peoples implementing a Quality Assurance/Quality Control component within their Damage Prevention Program. c) Docket M-2023-3024990 requires Peoples to incorporate regulator stations into their DIMP plan using a risk model. Furthermore, the Pre-Job Briefing and the checklist will include any bypass valve operation. d) Docket M-2022-3028365 requires Peoples to update its design process in regard to temporary meter and regulator stations to ensure that they meet all requirements of federal code.	Accept	Huwar, Section IV and Exhibit MH-1R
27.	OCA	Smith	**The** Joint Applicants commit that the merger will not interfere with ~~Aqua's~~ Aqua PA's or PAWC's ability to finance or pursue acquisitions of troubled PUC regulated	Accept, with clarification	See Exhibit CN-1R, Item 8

[4] If the merger is not consummated, there is no post-merger period.
[5] References to "Norton" in this Exhibit CN-2R refer to the Rebuttal Testimony of Cheryl Norton, Joint Applicants St. No. 1-R.
[6] References to "Huwar" in this Exhibit CN-2R refer to the Rebuttal Testimony of Michale Huwar, Joint Applicants St. No. 4-R.

			Pennsylvania water and wastewater utilities and that Aqua PA and ~~AW~~ American Water, on behalf of its subsidiary, PAWC, commit to continuing to pursue such acquisitions, **as appropriate**.		
28.	OCA	Smith	Recording of Goodwill and Protection from "Push Down" Accounting: No Pennsylvania public utility shall record any goodwill resulting from the transaction on its books. The ~~JAs~~ Joint Applicants and each of the Pennsylvania public utilities shall also ensure that such Goodwill does not impact rates charged to any Pennsylvania public utility customers, or the capital structure of any Pennsylvania public utilities.	Accept	See Exhibit CN-1R, Item 1
29.	OCA	Smith	All of the Pennsylvania utility assets acquired by American Water from Essential Utilities, including all rate base includable assets of Aqua and Peoples, shall be recorded at the depreciated net book value on Aqua's and Peoples' books. None of those acquired Pennsylvania utility assets shall be recorded at higher "fair value' amounts on Aqua's or Peoples' books as a result of the proposed transaction.	Accept	See Exhibit CN-1R, Item 1
30.	OCA	Smith	No acquisition premium or Goodwill amount associated with the Transaction will be recorded on the books of any Pennsylvania public utility. Nor will any acquisition premium or Goodwill amount associated with the Transaction be included in the utility rates of any of the ~~PA Utilities~~Pennsylvania utilities.	Accept	See Exhibit CN-1R, Item 1
31.	OCA	Smith	The Joint Applicants agree and commit that any acquisition premium or Goodwill amounts resulting from the Transaction will be excluded from the ratemaking capital structures for Aqua PA ~~and the~~, Peoples ~~Companies~~, and ~~AW~~**American Water,** on behalf of its subsidiary, PAWC, agree and commit that any acquisition premium or Goodwill amounts resulting from the Transaction will be excluded from the ratemaking capital structures for PAWC.	Accept	See Exhibit CN-1R, Item 1
32.	OCA	Smith	The Joint Applicants shall file a Report of Action within one hundred and twenty (120) days after closing of the Merger. The Report of Action shall contain: (1) the closing date of the Merger; (2) the actual total EU stock sale price; and (3) the actual accounting entries records on each company's books to reflect the Merger~~. The Merger-related accounting entries in Aqua and Peoples' books shall include: all Transaction Cost and Transition Cost accounting entries for Aqua and Peoples that are recorded on the books of each entity; all Merger related fair value, Goodwill, and/or Acquisition Premium accounting entries for Aqua and Peoples and their subsidiaries; all Merger related tax accounting entries for Aqua and Peoples and their subsidiaries; all Merger related debt and equity financing accounting entries for Aqua and Peoples and their subsidiaries~~.	Accept, with modification	See Exhibit CN-1R, Item 26
33.	OCA	Smith	~~The Joint Applicants shall ensure that Merger accounting is rate-neutral for all Pennsylvania public utility customers.~~ The Joint Applicants shall ensure that any accounting treatments associated with transaction accounting do not affect rates charged to Pennsylvania public utility customers. American Water shall not record any of the impacts of purchase accounting on the books of any Pennsylvania public utility, thereby maintaining historical cost accounting at each Pennsylvania public utility. No Goodwill or other fair value adjustments shall be recorded at any Pennsylvania public utility upon consummation of the Merger. No Goodwill shall be recorded on any Pennsylvania public utility's books or included in any rates charged to any Pennsylvania public utility customers.	Accept, with modification	See Exhibit CN-1R, Item 1

34.	OCA	Smith	None of the Pennsylvania public utilities shall seek recovery in rates of any Transaction Costs incurred in connection with the Acquisition or Merger. The categories of "Transaction Costs" incurred in connection with consummation of the Merger that shall not be recovered from utility customers are: (1) consultant, investment banker, legal, and regulatory support fees, (2) ~~change in control or retention payments, executive severance payments, and the accelerated portion of supplemental executive retirement plan~~**retention** payments, (3) costs associated with the shareholder meetings and a proxy statement related to the Merger approval by Joint Applicants' respective shareholders, (4) ~~costs associated with the imposition of conditions or approval of settlement terms in other state jurisdictions~~, (5) costs associated with shareholder litigation concerning the Merger, (6) costs associated with paying off existing debt, ~~and (7) any other costs related to the Transaction that would not be incurred but for the proposed Transaction~~**unless favorable to** do so.	Accept, with modification	Bowler, Section III; see Exhibit CN-1R, Item 1
35.	OCA	Smith	All Transaction Costs shall be recorded on the books of American Water **or Essential** and shall be specifically tracked to facilitate verification that none of the Transaction costs are being included directly or indirectly in the cost of service of any Pennsylvania public utility.	Accept, with clarification	See Exhibit CN-1R, Item 1.a.
36.	OCA	Smith	No Transaction costs shall be recorded on the books of any Pennsylvania public utility.	Accept	See Exhibit CN-1R, Item 1
37.	OCA	Smith	The Joint Applicants agree that if the transaction is not consummated**,** all costs related to pursuing the Acquisition**,** including all termination fees**,** are the "responsibility of shareholders" (i.e. the costs will be borne by the respective applicant companies themselves and will not be recovered from Pennsylvania utility ratepayers).	Accept	See Exhibit CN-1R, Item 1
38.	OCA	Smith	Neither the Joint Applicants nor any of their Pennsylvania jurisdictional utilities will seek recovery of any "golden parachute," ~~change-in-control, separation or severance,~~ retention, or **accelerated** re-branding costs related to the merger from Pennsylvania jurisdictional customers. These costs will be specifically identified as part of any future rate review proceeding for each owned Pennsylvania jurisdictional utility to the **extent they were incurred at the Pennsylvania jurisdictional utility level** and shall be borne by shareholders.	Accept, with modification	See Exhibit CN-1R, Item 1.a.
39.	OCA	Smith	**The** Joint Applicants confirm that the **consummation of the** merger does not and will not impact the accumulated deferred income tax (ADIT) or ~~Excess~~**excess** ADIT (EADIT) balances on any Pennsylvania utility's financial statements (including balance sheets).	Accept, with modification	See Exhibit CN-1R, Item 2.a.
40.	OCA	Smith	American Water shall track and account for **identifiable and quantifiable** Transition Costs and costs to achieve synergy savings ~~in sufficient detail so the parties can review such costs and verify that none of the costs have been included in the cost of service of any Pennsylvania Utility~~.	Accept, with modification	Bowler, Section III
41.	OCA	Smith	**The** Joint Applicants shall ensure that consummation of the Merger shall not affect accounting and ratemaking treatments of ~~the~~ Peoples ~~Companies~~**'** accumulated deferred income taxes, including excess deferred income taxes, accumulated deferred tax credits and net operating losses ~~(including net operating loss carrybacks and net operating loss carryforwards)~~. No tax elections or accounting methods shall be employed related to the Merger that would in any way result in any reduction to ~~the~~	Accept, with modification	See Exhibit CN-1R, Item 2.a.

			Peoples ~~Companies'~~**'** net accumulated deferred income tax balances that are used to reduce rate base in ~~the~~ Peoples ~~Companies'~~**'** rate cases.		
42.	OCA	Smith	Joint Applicants shall ensure that consummation of the Merger shall not affect accounting and ratemaking treatments of ~~the~~ Aqua PA's accumulated deferred income taxes, including excess deferred income taxes, accumulated deferred tax credits and net operating losses ~~(including net operating loss carrybacks and net operating loss carryforwards)~~. No tax elections or accounting methods shall be employed related to the Merger that would in any way result in any reduction to the Aqua PA's net accumulated deferred income tax balances that are used to reduce rate base in Aqua PA rate cases.	Accept, with modification	See Exhibit CN-1R, Item 2.a.
43.	OCA	Smith	Ensure that transaction accounting is rate-neutral for ~~the~~ Aqua **PA's** and Peoples ~~Companies~~**'** Pennsylvania utility customers.	Accept	See Exhibit CN-1R, Item 1
44.	OCA	Smith	Require reporting of key credit metrics including Funds from Operations ("FFO")/debt, FFO/interest, and debt/capitalization for ~~Essential Utilities~~**American Water** and each Pennsylvania utility that has its own bond credit rating, and requiring that **the** Joint Applicants use reasonable efforts to maintain the ~~Essential Utilities~~**American Water**, Aqua and Peoples ~~Companies'~~ credit ratings at investment-grade for each of their publicly-traded debt securities.	Accept, with modification	See Exhibit CN-1R, Item 25
45.	OCA	Smith	American Water shall commit to safely operating all of the Pennsylvania natural gas companies that it would acquire in the proposed transaction.	Accept	See Exhibit CN-1R, Item 4, 6 and 13
46.	OCA	Smith	American Water shall assure that the executive management of ~~the~~ Peoples ~~Companies~~ continue to possess substantial experience at a natural gas utility and with pipeline safety issues and gas utility pipeline integrity management. American Water shall **use best efforts to** assure that turnover of Peoples ~~Companies~~**'** executive management and key employees does not present public safety risks to the public, and that executive management and personnel in key positions who leave ~~the~~ Peoples ~~Companies~~ are promptly replaced with qualified and knowledgeable replacements.	Accept, with modification	See Exhibit CN-1R, Item 12
47.	OCA	Smith	The ~~Essential Utilities,~~ Aqua PA~~, Peoples Gas~~ headquarters and Peoples **headquarters, located in Bryn Mawr and Pittsburgh, respectively,** shall remain in Pennsylvania for at least five years from merger consummation.	Accept, with clarification	Norton, Section V.A.; See Exhibit CN-1R, Item 13.b.
48.	OCA	Smith	Aqua's state-of-the-art testing facility that Aqua recently opened in Bryn Mawr shall continue to be maintained at that location for at least ~~10~~**5** years from merger consummation.	Accept, with modification	Norton, Section V.A.; See Exhibit CN-1R, Item 13.b.
49.	OCA	Smith	American Water should also commit to maintaining a qualified management team that will continue to operate ~~the~~ Peoples ~~Companies~~ after the proposed transaction occurs.	Accept	See Exhibit CN-1R, Item 12
50.	OCA	Smith	The Joint Applicants commit to adhere to the collective bargaining agreements in effect as of Closing.	Accept	See Exhibit CN-1R, Item 13
51.	OCA	Smith	The American Water Board of Directors and Executive Committee shall include the Pittsburgh, PA area and service area of ~~the~~ Peoples ~~Companies~~ among the locations of their meetings.	Accept	Norton, Section V.B.; See Exhibit CN-1R, Item 14

52.	OCA	Smith	American Water will continue to maintain the Aqua ~~and Essential Utilities~~ corporate headquarters in Bryn Mawr for a least five years from merger consummation.	Accept, with clarification	Norton, Section V.A.; See Exhibit CN-1R, Item 13.b.
53.	OCA	Smith	American Water agrees not to move Aqua ~~and Essential Utilities~~**PA's** corporate headquarters in Bryn Mawr after Closing **for so long** as it **is a separate legal entity,** and can only ~~do so~~**sell the headquarters property in Bryn Mawr** after that time upon application to and approval by the Commission.	Accept, with modification	Norton, Section V.A.; See Exhibit CN-1R, Item 13.b.
54.	OCA	Smith	American Water will continue to maintain ~~the~~ Peoples ~~Companies~~' corporate headquarters at 375 North Shore Drive in Pittsburgh, PA until the lease expires (January 31, 2029)**.** at which point the Company will evaluate whether to exercise the option to extend the lease by 5 more years or negotiate a new lease.	Accept	Huwar, Section V; Norton, Section V.A.
55.	OCA	Smith	Peoples agrees not to move its headquarters outside of the Peoples Companies' Pennsylvania service territory after Closing and can only do so after that time upon application to and approval by the Commission.	Accept	Norton, Section V.A.; See Exhibit CN-1R, Item 13.b.
56.	OCA	Smith	**For so long as it remains a separate legal entity,** Aqua **PA** will continue to maintain its corporate headquarters in Pennsylvania~~, and agrees not to move its headquarters outside of the Aqua Pennsylvania service territory after Closing for at least five years~~ and can only ~~do so after that time~~**sell the headquarters property in Bryn Mawr** upon application to and approval by the Commission.	Accept, with clarification	Norton, Section V.A.; See Exhibit CN-1R, Item 13.b.
57.	OCA	Smith	American Water commits to continue tracking and fulfilling ~~the~~ Peoples ~~Companies~~' commitments that are listed in the settlement in Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063 (the Aqua-Peoples merger dockets) that have not yet been fulfilled prior to the consummation of the proposed merger.	Accept	Huwar, Section IV
58.	OCA	Smith	~~The~~ Peoples ~~Companies~~ and Aqua PA will not guarantee the debt of Funding, American Water, or any of their affiliates; grant liens upon its property other than in conjunction with obtaining financing for their own utility operations; or make loans or extend credit for a term of more than one year, without prior Commission approval if required by the Pennsylvania Public Utility Code.	Accept	See Exhibit CN-1R, Item 21
59.	OCA	Smith	Under American Water ownership, ~~the~~ Peoples ~~Companies'~~**'** cost of financing will be absolutely transparent. Its cost of debt will reflect its actual underlying credit, without the effect of less than arms-length affiliated transactions.	Accept	See Exhibit CN-1R, Item 19-24
60.	OCA	Smith	Under American Water ownership, ~~Aqua's~~**Aqua PA's** cost of financing will be absolutely transparent. Its cost of debt will reflect its actual underlying credit, without the effect of less than arms-length affiliated transactions.	Accept	See Exhibit CN-1R, Item 19-24
61.	OCA	Smith	Concerning employee compensation and benefits of ~~the~~ Aqua **PA** and Peoples ~~Companies~~, American Water shall commit to maintain levels of total compensation and benefits for ~~the~~ Aqua **PA's** and Peoples**'** existing employees at levels ~~comparable to~~**no less favorable than** those in effect immediately prior to closing for at least one year after the closing date. American Water has also offered to retain Peoples' existing day-to-day management team and honor existing employment agreements. Aqua and Peoples will continue ~~in effect~~**to honor** its current collective bargaining	Accept, with modification	Norton, Section V.A.; See Exhibit CN-1R, Item 13.a.

			~~agreement. In addition, its existing~~**agreements and** pension ~~plans will be maintained~~**obligations**.		
62.	OCA	Smith	~~The~~**For so long as each remains a separate legal entity,** Peoples ~~Companies~~ and Aqua **PA** will continue to maintain separate books and records, each in accordance with the applicable Uniform System of Accounts for their type of utility.	Accept, with modification	See Exhibit CN-1R, Item 16
63.	OCA	Alexander	Aqua **PA** and Peoples ~~must meet~~**agree to** the service quality and customer service performance ~~standards and related requirements~~**objectives** they agreed to in their 2020 merger as well as any additional or more strict standards and commitments agreed to in subsequent base rate case orders identified in Exhibit BA-4. These standards and commitments must be complied with for an extended period, that is, five years after the ~~final order in this proceeding or five years after a final order in any pending rate case or rate case filed while this proceeding is pending, whichever is longer~~**completion of the Merger**. Aqua 2020 commitments include: a) answering at least 82% of calls within 30 seconds, having a busy-out rate of no more than 0.25%, and an average call abandonment rate no higher than 2.5%; b) developing a live Excel spreadsheet system to track customer complaints, reviewing the information through conducting a root cause analysis of adverse trends, and, within 24 months, reducing the average number of days to respond to customer complaints to less than 10 days; c) providing a yearly report to OCA, I&E, and OSBA for 5 years demonstrating its achievement of its service quality metrics. Peoples 2020 commitments include: a) call center service level of 82%, a 2.0% call abandonment rate, a 0% busy-out rate, a .008% rate of bills not rendered each billing period, a .15% rate of meters not read within 6 months, a 1% rate of company disputes not answered within 30 days, and an average emergency response time of 27.5 minutes; b) tracking field operation appointments and continuing its standard of meeting 99% of all appointments for five years.	Accept, with modification	Exhibit CN-1R, Item 11; Schuller, Section II;[7] Huwar Section VI
64.	OCA	Alexander	Aqua and Peoples ~~must~~**will continue to** comply with their universal service program funding and program design enhancements agreed to in their 2020 merger and expanded to include the incremental benefits from a recent rate case identified in Exhibit BA-4. These standards and commitments must be complied with for an extended period, that is, five years after ~~the final order in this proceeding or five years after a final order in any pending rate case or rate case filed while this proceeding is pending, whichever is longer~~**completion of the Merger**. ~~Shareholders would contribute an additional $100,000 each year for four years to Dollar Energy.~~	Accept, with modification	See Schuller, Section III

[7] References to "Schuller" in this Exhibit CN-2R refer to the Rebuttal Testimony of Daniel Schuller, Joint Applicants St. No. 5-R.

			~~Increase the Peoples Companies' LIURP emergency furnace repair by $75,000 and that the~~**The** program will amend eligibility criteria to include renters as well as homeowners. ~~Such increase to be paid by Aqua America shareholders for a three-year period.~~ Aqua 2020 commitments include: a) New data collection and reporting requirements to identify estimated and confirmed low-income customers and bill payment experience for those customers b) universal service and conservation program that includes: (1) a bill payment/customer assistance program; (2) a hardship fund; (3) a water conservation program; (4) a low income service repair line and replacement program; and (5) a comparable funding mechanism that exists for electric and gas utilities in Pennsylvania ~~c) shareholders contribute an additional $50,000 to the hardship grant component being developed for Aqua PA's Helping Hand Program annually for 4 years~~ ~~Peoples 2020 commitments include:~~ ~~a) increased funding for the CAP, LIURP, CARES, and hardship fund with an amended Universal Service Plan~~		
65.	OSBA	Kubas	Recommend that Aqua **PA** split off the Commercial customers into a separate class of service.	Accept	Schuller, Section IV
66.	OSBA	Kubas	Recommend that Aqua **PA** show the cost of providing service to Third-Party sales as a separate class.	Accept	Schuller, Section IV
67.	OSBA	Hashlamoun	For five years following the closing of the transaction, Peoples should maintain separate operational, safety, engineering, compliance and regulatory reporting functional areas ~~and such functions should not be consolidated into a~~**. This does not preclude Peoples from utilizing** centralized ~~corporate structure~~**services in these areas, as appropriate**.	Accept, with modification	See Exhibit CN-1R, Items 4, 5, 12 and 13; Huwar, Section V
68.	OSBA	Hashlamoun	For three years following closing of the transaction, the Companies should notify the Commission ~~and provide notice to customers~~ of any billing system conversion or integration after the close of the transaction ~~and waive all late fees for a period of 90 days following implementation~~.	Accept, with modification	See Exhibit CN-1R, Item 10
69.	CAUSE-PA	Cicero	A requirement that Aqua and PAWC be prohibited from bidding against each other in acquisition cases because of their common corporate ownership.	Accept	Norton, Section V.D.; See Exhibit CN-1R, Item 9
70.	CAUSE-PA	Cicero	Maintain ~~the existing~~ operational presence in Pennsylvania for as long as the Companies serve Pennsylvania utility consumers;	Accept, with modification	Norton, Section V.A.; See Exhibit CN-1R, Item 12

71.	CAUSE-PA	Cicero	Companies be required to allow for cross referral and enrollment across the Companies' universal service programs for households who are served by more than one of the Companies.	Accept, consistent with PAWC current practice	Prine, Section II. C[8]
72.	CAUSE-PA	Cicero	Companies should be required to standardize enrollment criteria and allow their Program administrator to enroll a customer in all eligible programs via one application, this should also allow for ~~streamline~~**a streamlined** processes for referral of customers who are identified as low income and in need of assistance by the Companies.	Accept, consistent with PAWC current practice	Prine, Section II. C.
73.	CAUSE-PA	Cicero	Aqua **PA** be required to better coordinate referral and enrollment in their usage reduction/ repair programs.	Accept, in part	Prine, Section II.C.
74.	CAUSE-PA	Cicero	Companies be required to better coordinate their usage reduction program offerings with one another.	Accept, in part	Prine, Section II.C.
75.	CAUSE-PA	Cicero	Aqua and PAWC be required to coordinate their program offerings with Peoples LIURP and Act 129 programs so that eligible customers can be referred to these programs and ultimately access assistance. This increased coordination should include a plan for how low income customers can receive additional measures to improve efficiency/conservation which are not duplicative of current conservation and kit offerings.	Accept, in part	Prine, Section II.C.
76.	York-Area	Kelch	PUC should condition approval on the maintenance of all contractual obligations by PAWC to the York-Area Intervenors as presently constituted.	Accept	Norton, Section V.F.

[8] References to "Prine" in this Exhibit CN-2R refer to the Rebuttal Testimony of Matthew Prine, Joint Applicants St. No. 6-R.

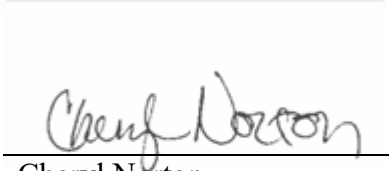
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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., LLC, AND PEOPLES NATURAL GAS COMPANY LLC

DOCKET NO. A-2025-3058927
A-2025-3058928
A-2025-3058929

VERIFICATION

I, Cheryl Norton, hereby state that the facts set forth in the pre-marked Joint Applicants Statement No. 1-R and accompanying exhibits, if any, are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.



DATE: June 25, 2026

Cheryl Norton
Executive Vice President
Chief Operating Officer
American Water Works Company, Inc.

JOINT APPLICANTS
STATEMENT NO. 1-RJ

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

DOCKET NOS. A-2025-3058927, A-2025-3058928 AND A-2025-3058929

REJOINDER TESTIMONY

WITNESS: CHERYL NORTON

SUBJECT: "MOST FAVORED NATION" COMMITMENT; BOARD COMPOSITION; BENEFITS OF THE PROPOSED MERGER; AND POTENTIAL RATE IMPACTS

DATED: JULY 29, 2026

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REJOINDER TESTIMONY OF
CHERYL NORTON

I. INTRODUCTION

1. Q. Please state your name and full business address.

A. My name is Cheryl Norton. My business address is 1 Water Street, Camden, NJ.

2. Q. Have you previously submitted testimony in this proceeding?

A. Yes, I submitted direct testimony that was marked as Joint Applicants Statement No. 1 and rebuttal testimony that was marked as Joint Applicants Statement No. 1-R.

3. Q. What is the purpose of your rejoinder testimony?

A. My rejoinder testimony responds to certain proposals and comments offered by Office of Consumer Advocate ("OCA") witness Ralph Smith and Bureau of Investigation and Enforcement ("I&E") witness Ethan Cline.

II. "MOST FAVORED NATION" COMMITMENT

4. Q. Do you agree with Mr. Smith's recommendation to require a "Most Favored Nation" commitment in this proceeding?

A. No. Mr. Smith recommends a most favored nations clause limited to four areas: (1) providing customer bill credits to Pennsylvania regulated utility customers in an amount equal to the highest per-customer amount that the Joint Applicants may commit to in any other jurisdiction addressing the proposed merger; (2) excluding from customer rates in future Pennsylvania rate cases any additional categories of costs in other jurisdictions beyond those specifically covered in this proceeding; (3) requiring shareholder funded charitable donations at a per-customer dollar amount per year that are higher than the Joint Applicants' commitment in this proceeding; and (4) requiring

implementation of any ring-fencing provisions that are more protective of ratepayers than the commitments made by the Joint Applicants in this proceeding.[1]

While Mr. Smith's recommended most favored nation commitment is more limited in nature than the one proposed by Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") witness Patrick Cicero, I still do not believe it is appropriate. As I explained in my rebuttal testimony, implementation of a most favored nation commitment could lead to overlapping or inconsistent conditions that are not supported by the record simply because another party received different terms later in another jurisdiction. The decision in this proceeding should be based on the record before the Commission, which already includes a variety of agreed upon commitments and conditions made by the Joint Applicants. Conditions that are adopted in another jurisdiction, either in a settlement or in litigation, may be reflective of unique circumstances, interests, or conditions in that jurisdiction that would be inappropriate or inequitable to adopt in Pennsylvania. Finally, a most favored nation clause creates uncertainty for the Joint Applicants as to the cost and operational impact of merger conditions because a concession made to one party in another jurisdiction could trigger additional obligations.

III. BOARD COMPOSITION

5. Q. Mr. Smith initially recommended in his direct testimony that the Commission impose a condition that at least one member of the American Water board of directors possess substantial natural gas experience.[2] In his surrebuttal testimony, he recognized that election to the board of directors would be subject

[1] OCA St. 1-SR, p. 22.
[2] OCA St. 1, p. 81.

to shareholder approval, and recommended that, to facilitate obtaining such shareholder approval, American Water should (i) state in its proxy statements the need for having at least one board member with extensive gas utility experience; (ii) present applicable qualifications accordingly; and (iii) recommend that shareholders approve the nominated board candidate having extensive natural gas experience.[3] Do you believe these conditions are necessary?

A. No. As I mentioned in my rebuttal testimony,[4] the American Water board already includes a member with gas operations experience, and Christopher Franklin, who also has substantial natural gas experience, will become a member of the American Water board of directors immediately following the closing of the merger. I agree that it is important that the members of the board of directors should have the appropriate skills and characteristics necessary to guide the company, which, post-merger, will include natural gas operations, but the continual evaluation of the board's needs and future nominations to the board should remain within the discretion of the Board's Nominating/Corporate Governance Committee.

IV. BENEFITS OF THE PROPOSED MERGER

6. Q. Mr. Smith asserts in his rebuttal testimony that the Joint Applicants have claimed that "bigger is better", and that American Water's previous sales of water and sewer systems in other states, and the potential sale of Peoples in the future, show

[3] OCA St. 1-SR, pp. 40-41.
[4] *See* Joint Applicants Statement 1-R, p. 34, n, 44.

that the Joint Applicants' claims that "bigger is better" have not been demonstrated.[5] How do you respond?

A. Bigger is not necessarily always better, but it will be better here. The combination of American Water and Essential Utilities will result in substantial affirmative benefits to Aqua PA, Peoples, and their customers, including through economies of scale, business efficiencies, utilization of American Water's best practices, and cost savings. There will also be concrete financial benefits from the combined company's improved financial strength and access to capital. Prior sales of American Water businesses are irrelevant to this proceeding. Finally, it has been stated many times in this proceeding already, but reference to any potential sale of Peoples is completely speculative.

V. POTENTIAL RATE IMPACTS

7. Q. Mr. Smith and Mr. Cline comment that the proposed merger could result in higher rates for Aqua PA and Peoples customers. Mr. Smith states that American Water utilities have sought more frequent rate cases than Essential Utilities, and Mr. Cline states that the rates of Pennsylvania-American Water Company ("PAWC") are higher than those of Aqua PA.[6] Are their concerns justified?

A. No. The merger is not expected to increase Aqua PA's nor Peoples cadence of base rate case filings. As discussed in rebuttal testimony, the expectation over the longer term is to have rate requests that are smaller than they otherwise would have been due to the synergies and cost savings resulting from this proceeding. Furthermore, Mr. Cline's comparison of PAWC's and Aqua PA's rates is a red herring – the differences in rates between PAWC and Aqua PA result from the differences in the utilities cost to

[5] OCA St. 1-SR, pp. 12-13.
[6] *See* OCA St. 1, SR, p. 14; I&E St. 2-SR, pp. 2-5.

serve their respective customers. Two regulated water utilities can have very different rates because rates are based on each utility's cost of providing service, including infrastructure investment, operating expenses, geography, customer density, water source-of-supply characteristics, and regulatory requirements. For example, hilly or mountainous territory is generally more expensive to serve than flat terrain because higher elevations or several changes in elevation may require additional pumping stations, larger storage tanks, booster pumps and more electricity consumption. Similarly, rural systems are generally more costly to serve than denser suburban or city systems. One illustrative example is the fact that field crews in rural territories often spend more time traveling between work sites and customer locations, which can result in higher labor and vehicle costs compared to a compact suburban system where crews can perform more work in the same amount of time. Water sources can also be very different, having different treatment requirements to address different types of water quality while still maintaining compliance with environmental requirements. As a result, costs can vary significantly. All this is to say that there are very real reasons why two regulated water utilities, even in the same state, can have very different costs of providing service to their customers.

VI. CONCLUSION

8. Q. Does this conclude your rejoinder testimony?

A. Yes.

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., LLC, AND PEOPLES NATURAL GAS COMPANY LLC

DOCKET NO. A-2025-3058927
A-2025-3058928
A-2025-3058929

VERIFICATION

I, Cheryl Norton, hereby state that the facts set forth in the pre-marked Joint Applicants Statement No. 1-RJ and accompanying exhibits, if any, are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.

DATE: July 29, 2026

Cheryl Norton
Executive Vice President
Chief Operating Officer
American Water Works Company, Inc.

JOINT APPLICANTS
STATEMENT NO. 2

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

DOCKET NO. A-2025-

DIRECT TESTIMONY

WITNESS: DAVID BOWLER

SUBJECT: OVERVIEW OF ECONOMIC TERMS OF THE MERGER, FINANCIAL BENEFITS OF THE MERGER, POST-MERGER COMMITMENTS, AFFILIATED INTEREST TRANSACTIONS

DATED: NOVEMBER 26, 2025

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DIRECT TESTIMONY
OF
DAVID BOWLER

I. INTRODUCTION AND PURPOSE OF TESTIMONY

1. Q. Please state your full name and business address.

A. My name is David Bowler. My business address is 1 Water Street, Camden, NJ 08102.

2. Q. By whom are you employed and in what capacity?

A. I am employed by American Water Works Service Company, Inc. ("Service Company") and serve as Executive Vice President and Chief Financial Officer for American Water Works Company, Inc. ("American Water"). In that role, I am responsible for all aspects of American Water's financial management and strategy, including finance strategy and planning, treasury, accounting, tax, enterprise risk and internal audit, regulatory services, and supply chain functions.

3. Q. Please briefly describe your educational and professional background.

A. I earned a Bachelor of Science degree in mechanical engineering from Purdue University and a Master of Business Administration degree from the University of Indianapolis. I am also a certified public accountant.

I joined American Water as Senior Vice President of Planning, Regulatory and Financial Services in 2020. I served as Senior Vice President, Deputy Chief Financial Officer and Treasurer, from November 2022 until I assumed my current role on August 1, 2024. Prior to joining American Water, I worked as director of financial accounting for CenterPoint Energy, Inc. ("CenterPoint"). In that role, I oversaw all accounting matters for the company's regulated operations, including the integration of the finance

teams of CenterPoint and Vectren Corporation ("Vectren"). I also served as vice president, controller, and assistant treasurer at Vectren.

4. Q. Have you previously testified before the Pennsylvania Public Utility Commission (the "Commission")?

A. No.

5. Q. What is the purpose of your direct testimony in this proceeding?

A. My testimony first provides an overview of the proposed merger of American Water and Essential Utilities, Inc. ("Essential"). I then explain why the proposed merger of American Water and Essential will create a combined company that is financially stronger than either company standing alone. I will describe the economic terms of the Merger and explain why the all-stock transaction will not impact customer rates. I will then explain how the greater financial strength of the post-Merger company will benefit its subsidiaries that provide water, wastewater, and natural gas service in Pennsylvania. Additionally, I will describe American Water's existing measures to protect its operating subsidiaries from exposure to financial risks that may be experienced by the parent company or affiliates. Finally, I address affiliate agreements to facilitate the sharing of services between the American Water and Essential systems.

II. OVERVIEW OF THE MERGER

6. Q. Please provide an overview of the merger.

A. On October 26, 2025, American Water, Alpha Merger Sub, Inc., a new wholly owned subsidiary of American Water formed for the sole purpose of effectuating the Merger ("Merger Sub"), and Essential entered into an Agreement and Plan of Merger (the "Merger Agreement") to combine American Water and Essential in an all-stock,

tax-free merger (the "Merger"). Pursuant to the terms of the Merger Agreement and subject to various shareholder and regulatory approvals, Merger Sub will be merged with and into Essential and will cease to exist, and Essential will continue as the surviving corporation. When the Merger is complete, Essential will be a wholly-owned subsidiary of American Water. American Water will remain the ultimate corporate parent of Pennsylvania-American Water Company ("PAWC") and all other existing American Water subsidiaries, and will also become the ultimate corporate parent of Essential and all its subsidiaries, including Aqua Pennsylvania, Inc. ("Aqua PA"), Aqua Pennsylvania Wastewater, Inc. ("Aqua PA WW"),[1] and Peoples Natural Gas Company LLC ("Peoples"). Essential, Aqua PA, and Peoples will each remain separate in terms of their respective corporate existence, franchises, obligation, and privileges, including their names and logos.

7. Q. Do shareholders of American Water and Essential need to approve the Merger?

A. Yes. The Merger requires (1) the affirmative vote of a majority of the votes cast by all Essential shareholders entitled to vote on the Merger Agreement at a duly held meeting of Essential shareholders; and (2) the affirmative vote of holders of a majority of American Water stock present or represented and entitled to vote on the issuance of American Water shares in connection with the Merger at a duly held meeting of American Water shareholders. Upon consummation of the Merger, Essential shareholders will receive 0.305 shares of American Water common stock for each share of Essential common stock that they hold. The Merger is designed to be a

[1] Unless otherwise specified herein, references to Aqua PA also include Aqua PA WW, which is a wholly-owned subsidiary of Aqua PA.

"reorganization" under Section 368 of the Internal Revenue Code and, therefore, generally will not result in Essential shareholders recognizing income for federal income tax purposes. As this is a stock-for-stock transaction, no additional funds will be paid as consideration to Essential shareholders. Following the Merger, the existing shareholders of American Water will own approximately 69% of the combined company, and the former shareholders of Essential will own approximately 31% of the combined company.

8. Q. Please briefly describe the combined post-Merger American Water.

A. The Merger will join two complementary businesses to create a best-in-class multi-utility provider that will provide essential services to approximately 4.7 million water and wastewater customers across 17 states and over 800,000 natural gas customers in Pennsylvania and Kentucky. The combined company would have a rate base of approximately $33.6 billion as of December 31, 2024. With a larger footprint and customer base, as well as increased geographic diversity, American Water will be well positioned post-Merger to continue to deliver clean, safe, reliable, and affordable service to support the economic prosperity of the more than 2,000 communities where the combined company will operate.

9. Q. Please describe the post-Merger American Water corporate structure.

A. As shown on the corporate organizational structure charts attached to the Joint Application as Exhibit B and the simplified chart shown in the Joint Application, Essential will be a direct subsidiary of American Water, and each Essential utility, including Aqua PA and Peoples, will be a subsidiary of Essential. Each issued and outstanding share of American Water common stock will remain outstanding following

the Merger, and each American Water shareholder will hold the same number of shares of American Water common stock that the shareholder held immediately prior to the Merger. American Water will be issuing new shares of American Water common stock to Essential stockholders in exchange for their shares of Essential common stock. Accordingly, each outstanding share of American Water common stock immediately prior to the Merger will represent a smaller percentage of the aggregate number of shares of American Water common stock outstanding after the Merger. In addition, the Merger will not change the character of the outstanding indebtedness of Essential or any Essential subsidiary, including Aqua PA and Peoples.

10. Q. Will there be any changes to American Water's board of directors?

A. Yes. Following completion of the Merger, American Water will increase the size of its board of directors from 10 to 15 members. The combined company's 15-member board of directors will include the 10 directors serving on American Water's board of directors prior to closing of the Merger and five directors designated by Essential.

11. Q. Who will hold the position of President and Chief Executive Officer ("CEO") of American Water after the Merger?

A. John C. Griffith will remain in that position. Essential's current Chairman and CEO, Christopher H. Franklin, will become the Executive Vice Chair of the board of directors of American Water.

12. Q. Will the Merger result in increased rates for the customers of Aqua PA and Peoples?

A. No. Aqua PA's and Peoples' Commission-approved rates that are in effect when the Merger closes will not change as a result of the Merger. Additionally, American Water

will not pass along to utility customers any acquisition premium (i.e., goodwill) or transaction costs associated with the Merger. The goodwill associated with the Merger will not be recorded on Aqua PA's and Peoples' books. Aqua PA and Peoples also will not claim a return on or recovery of the transaction costs in future base rate proceedings.

13. Q. Will the Merger affect the capital structures or dividend payout policies of Aqua PA or Peoples?

A. No. The capital structure and dividend payout policies of Aqua PA and Peoples will be unchanged as a direct result of the Merger.

14. Q. How does American Water intend to raise debt for Aqua PA and Peoples following the Merger?

A. Following closing, new debt for the Pennsylvania operating utilities will be raised either at the financing subsidiary of American Water (American Water Capital Corp. ("AWCC")) or the subsidiary level, as appropriate, based on market conditions.

III. FINANCIAL BENEFITS OF THE MERGER

15. Q. Please provide an overview of American Water's financial standing.

A. American Water is a water and wastewater holding company that has over 140 years of experience in raising capital to support investment in infrastructure improvements in Pennsylvania and around the country. Through its regulated operating subsidiaries in 14 states,[2] American Water has over $35 billion in utility assets and $4.3 billion in annual operating revenue from regulated business as of December 31, 2024. As of

[2] American Water's unregulated subsidiaries account for approximately 8% of total operating revenues (for calendar year 2024), consisting primarily of the Military Services Group, which provides water and wastewater services to 18 U.S. military installations under 50-year contracts.

December 31, 2024, American Water's enterprise-wide rate base totaled approximately $22 billion. In 2024, American Water acquired water and wastewater systems totaling $417 million and about 69,500 customers through acquisitions and has binding commitments to add another $600 million of acquisitions representing approximately 107,000 customer connections. The current credit profile for American Water is comfortably within the single A, Baa1 ratings band for S&P and Moody's, respectively.

16. Q. What are the key financial benefits that are expected to result from the Merger?

A. The Merger will generate financial benefits for American Water and its subsidiaries, of which Essential will be one, in three areas: (1) a stronger balance sheet for the combined company than either merger partner on a stand-alone basis; (2) more stable operating cash flows; and (3) enhanced access to capital at competitive rates.

17. Q. How will the Merger produce a stronger balance sheet for the combined entity?

A. As previously discussed, the Merger is an all-equity transaction. As American Water issues additional stock to complete the Merger, the equity component of its total capitalization will increase, which will reduce its debt to total capitalization ratio at the parent-company level. This, in turn, will enhance American Water's financial strength. Furthermore, the current Essential companies will benefit since they will become part of a holding company that has a much larger regulated asset base. The combined company will continue to have ready access to the equity capital markets. The combined company will also have an attractive consolidated debt maturity profile spaced out over many years, mitigating refinancing risk.

18. Q. Will a stronger balance sheet at the American Water level benefit its Pennsylvania operating subsidiaries?

A. Yes. There is a relationship between the balance sheet strength of the parent company and its operating subsidiaries. A stronger balance sheet at American Water provides greater overall group liquidity, which will provide the operating companies with lower cost financing, subject to market conditions. The credit profile and metrics of the combined company are expected to remain strong, benefiting from diversified service territories and regulatory exposure, and a broader customer and revenue base. The scale of the combined entity will provide a stronger credit profile, and the diversification of the regulatory jurisdictions presents a reduction to the seasonal impacts to cash flows.

There is no debt issuance related to the Merger, resulting in a combined, consolidated entity with an improved and accretive debt to capital ratio.

19. Q. What effect will the Merger have on cash flows for the combined company?

A. The Merger will result in greater cash flow stability as a direct result of the increased scale, scope and diversification of the combined company. Based on data as of October 24, 2025, the combined entity is expected to have nearly $6.5 billion in annual operating revenues from the regulated business, a market value of about $40 billion, and a combined enterprise value of approximately $63 billion, which will rank among the top 250 in the S&P 500. Moreover, increasing the scope and scale of operations and increasing diversity (geography and regulatory jurisdictions) will reduce the possibility that regional factors could adversely affect financial performance. Economic trends and localized weather conditions are two examples of contingencies

that could increase the volatility of financial and operating performance in specific regions, but would be mitigated by greater size and an expanded geographic footprint.

20. Q. Will more stable cash flows for American Water after the Merger benefit its utility subsidiaries in Pennsylvania?

A. Yes. Stable, predictable cash flow is a primary factor considered by financial markets and rating agencies in their valuation of the financial strength of a company. Debt investors typically ascribe a lower risk premium to more stable cash flows, resulting in lower financing costs. Since cash flow is a primary factor influencing the cost and availability of debt financing, improvement in cash flows can result in reduced interest expense to the utility subsidiaries in Pennsylvania as new debt is issued or existing debt is refinanced. Additionally, a larger and more diverse set of cash flow streams allows for flexibility in spending and lowers the risk of funding capital expenditure programs at the utility subsidiaries as capital market conditions change.

21. Q. How does American Water expect credit ratings assigned by the major credit rating agencies to be affected by the announcement of the proposed Merger?

A. The credit profile and metrics of the combined company are expected to remain strong with a credit profile comfortably within American Water's current single A, Baa1 ratings band for S&P and Moody's, respectively. The combined company will also have an attractive consolidated debt maturity profile spaced out over many years, mitigating refinancing risk.

22. Q. In what ways will the Merger improve the combined company's access to capital at competitive rates?

A. To the extent that improvements to the financial metrics I mentioned earlier can be realized, and credit ratings are reflective of that improvement, the debt capital markets generally respond favorably with increased accessibility and reduced credit spreads, resulting in a lower overall cost of debt. Additionally, as a large-cap regulated utility, the combined company will continue to have access to the equity capital markets.

23. Q. How will this improvement translate into benefits for the Pennsylvania utility subsidiaries of American Water after the Merger?

A. The water, wastewater, and natural gas industries are highly capital intensive and require access to capital markets in various forms for funding. Improved access to capital markets results in more competitive interest rates, which translates into less interest expense for American Water and its subsidiaries. This improved access to capital, coupled with greater overall liquidity, will allow American Water and its subsidiaries to better manage the timing of and need to access markets during periods of extreme volatility and shield customers from the higher costs typically associated with this volatility.

IV. POST-MERGER COMMITMENTS

24. Q. Please briefly explain how American Water intends to protect the Pennsylvania operating utilities from the business and financial risk of the parent and other affiliates.

A. American Water uses measures to separate regulated utility operations from affiliated unregulated companies and to avoid cross-subsidization among regulated companies.

The measures are generally designed to reduce the risk of unregulated operations affecting a utility's regulated service and its financial health, and to also avoid preferential treatment or subsidization of unregulated affiliates by the utility.

PAWC currently complies with applicable Pennsylvania affiliate regulations designed to prevent inappropriate cross-subsidization. In addition, American Water has a number of measures in place that separate its regulated operations from its unregulated operations, all of which would be expected to be extended to Aqua PA and Peoples:

- No individual operating company will assume liability for debts issued by the holding company. Although individual operating companies may be parties to financing arrangements to which the holding company is also a party, each company, including the holding company, will be liable only for its individual borrowings or issuances under those arrangements.
- Each operating company of American Water maintains separate financial statements reflecting its own assets and liabilities.
- Each operating company has its own capital structure, which is a function of its own debt and equity.

V. AFFILIATED INTEREST TRANSACTIONS

25. Q. Mr. Bowler, please explain the affiliated interest approvals the Joint Applicants are seeking in this case.

A. In order to give the combined company more operational flexibility to share best practices and to make the most productive use of all available resources as soon as possible after the Merger, American Water and Essential are also seeking Commission

approval of certain affiliated interest agreements. Both American Water and Essential have service company subsidiaries that make available to their respective operating company affiliates a broad range of accounting, financial, legal, and other services. PAWC is party to a service agreement with Service Company that was approved by the Commission in 1989 at Docket No. G-88013. American Water also has a subsidiary, AWCC, that was established to provide certain financial services, including short-term loans, long-term borrowings and cash management to American Water and its regulated subsidiaries as cost-effectively as possible over the long-term. PAWC is a party to a financial service agreement with AWCC that was approved by the Commission on June 22, 2000 at Docket No. G-00000763. Lastly, Aqua PA has an office space lease agreement with Aqua Services, Inc. ("Aqua Services", one of Essential's service companies) whereby Aqua Services leases space from Aqua PA in the corporate headquarters in Bryn Mawr ("Lease"). The Lease was approved by the Commission on September 15, 2022 at Docket No. G-2022-3031183. The specific form of agreements (that were attached to the Joint Application as Exhibit D and are all in the same form as already approved by the Commission for PAWC or Aqua PA), to become effective upon the close of the Merger for which the Joint Applicants seek the Commission's approval, are as follows:

(a) Services Agreement to be executed by Service Company and each of Aqua PA, Aqua PA WW, and Peoples;

(b) Financial Services Agreement ("FSA") to be executed by AWCC and each of Aqua PA, Aqua PA WW, and Peoples;[3] and

[3] American Water is evaluating the extent to which it intends to utilize AWCC for Peoples but it is important to take steps to allow for their execution of the FSA to ensure that benefits of taking services under the FSA can accrue to Peoples customers in addition to Aqua PA customers.

(c) Office Space Lease to be executed by Aqua PA and Service Company.

Through these affiliate agreements, American Water and Essential hope to begin to take advantage of the shared resources and best practices created by the Merger and discussed by Ms. Norton in her testimony (Joint Applicants Statement No. 1) and in this testimony immediately upon the completion of the Merger.

VI. CONCLUSION

26. Q. Does this conclude your direct testimony?

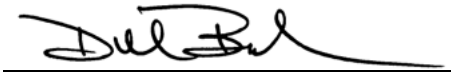
A. Yes, it does. However, I reserve the right to supplement this testimony and/or file additional testimony if necessary or appropriate to do so.

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	**DOCKET NO. A-2025**

VERIFICATION

I, David Bowler, hereby declare that I am the Executive Vice President and Chief Financial Officer of American Water Works Company, Inc., that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Statement are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.



DATE: November 26, 2025

David Bowler
Executive Vice President and Chief Financial Officer
American Water Works Company, Inc.

JOINT APPLICANTS
STATEMENT NO. 2-R

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

DOCKET NOS. A-2025-3058927, A-2025-3058928 AND A-2025-3058929

REBUTTAL TESTIMONY

WITNESS: DAVID BOWLER

SUBJECT: FINANCIAL BENEFITS OF THE PROPOSED MERGER; OPPOSING PARTY PROPOSED CONDITIONS AND RECOMMENDATIONS; CUSTOMER PROTECTIONS

DATED: JUNE 25, 2026

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REBUTTAL TESTIMONY
OF
DAVID BOWLER

I. INTRODUCTION AND PURPOSE OF TESTIMONY

1. Q. Please state your full name and business address.

A. My name is David Bowler. My business address is 1 Water Street, Camden, NJ 08102.

2. Q. By whom are you employed and in what capacity?

A. I am employed by American Water Works Service Company, Inc. ("Service Company") and serve as Executive Vice President and Chief Financial Officer for American Water Works Company, Inc. ("American Water"). In that role, I am responsible for all aspects of American Water's financial management and strategy, including finance strategy and planning, treasury, accounting, tax, enterprise risk and internal audit, regulatory services, and supply chain functions.

3. Q. Have you submitted any other testimony in this proceeding?

A. Yes, I submitted direct testimony that was marked as Joint Applicants[1] Statement No. 2. My background and qualifications are set forth in that statement.

4. Q. What is the purpose of your rebuttal testimony in this proceeding?

A. The purpose of my rebuttal testimony is to respond to various issues raised in the direct testimony of Pennsylvania Public Utility Commission ("Commission") Bureau of Investigation and Enforcement ("I&E") witnesses DC Patel and Ethan H. Cline, Office of Consumer Advocate ("OCA") witness Ralph C. Smith, Office of Small Business Advocate ("OSBA") witness Celia B. Hashlamoun, and Coalition for Affordable

[1] The Joint Applicants include American Water, Essential Utilities, Inc. ("Essential"), Aqua Pennsylvania, Inc. ("Aqua PA"), Aqua Pennsylvania Wastewater, Inc. ("Aqua PA WW"), and Peoples Natural Gas Company LLC ("Peoples"). Unless otherwise specified herein, references to Aqua PA also include Aqua PA WW, which is a wholly-owned subsidiary of Aqua PA.

Utility Service and Energy Efficiency in Pennsylvania ("CAUSE-PA") witness Patrick Cicero. My testimony is divided into several parts. First, I will address claims that the financial benefits of the proposed merger of American Water and Essential (the "Merger") discussed in my direct testimony are insubstantial. Second, I explain why certain proposed conditions related to rate credits and stay-outs, merger costs and savings, capital structure, and financing and accounting are unreasonable. Finally, I respond to recommendations offered in opposing party direct testimony regarding customer protections against alleged risk of harm from the Merger.

II. THE MERGER WILL CREATE FINANCIAL BENEFITS TO CUSTOMERS

5. Q. Please provide an overview of the financial benefits that are expected from the Merger.

A. The Merger will create a financially stronger and more resilient combined company, and that enhanced financial strength will directly benefit Aqua PA and Peoples and their customers in Pennsylvania. As explained in my direct testimony, the combined company will have a stronger balance sheet, more stable operating cash flows, and greater scale, supported by broader geographic and regulatory diversity. The increase in scale and financial strength will improve the combined company's access to capital markets on favorable terms, including both debt and equity financing. Improved access to capital and enhanced liquidity are expected to reduce overall financing costs over time, which benefits utility customers by lowering the cost of funding necessary infrastructure investments. The Merger is also expected to provide greater cash flow stability, which is a key factor influencing the cost and availability of capital. More stable and predictable cash flows support stronger credit quality and can lead to lower

interest expense as debt is issued or refinanced. In addition, the increased size and operational breadth will enable the combined company to pursue efficiencies and cost-saving opportunities over time. These efficiencies are expected to help offset increases in the cost of providing service and, ultimately, benefit customers through reduced cost pressures in future rate proceedings and rates that are lower than they otherwise would be. Overall, the Merger positions the combined company to finance and execute significant, long-term infrastructure investment programs at a lower cost with greater financial flexibility, providing durable benefits to customers in the form of safe, reliable, and affordable utility service.

6. Q. I&E, the OCA, and CAUSE-PA ignore or downplay the financial strength of American Water as a significant benefit of the merger. Is a financially strong utility important to utility customers?

A. Yes. American Water maintains a strong financial position, which allows it to continue to attract capital at a reasonable cost and American Water's financial strength will provide real benefits to Aqua PA, Peoples, and their customers because of the Merger. Customers benefit from a financially strong utility that is well run; generates predictable financial results, including stable cash flows; and finances the business in a balanced and cost-effective manner. There is a direct link between a utility delivering predictable financial results and stable cash flows, as well as maintaining solid credit ratings, which is then linked to what the utility has to pay to access capital. Ratings agencies consider an entity's financial results both as a qualitative and a quantitative measure in establishing a company's credit rating. Companies with better financial results will ultimately need to pay less for access to capital. Positive, growing, and

predictable earnings, cash flows, and other financial measurements contribute to a company's ability to access capital at a reasonable cost.

A stronger balance sheet at American Water provides greater overall group liquidity, which will provide the operating companies with lower-cost financing, subject to market conditions. The credit profile and metrics of the combined company are expected to be an improvement compared to Essential's credit profile and metrics on a stand-alone basis. For example, American Water has a higher Funds From Operations ("FFO")/Debt ratio, which is a key metric in credit ratings. The combined company's credit profile and metrics are expected to remain strong, benefiting from overall scale, diversified service territories and regulatory exposure, and a broader customer and revenue base.

7. Q. I&E suggests that the benefits cited by the Joint Applicants related to scale and enhanced access to capital should be afforded little weight because American Water and Essential have similar credit ratings and are both financially strong companies.[2] Do you agree?

A. No, I do not. American Water has a strong financial standing and the merger with Essential is expected to further strengthen that financial standing. As previously explained, the merger would result in more stable cash flows and improve the combined company's access to capital at competitive rates, to the benefit of the Pennsylvania subsidiaries and their customers.

[2] *See* I&E St. No. 1, pp. 13-21, 24-25.

8. Q. I&E witness Patel questions whether Essential will have improved access to capital under American Water ownership and claims there is "no material difference" between American Water and Essential's credit ratings.[3] How do you respond?

A. The difference to the cost of capital is not immaterial. The current credit ratings for American Water for S&P and Moody's are A and Baa1, respectively, which are stronger than those that exist for Essential currently (A- and Baa2, respectively). The credit quality of the borrowing entity, as evidenced by the credit rating, determines the credit spread. While financial markets and market-based forces drive a portion of financing costs, the credit spread determines the cost for a specific borrower. Because the post-Merger credit ratings are expected to be stronger and the credit spread of the combined company is expected to be lower than Essential's current independent credit spread, this should result in lower financing costs for Aqua PA and Peoples, which in turn should result in overall lower costs for customers than they would have been without the Merger.

9. Q. What drives the cost of interest expense to a borrower?

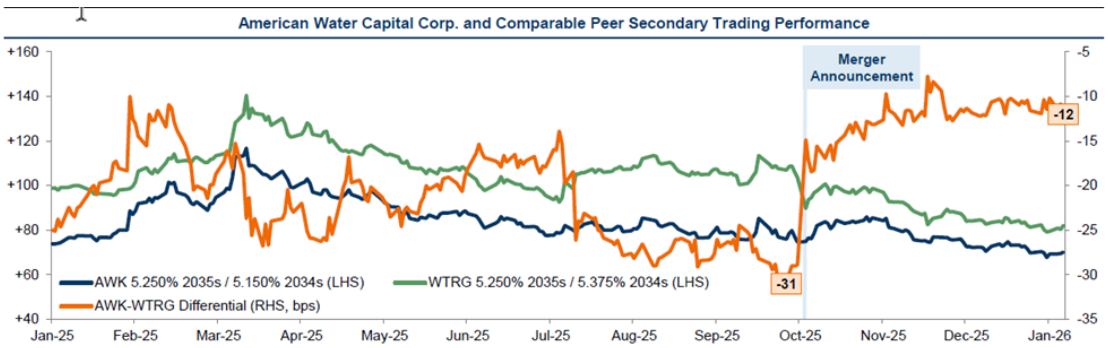
A. A bond's coupon is made up of a risk-free rate (a US government treasury rate), which reflects the general level of interest rates in the economy, plus a credit spread (or yield), which compensates investors for the risk of lending to a specific company rather than the government. When a company's credit spread increases (or is higher in comparison to another), that higher spread raises the coupon and results in higher interest expense.

[3] *Id.*, pp. 24-25.

In other words, while Mr. Patel argues that the Merger will not produce a benefit "because Essential's credit rating indicates that its access to capital is already adequate," the difference in credit results in a tangible difference in the cost of debt because of the difference in the credit spread.

10. Q. How does the credit spread for American Water borrowing compare to that of Essential?

A. Although a full comparison to overall costs is dependent upon the timing, amount, and tenor of the debt issuance, there are differences in the credit spreads obtained by American Water and Essential in prior periods and an expected convergence of those credit spreads post-announcement. With the difference in credit ratings between American Water and Essential, as reflected in the table below from Bloomberg, the credit spreads (in terms of basis points or "bps") of Essential (WTRG) are higher in 2025 compared to American Water (AWK).



11. Q. CAUSE-PA witness Cicero states that he is "highly skeptical" of American Water's representation that customers will benefit from costs that are lower than they would have been absent the Merger.[4] Please explain why your direct testimony did not quantify financing cost savings.

A. As explained above, it is reasonable to expect that financing costs will be lower post-merger than they would be otherwise. This is a significant benefit to customers. Of course, besides the credit quality of the borrower, market conditions are a significant driver of financing costs, and thus I cannot predict future interest rates. The fact is that when the differences in interest rates created by timing are removed, the credit spread is what indicates the cost. That credit spread is dependent on the credit quality of the borrowing entity, and the post-Merger credit spread of the combined Company is expected to result in lower financing costs for Aqua PA and Peoples absent the merger. I&E, OCA, and CAUSE-PA are ignoring or discounting the benefit that American Water's better credit rating and therefore better credit spread have on Aqua PA's and Peoples' expected financing costs, which is expected to result in rates that are lower than they would have been absent the Merger, subject to market conditions.

12. Q. Has this difference in pricing been demonstrated recently?

A. Yes. Recent issuances for American Water and Essential demonstrate this difference in pricing. On April 1, 2026, American Water Capital Corp. ("AWCC") issued $700 million of 10-year debt at 5.20%. This debt was priced with a spread of 87 bps to the 10-year U.S. Treasury Bond, with a benchmark yield at the time of issuance at 4.340%.[5]

[4] CAUSE-PA St. No. 1, p. 58.

[5] *See* American Water Works Company Inc. Form 8-K (March 20, 2026), https://d18rn0p25nwr6d.cloudfront.net/CIK-0001410636/f07faa3e-ce75-4778-a4a6-257ef2b55b8f.pdf.

In comparison, on March 9, 2026, Essential issued $500 million of 10-year debt at 5.125%, priced with a spread of 100 bps to the 10-year U.S. Treasury Bond, with a benchmark yield at the time of issuance at 4.142%.[6] The timing of the debt issuance for the entities presented a difference in the benchmark yield for U.S. Treasury Bonds. However, AWCC, which has a better credit rating than Essential, was able to secure debt with a lower credit spread than Essential. American Water's credit spread of 87 bps was 13 bps lower than Essential's credit spread of 100 bps, which represents about $650,000 of less annual interest expense on Essential's recent debt issuance due to American Water's more favorable debt rating.[7] The remainder of the difference is a timing difference due to fluctuations in the benchmark yield for U.S. Treasury Bonds, which is not within the control of either company.

13. Q. Mr. Cicero criticizes American Water's statements regarding the claimed benefits related to the cost of capital post-Merger. Please discuss this testimony.

A. My direct testimony explained that a benefit of the merger is that a stronger balance sheet at American Water provides greater overall group liquidity, which will provide the operating companies with lower-cost financing, subject to market conditions. Mr. Cicero criticizes this testimony, stating that, with regard to financing cost savings:

> Even this commitment is hedged in a way that is impossible to measure – as it is framed as access to cheaper capital than what otherwise would have been available in the absence of the Merger.[8]

[6] *See* Essential Utilities, Inc. Form 8-K (March 9, 2026), https://www.essential.co/static-files/d0e7d304-597f-4ead-a0a1-89ceb22418bf.

[7] $500 million x 0.0013 = $650,000.

[8] CAUSE-PA St. No. 1, p. 12.

My direct testimony did not offer a firm commitment of lower-cost financing because I cannot predict future interest rates – market conditions are a significant driver of financing costs. Mr. Cicero appears to misunderstand the nature of financial markets and the market-based forces that drive financing costs when he criticizes American Water for its expectations around future interest rates. When timing-related interest rate differences are excluded, the credit spread, driven by the borrower's credit quality, reflects the true cost of borrowing. Because American Water has stronger credit quality than Essential, it can borrow at lower costs, all else being equal.

14. Q. CAUSE-PA witness Cicero argues that the Joint Applicants have not made a "commitment or guarantee" to lower the cost of capital and indicates that the use of both debt and equity financing in calculating the cost of capital dilutes or removes the benefits of lower-cost savings. Please discuss this testimony.

A. Committing to a future cost of capital would not be appropriate because we cannot predict future market conditions. The strength and liquidity of the combined company will provide the operating companies with continued access to capital and lower-cost financing, subject to market conditions. This is a significant benefit to the customers of Aqua PA and Peoples. Mr. Cicero argues that the lower cost of capital is "illusory," apparently because debt cost is only one part of the overall cost of capital:

> [I]t simply strains credulity to suggest the merged company will attract cheaper debt that when blended within PAWC's, Aqua's, or Peoples' capital structure will result in meaningful or tangible savings.[9]

The fact that PAWC, Aqua PA, and Peoples each use a mixture of debt and equity is not a detriment, nor does it reduce the benefit of having greater access to

[9] *Id.*, pp. 11-12.

lower-cost financing. Mr. Cicero's testimony appears to reject basic market principles, which dictate that a company must balance debt and equity financing to balance cost and risk. Only a portion of the capital structure is attributable to debt. The cost of debt incurred by a company is passed on to customers through that component of the capital structure. This is a simple fact of the ratemaking formula, not something that dilutes the benefit of lower cost financing.

15. Q. Throughout his testimony, Mr. Cicero claims that the merger results primarily in shareholder benefit.[10] Do you believe it is appropriate to compare the benefits that American Water and Essential shareholders will realize from the Merger to the affirmative public benefits associated with the transaction?

A. No. The standard being addressed in this proceeding is whether the Merger produces substantial affirmative public benefits. The fact that the transaction may also benefit shareholders does not diminish or negate the meaningful benefits that will flow to customers. Additionally, I note that while Mr. Cicero contends that the merger provides no synergies from which customers will benefit,[11] he contemporaneously complains that such benefits "would inure to American Water shareholders."[12] This contrast is difficult to reconcile. It is also not supported by basic ratemaking principles in that rates are set to reflect cost, and when cost savings are achieved, these benefits are passed on to customers through rate cases.

[10] *Id.*, pp. 12, 17, 53, 70.

[11] *Id.*, p. 17 ("so called synergies…should not be taken seriously.").

[12] *Id.*, p. 16.

Furthermore, public benefits and shareholder benefits are not mutually exclusive. The utility providing high-quality, cost-effective service is beneficial to customers and is also a benefit to shareholders.

16. Q. How do you respond to claims that future capital spending or acquisitions under Section 1329 of the Public Utility Code will prevent customers from realizing benefits from the Merger?

A. As discussed in my testimony below, no conditions are needed to protect customers with respect to Section 1329 acquisitions and future rate changes. All acquisitions are subject to Commission review and approval, as are any post-closing rate change requests. The recommendations by the OCA and CAUSE-PA to preemptively place limits on future acquisitions implies that the Commission's process is insufficient to protect customers. I disagree. The Commission's process protects the public interest and provides sufficient customer protections.

17. Q. Mr. Cline expresses concern that if Aqua PA and PAWC are eventually consolidated, Aqua PA's customers' rates would increase since Aqua PA's current water and wastewater rates are currently lower than PAWC's.[13] How do you respond?

A. Aqua PA and PAWC will not be consolidated as a result of the Merger and their consolidation is not required for benefits from the Merger to flow to Aqua PA and its customers. The Joint Applicants have been clear that Aqua PA, Peoples, and PAWC will continue to operate as independent Pennsylvania public utilities following the Merger and their current rates and tariffs will not be changed as a result of the Merger.

[13] I&E St. No. 2, pp. 4-8.

Each utility will also continue to maintain separate books of accounts and financial statements at each entity level including capital structures, debt and equity costs, rate base, and operating and maintenance expenses with breakdowns by line items for ratemaking purpose on a standalone basis. Furthermore, any proposed rate change for Aqua PA or PAWC will be subject to Commission review and approval in a base rate proceeding in which parties could participate, as would any future reorganization or potential consolidation of Aqua PA and PAWC.

III. MANY OF THE PARTIES' REQUESTED CONDITIONS ARE UNREASONABLE

18. Q. Have you reviewed the commitments sought by I&E, the OCA, the OSBA and the intervenors?

A. Yes, and while the Joint Applicants believe that their initial filing includes a robust package of affirmative public benefits, the Joint Applicants have nevertheless carefully reviewed and considered the parties' requests. As discussed by Joint Applicants witness Cheryl Norton, the Joint Applicants have agreed to expand their merger commitments to address, where appropriate, various concerns expressed by other parties. That said, certain of the parties' requests are unrealistic and unreasonable.

Rate Credits

19. Q. Should approval of the Merger be conditioned upon the flow through of possible future costs savings as rate credits to customers?

A. No, I respectfully disagree with these recommendations. The Joint Applicants have demonstrated that the Merger will generate substantial affirmative public benefits without the need for shareholder-funded rate credits. In addition, it is a basic tenet of utility ratemaking that rates are set based on the actual cost to provide the regulated

service. If the Merger is consummated, synergies that have been realized through lower or avoided actual costs to provide service will be reflected in proposed rates when the operating utilities of the combined company file respective base rate cases with the Commission. If future cost savings were reflected in immediate rate credits, customers would recover those savings before they are realized. Those savings would then be reflected a second time in future base rate cases since the cost of service would be lower than it otherwise would have been because of the Merger, resulting in proposed rates that are lower than they would have been absent the Merger.

The proposals for rate credits are coupled with proposals for mandated rate case stay-outs,[14] which will significantly increase regulatory lag, as well as preemptive disallowances of the costs of doing business.[15] At the same time, several parties are asking for increases in shareholder donations to hardship funds,[16] ongoing commitments for higher levels of charitable contributions,[17] and limitations on the opportunity for additional synergies.[18] CAUSE-PA and the OCA also request significantly expanded customer assistance programs,[19] despite recently opposing a cost recovery mechanism for such programs in PAWC's pending rate case.[20] The parties' positions are unreasonable and reflect an attempt to impose through this

[14] CAUSE-PA St. No. 1, p. 44; I&E St. No. 1, p. 39; OCA St. No. 1, pp. 73-74; OSBA St. No. 2, pp. 9-10.

[15] CAUSE-PA St. No. 1, pp. 55-56; I&E St. No. 1, p. 36; OCA St. No. 1, pp. 58-64; OSBA St. No. 2, pp. 10-12.

[16] CAUSE-PA St. No. 1, p. 71; OCA St. No. 2, pp. 28-29, 32.

[17] CAUSE-PA St. No. 1, pp. 53-54; OCA St. No. 1, pp. 74-75.

[18] CAUSE-PA St. No. 1 pp. 55-56; I&E St. No. 1, pp. 30-33, 37; OCA St. No. 1, pp. 58-59, 78; OSBA St. No. 2, pp. 10-12.

[19] CAUSE-PA St. No. 1, pp. 60-57; OCA St. No. 2, pp. 28-29, 31-33.

[20] *See Pa. P.U.C. v. Pa.-Am. Water Co.*, Docket Nos. R-2025-3057983 and R-2025-3058051 (Recommended Decision issued May 15, 2026) at 410-15.

proceeding (or relitigate) an extraordinary number of conditions that are not necessary to ensure the Merger will result in affirmative public benefits.

20. Q. CAUSE-PA recommends that if American Water divests Peoples, a portion of the net sale proceeds be credited to customers. Do you agree with this condition?

A. No. Mr. Cicero explains that this recommendation is to "ensure that the financial benefit of the sale of Peoples will result in substantial, time specific, and specified benefits to the Joint Applicants' remaining ratepayers."[21] However, the treatment of the potential future sales proceeds of a possible future sale of Peoples is speculative and not relevant at this time. American Water is not seeking Commission approval to sell Peoples as a part of this proceeding. Any potential sale of Peoples in the future would require Commission approval, and CAUSE-PA would have the opportunity to participate in that proceeding and make recommendations based on the record in that proceeding. CAUSE-PA's recommendation is not relevant or appropriate here.

Rate Case Stay-Out

21. Q. Several parties also propose base rate case stay-outs as a condition of approving the Merger. Please discuss this recommendation.

A. I disagree with the proposed condition that a rate case stay-out period be required. A mandated rate case stay-out provision of any duration is not consistent with sound regulatory principles, is not required, and should not be imposed. Rate cases are the primary mechanism through which a utility aligns its revenues with the cost of providing safe and reliable service. These proceedings ensure that rates reflect the Company's prudently incurred capital investments, operating costs, and financing

[21] CAUSE-PA St. No. 1, p. 53.

requirements. Imposing a mandated stay-out period disrupts this regulatory framework by preventing timely adjustment of rates to reflect actual costs.

A stay-out provision effectively requires the Company to defer recovery of incremental investments and rising costs that occur after the conclusion of a rate case. During such a period, the Company continues to make necessary investments to maintain and improve infrastructure, comply with regulatory requirements, and serve customers. However, without the ability to file a subsequent rate case, those investments are not reflected in rates on a timely basis. This results in a growing disconnect between revenues and the cost of service.

Additionally, a mandated stay-out period increases rate volatility and is contrary to the ratemaking principle of gradualism. Deferring needed rate adjustments does not eliminate cost recovery; rather, it compresses recovery into a later period, leading to larger and more abrupt increases for customers.

22. Q. Is a mandated stay-out period necessary to protect customers?

A. No. Regulatory oversight by the Commission, including the thorough review requiring that all costs be demonstrated as prudent and reasonable in a future proceeding, already provides robust protections for customers. The Commission retains full authority to review, adjust, or disallow costs as appropriate in each case.

A mandated rate case stay-out artificially masks the cost of providing service and delays the recovery of prudently incurred investments, which results in less efficient and less stable outcomes for both customers and the Company. Accordingly, the proposed stay-out, particularly when coupled with unreasonable customer-benefit recommendations, is not appropriate and should not be required.

Merger-Related Costs and Savings

23. Q. Do the Joint Applicants believe it is appropriate to track merger-related savings and costs after the Merger?

A. Yes. As shown in Exhibits CN-1R and CN-2R, the Joint Applicants have agreed to track all identifiable and quantifiable merger benefits and savings and include them in the rate case filings of Aqua PA, PAWC, and Peoples following consummation of the Merger.

24. Q. Have you reviewed the direct testimony of I&E, OCA, OSBA and CAUSE-PA concerning the issue of excluding transition costs, costs-to-achieve, and integration costs from future rates?

A. Yes, I have. Each of these parties expresses concerns regarding the recovery of transition costs, costs to achieve and/or integration costs in customer rates.

25. Q. What are transition costs, costs-to-achieve, and integration costs?

A. Costs to achieve are the direct and indirect costs incurred to realize anticipated benefits from a transaction or strategic initiative, such as cost savings or synergies. These costs may occur early in the merger integration process or may come at a later date as best practices are implemented over time. Transition costs include costs to achieve and merger integration costs, which are the costs of combining two businesses into a single entity post-merger.

26. Q. What does I&E recommend with regard to merger-related costs?

A. I&E witness Patel recommends that the Commission preclude any of the Joint Applicants from recovering following merger-related costs through rates:

(a) transaction costs, including solicitation costs

(b) transition costs

(c) costs to achieve the merger

(d) integration costs

(e) golden parachute payments, including retention bonuses and benefits

(f) any other incremental and incidental costs incurred to facilitate integration and consolidation of business operations of utilities would not be claimed as recoverable or be recovered directly or indirectly.[22]

27. Q. How is American Water treating transaction costs?

A. As explained in my direct testimony, the Joint Applicants will not pass along the transaction costs in connection with consummation of the Merger to customers. OCA witness Smith proposes a series of commitments to ensure that accounting treatments do not affect customers' rates.[23] The Joint Applicants agree to several of those recommendations with respect to accounting for acquisition premiums, goodwill, and transaction costs, as reflected in Exhibits CN-1R and CN-2R. These recommendations are discussed further in my rebuttal testimony and in the rebuttal testimony of Ms. Norton.

28. Q. Do you agree that merger-related costs should be automatically excluded from rates?

A. No, not all merger-related costs should be excluded from rates. Instead, recovery of costs should be determined within the context of a rate case and determined based on whether costs are prudent and reasonable at the time costs are incurred, similar to how other costs of doing business are evaluated. There will be costs to combine the companies to achieve the benefits outlined in the Joint Application and in the direct

[22] I&E St. No. 1, pp. 35-37.

[23] OCA St. No. 1, pp. 12, 13, 15, 16.

and rebuttal testimony presented by the Joint Applicants. It is not reasonable to exclude these costs simply because they are related to the merger.

29. Q. What does OCA recommend with regard to merger-related costs?

A. OCA witness Smith recommends the exclusion of transition costs incurred prior to closing and that these costs be the responsibility of shareholders and not allocated to any of the companies.[24]

30. Q. Do you agree with this recommendation regarding transition costs incurred prior to closing?

A. No, transition costs should be considered within the context of a base rate case if such costs are claimed at that time. To clarify, American Water is not asking for authorization now to recover transition costs, but rather that the Commission not pre-determine an exclusion from rates. Merger-related costs being incurred now are recorded on American Water's books and not pushed down to the state operating subsidiaries. However, costs incurred at a later date prior to closing may be recorded on the books of Aqua PA or Peoples and, if appropriate, may be included in a future rate case filing. American Water has not requested a deferral of any of these costs, so they are being expensed as they are incurred.

31. Q. Does Mr. Smith recommend exclusion of any post-Merger transition costs?

A. Yes. Mr. Smith recommends that the Joint Applicants not be permitted to "seek recovery of any 'golden parachute,' change-in-control, separation or severance,

[24] *Id.*, pp. 63-65.

retention, or re-branding costs related to the merger."[25] I&E witness Patel and OSBA witness Hashlamoun make similar recommendations.[26]

32. Q. Do you agree with this recommendation regarding post-Merger transition costs?

A. Only in part, as noted on Exhibit CN-2R. The costs Mr. Smith describes are normal costs of doing business and part of the cost to achieve synergies and savings related to the Merger. For example, severance payments may be required to achieve savings related to staffing consolidation. Unlike transaction costs (as to which the Joint Applicants have agreed to forgo recovery), transition costs are prudently incurred costs that are necessary to achieve Merger benefits that ultimately accrue to Aqua PA, Peoples, their customers and the communities they serve. The Commission has full authority to address the rate impact of post-Merger transition costs through the normal ratemaking process.

33. Q. What does CAUSE-PA recommend with regard to merger-related costs?

A. CAUSE-PA witness Cicero makes a sweeping recommendation that no transition costs should be recoverable, with transition costs being broadly defined to include "those costs to achieve synergies and other changes related to transition if the Merger is approved."[27] Mr. Cicero's reasoning for this preemptive, broad disallowance of future costs includes that the timing and amount of synergies from this merger are not precisely known at this point in time.

[25] OCA St. No. 1, p. 14.

[26] I&E St. No. 1, p. 26; OSBA St. No. 2, p. 5.

[27] CAUSE-PA St. No. 1, p. 55.

Mr. Cicero's testimony proposes that the Commission should decide now that future costs should be excluded, without any further review or consideration of benefits, because he does not find the current level of information satisfactory.[28]

This recommendation appears to be rooted in a misunderstanding of what level of specificity should be available at this stage of a merger proceeding. The Joint Applicants have established an Integration Management Office ("IMO") that works across corporate functions. Through the IMO, leaders from American Water and Essential are working side by side, with balanced representation from both organizations to shape planning and decision-making. Our integration planning processes will help ensure efforts reflect the perspectives of both companies while maintaining continuity for our customers, our employees, and the communities we serve.

In other words, the Joint Applicants are engaged in thoughtful and thorough integration planning. Mr. Cicero's implication that merger decisions and benefits should already be known and quantified ignores the reality of combining two large organizations. Making rushed decisions or guessing at quantification of benefits is not in customers' best interests. The Joint Applicants are working toward long-term benefits of combining the two organizations.

[28] *Id.* ("Pennsylvania's ratepayers should not have to bear the unknown weight of these changes to realize these benefits.").

34. Q. You explained above that CAUSE-PA recommends no recovery of transition costs, including costs to achieve synergies. Please discuss how CAUSE-PA recommends savings and synergies be treated for ratemaking purposes.

A. As I explained above, Mr. Cicero recommends a mandated rate case stay-out of at least five years and recommends no rate recovery of transition costs. Mr. Cicero further recommends that "any cost savings or avoided costs from the Merger" be required to be recorded to a regulatory liability and given to customers in the first rate case after closing. Mr. Cicero's proposal would require a five year period without recovery of capital investments, no recovery of costs to achieve merger-related synergies, and provide that none of the merger-related synergies could be retained by the companies to offset costs. Mr. Cicero's position is unreasonable and inconsistent with proper ratemaking.

35. Q. Witnesses from I&E, the OCA, the OSBA and CAUSE-PA recommend exclusion from rates of transition costs, but not of the benefits that will result from these costs.[29] Please discuss this misalignment.

A. It is important to understand that the timing of transition costs and the realization of benefits or savings frequently do not align. Transition costs are often incurred upfront to enable system integration, operational continuity, and risk mitigation, while efficiencies or savings may emerge gradually over multiple years and future rate periods. Additionally, many transition costs produce benefits that are real and material to customers but are not readily quantified as dollar savings. Conditioning recovery solely on measurable savings—or preemptively excluding costs because future

[29] I&E St. No. 1, p 36; OCA St. No. 1, pp. 63-65; OSBA St. No. 2, p. 8; CAUSE-PA St. No. 1, pp. 55-56.

efficiencies are not yet quantified—would undervalue these benefits and skew utility decision-making away from system reliability and risk mitigation.

36. Q. Should the Commission accept recommendations to preemptively and permanently exclude expenses incurred to achieve merger-related benefits from Pennsylvania utility rates?

A. No. To be clear, American Water is not asking for a pre-determination of merger-related integration or transition costs. American Water is not requesting deferred accounting treatment or any other special regulatory recognition of these costs. American Water is simply asking that the Commission allow the companies to present costs in future rate cases for review and consideration, with no preemptive determinations.

37. Q. I&E witness Patel recommends that Aqua PA, Peoples, and PAWC commit to maintain an annual debt ratio closer to 50%, inclusive of short term debt.[30] Is this condition reasonable?

A. Mr. Patel does not explain this recommendation in his testimony, but I understand his recommendation to be intended to prevent the companies from being over-leveraged as a result of this transaction. Maintaining a balanced capital structure supports a strong financial position which allows American Water to continue to attract capital at a reasonable cost. American Water expects that Aqua PA, Peoples and PAWC will each maintain an annual debt ratio of not more than approximately 50% in order to maintain a strong financial position.

[30] I&E St. No. 1, p. 41.

Post-Merger Cost of Capital

38. Q. Mr. Cicero testified that the Commission should require PAWC, Aqua PA, and Peoples to adhere to the "Shapiro principles" in future rate cases.[31] How do you respond?

A. I disagree with Mr. Cicero that approval of the merger should be conditioned on the principles described in Governor Shapiro's letter to utilities applying to PAWC, Aqua PA and Peoples after the merger. The Commission has comprehensive filing requirements that regulated utilities are required to follow. The Commission also has a comprehensive rate-setting process for reviewing requests for rate changes. Furthermore, it would be inappropriate to apply these principles to the American Water companies but not other utilities operating within the Commonwealth. Rate case decisions, including capital structure and return on equity, are made on a case-by-case basis following the development of a complete evidentiary record. American Water recognizes the fundamental importance of ensuring that returns are justifiable, reasonable, and reflective of market conditions and risk so that utilities can continue to attract sustained private investment, while maintaining affordability for customers.

Nevertheless, customer affordability is a key concern of American Water, as explained further in Ms. Norton's rebuttal testimony. American Water seeks the least-cost financing opportunities available, which results in savings to customers. As discussed further herein, PAWC's customers benefit from American Water's financial strength and exemplary credit profile, and the Merger will result in real financial benefits to Aqua PA, Peoples, and their respective customers.

[31] CAUSE-PA St. No. 1, pp. 48-49.

39. Q. OCA proposed certain financial conditions be required, including the use of a hypothetical capital structure. Mr. Cicero referenced a recommendation that debt should represent a meaningful majority for a utility's capital structure for ratemaking purposes.[32] How do you respond?

A. I disagree with the OCA's recommendation. Mr. Smith claims that his recommendation is needed in order to protect Pennsylvania customers.[33] As part of each base rate case, the capital structure is a component of the proposed revenue requirement and subject to full Commission review. It is my understanding that the Commission historically has evaluated the capital structure against a proxy group of utilities.

To the extent testimony Mr. Smith's testimony is intended to indicate that the Commission should decide now that the Joint Applicants or PAWC should propose rates based on a 50/50 capital structure, this requirement is not relevant to this proceeding nor is it supported by the Commission's prior decisions. American Water is not proposing a capital structure or any ratemaking changes for any of the Joint Applicants or PAWC.

With respect to Mr. Cicero's recommendation, I believe that increasing the leverage of Pennsylvania utilities would increase their level of risk, reducing or potentially eliminating potential savings achieved through a lower cost of capital. While increasing the percentage of debt used to capitalize a utility could theoretically

[32] *Id.*, p. 48.

[33] OCA St. No. 1, pp. 70-71.

lower its cost of capital initially, those savings would likely be offset by the higher financing costs incurred by riskier companies to access capital.

40. Q. Has the Commission previously considered the recommendations for a 50% equity/50% debt capital structure in other contexts?

A. Yes. The OCA has proposed that the Commission use a hypothetical 50% equity/50% debt capital structure in prior base rate cases.

For example, in PAWC's 2023 base rate case, the Commission considered a recommendation by OCA to utilize a hypothetical 50/50 capital structure for purposes of setting rates, similar to what Mr. Smith recommends in this proceeding.[34] In that Order, the Commission rejected the OCA's proposed 50/50 capital structure and:

> [E]stablished that PAWC's proposed actual capital structure is consistent with a comparable group of utilities, i.e., the companies in the proxy group we have elected to employ in setting the Company's authorized rate of return in this proceeding.[35]

The Commission concluded that the "proposed use of an actual capital structure for both its water operations and its wastewater operations will not impose an unfair burden on its ratepayers."[36] The actual capital structure allowed by the Commission in that case on a total company basis was 44.70% long-term debt and 55.30% common equity.[37]

[34] *Pa. P.U.C. v. Pa.-Am. Water Co.*, Docket Nos. R-2023-3043189 and R-2023-3043190 (Opinion and Order entered Jul. 22, 2024) ("*PAWC 2024*") at 160.

[35] *Id.*

[36] *Id.*

[37] *Id.* at 159.

Again, American Water is not proposing any particular capital structure at this time. Decisions about the appropriate capital structure for ratemaking purposes are appropriately reserved for base rate cases or other appropriate regulatory proceedings.

41. Q. I&E proposed certain financial conditions be required, including the use of dividend caps.[38] Do you agree with these recommendations?

A. No, I do not. The proposed conditions are not necessary. As discussed in my direct testimony, American Water maintains a strong financial position both for American Water, and also at the subsidiary level. Customers benefit from a utility that is well run, generates predictable financial results, and finances the business in a cost-effective manner. There is no evidence that restrictions on dividend payments are needed. Aqua PA, Peoples, and PAWC will each remain under the full jurisdiction and oversight of the Commission. If the Commission determines that I&E's condition is appropriate, I recommend that it be in place only until each company's first rate case filed post-closing.

Post-Merger Financing

42. Q. Please summarize the I&E and OCA recommendations regarding the future issuance of long-term debt.

A. I&E witness Patel recommends that each of the combined company's utility subsidiaries maintain the capability to issue its own long-term debt (with such debt issues subject to Commission approval).[39] OCA witness Smith similarly recommends

[38] I&E St. No. 1, p. 41.

[39] *Id.*, p. 40.

that Aqua and Peoples "issue and maintain their own long term debt held by investors and by affiliates, unless the Commission authorizes to the contrary."[40]

43. Q. Do you agree with these recommendations?

A. Generally, yes. I would note that Mr. Patel references "Commission approval" of debt issuances. American Water understands this to refer to the process under Chapter 19 of the Public Utility Code regarding the registration of securities. This clarification is made on Exhibit CN-2R.

As noted in my direct testimony, following closing, new debt for the Pennsylvania operating utilities will be raised, either at the financing subsidiary of American Water (AWCC) or the subsidiary level, as appropriate, based on market conditions. PAWC, Peoples, and Aqua will each have the flexibility to issue their own debt under the terms of the Financial Services Agreement provided as Exhibit D to the Joint Application.

Merger Accounting

44. Q. Several parties recommended a condition that American Water and its subsidiaries not recover transaction costs, goodwill, or acquisition premiums associated with this merger.[41] Do you agree with these recommendations?

A. Yes, American Water agrees to not seek recovery in rates of transaction costs associated with the merger or any acquisition adjustment or "goodwill" associated with the Merger.

[40] OCA St. No. 1, p. 19.

[41] I&E St. No. 1, p. 42; OCA St. No. 1, p. 45; OSBA St. No. 1, p. 8.

45. Q. OCA witness Smith recommends that "any acquisition premium or Goodwill amounts resulting from the Transaction will be excluded from the ratemaking capital structures" for Aqua PA, Peoples, and PAWC.[42] How do you respond?

A. The goodwill related to this transaction will be recorded on the books of American Water or Essential and will not be recorded to the books of Aqua PA, Peoples, or PAWC. I agree that the actual capital structure should be used for ratemaking purposes and, therefore, that the goodwill will be excluded from the ratemaking capital structure.

46. Q. Separately, Mr. Smith discusses a requirement for neutral acquisition accounting in the context of shared service allocations and a requirement for side-by-side cost-of-service reporting.[43] Please summarize these recommendations.

A. Mr. Smith discusses a concern that cost allocations to Aqua PA or Peoples may be "increased due to the use by American Water of a different accounting scheme."[44] As such, he recommends a requirement that a side-by-side comparison be provided showing shared-services cost allocations "for five pre- and post-Acquisition years."

47. Q. Will a side-by-side comparison of shared service charges provide information about changes in expense related to the "accounting scheme"?

A. No. There are many reasons that shared service expenses may fluctuate over time. For example, in the normal course of business employees may be moved into or out of the Service Company to reflect business needs, including centralizing resources to leverage expertise that can be deployed enterprise wide or moving an employee to a state where business needs have required their fully dedicated time and attention to support a single

[42] OCA St. No. 1, pp. 56-57.

[43] *Id.*, pp. 75-78.

[44] *Id.*, p. 76.

operating company. Shared services expenses may also fluctuate as a result of the Merger by moving certain employees out of the state operating utility to allow for the sharing of employee resources across PAWC and Aqua PA. This is important to support American Water's ability to achieve efficiencies in its operation of two water and wastewater utilities in a single state while maintaining compliance with affiliate transaction requirements. The fluctuations in service company expense could be perceived as resulting from "the use by American Water of a different accounting scheme" as Mr. Smith implies, when in reality, it is simply a way to make the best and most efficient use of PAWC and Aqua PA employees.

Furthermore, this proposed requirement is not necessary for the Commission to evaluate the cost allocations. American Water bills for shared services in accordance with its Commission-approved affiliate agreements, and therefore the concern over "accounting schemes" is unfounded.

48. Q. Mr. Patel recommends that American Water file a Report Action following the Merger.[45] Does American Water agree?

A. As set forth in Exhibit CN-1R and Exhibit CN-2R, American Water will agree to file a Report of Action within 120 days after closing of the Merger, which would contain the closing date, the actual total merger consideration, and the actual accounting entry records in American Water's and Essential's books that reflect the Merger transaction.

[45] I&E St. No. 1, p. 42.

Post-Merger Acquisitions

49. Q. Witnesses for I&E, OCA, and CAUSE-PA each discussed impacts of the Merger on Section 1329 acquisitions. Please summarize these recommendations.

A. I&E witness Patel testified that PAWC and Aqua PA have had significant growth related to Section 1329 acquisitions. Mr. Patel testified that the Merger would be anti-competitive because there would be fewer entities participating as buyers in acquisitions.[46]

OCA witness Smith recommended a three-year stay-out of Section 1329 acquisitions, with the exception of troubled water and wastewater utility systems but including any acquisitions that were in progress at the time of closing.[47]

CAUSE-PA witness Cicero recommends the Commission direct a limitation to the rate base derived from Section 1329 acquisitions.[48]

50. Q. Do you agree with Mr. Patel that the Merger has a negative impact on competition?

A. No. Mr. Patel claimed that post-Merger, American Water "would become a sole buyer of other investor owned or privately held water and wastewater utilities and municipal owned water and/or wastewater systems" and "there would likely be no viable competitors in a competitive bidding process."[49] He further claimed that "viable competition" is needed to "control purchase prices." [50]

[46] I&E St. No. 1, pp. 21-22, 29-30.

[47] OCA St. No. 1, pp. 41-42.

[48] CAUSE-PA St. No. 1, pp. 50-52.

[49] *Id.*, p. 22.

[50] *Id.*

I disagree with Mr. Patel's assessment of the competitive environment in Pennsylvania. First, to be clear, PAWC and Aqua PA each operate as natural monopolies with exclusive service territories and, as such, are subject to the full scope of the Commission's regulation under the Public Utility Code. Merging these utilities does create common ownership of these two natural monopoly utilities, but that is not a detriment. The Commission regulates public utilities under its jurisdiction because they are each natural monopolies, regardless of size.

Second, I disagree with Mr. Patel's conclusion that having more bidders for a utility decreases sales prices. If a water or wastewater system wishes to sell to the highest bidder, having more competition could increase the sales price, not decrease it. As Mr. Patel notes, the purchase price is passed on to customers. American Water seeks to purchase water and wastewater systems for fair prices that reflect the value to the sellers and does not expect the Merger to increase purchase prices of smaller water and wastewater systems.

51. Q. Please discuss OCA witness Smith's recommendation on a stay-out period for Section 1329 acquisitions.

A. Mr. Smith claims that the use of Section 1329 "can result in large increases in the rate base of the acquired utility due to the use of 'fair market value' rather than the previous owner's net depreciated original cost of the utility plant being acquired." Mr. Smith expresses a concern about the rate impact of that purported increase in rate base caused by Section 1329 acquisitions.[51]

[51] OCA St. No. 1, p. 42.

52. Q. Does Mr. Cicero similarly express concern about the rate base associated with Section 1329 acquisitions?

A. Yes. Mr. Cicero claims that Section 1329 has resulted in significant increases to rate base and to customer rates.[52]

53. Q. Please discuss how Section 1329 acquisitions impact customer rates.

A. The rate base, as with all matters regarding utility rates, is determined by the Commission. Specifically, as provided for in Section 1329, the Commission sets the rate base as the lesser of the actual purchase price or the average of two separate appraisals that are performed in compliance with the Uniform Standards of Professional Appraisal Practice.

Similarly, any rate changes are determined by the Commission. PAWC and Aqua PA's rates are each just and reasonable rates as determined by the Commission.

54. Q. Mr. Smith argues that Section 1329 acquisitions result in large rate increases and that is why a stay-out period is needed as part of this proceeding.[53] Mr. Cicero claims throughout his testimony that Section 1329 acquisitions resulted in $100 million of rate increases in Pennsylvania as a basis for his proposed limitation on future additions to rate base.[54] Please discuss these positions.

A. First, I note that the source of the "$100 million" number is testimony that Mr. Cicero himself submitted in front of the Pennsylvania House of Representatives Committee on Consumer Protection, Technology and Utilities ("legislative testimony"), and Mr. Cicero's legislative testimony does not provide support for his claim that Section 1329

[52] CAUSE-PA St. No. 1, p. 50.

[53] OCA St. No. 1, p. 42.

[54] CAUSE-PA St. No. 1., pp. 27, 50.

acquisitions have resulted in $100 million acquisitions in Pennsylvania. The legislative testimony includes a chart showing $85 million of "revenue deficiency" across twenty Section 1329 acquisitions. The chart totaling $85 million has no references or sources, but, upon review of the PAWC numbers, appears to be a mixture of actual increases allowed by the Commission, including, in some cases, years of post-acquisition investments, and for other acquisitions, uses the revenue deficiencies estimated at the time of the acquisition approval filing.

In American Water's experience, systems are often sold because the selling utility or entity lacks the financial or technical capability to make necessary system investments, and often rates are not covering the cost of service at the time of acquisition. As a result, rate increases may be needed. Any rate changes by PAWC or Aqua PA are subject to Commission review and oversight.

55. Q. Is the rate base limitation that Mr. Cicero recommends consistent with Section 1329?

A. No. Section 1329 of the Public Utility Code, 66 Pa. C.S. § 1329(c), provides how rate base is set in a fair market value acquisition under Pennsylvania law:

> The ratemaking rate base of the selling utility shall be the lesser of the purchase price negotiated by the acquiring public utility or entity and selling utility or the fair market value of the selling utility.

I am advised by counsel that Mr. Cicero's recommendation that the Commission require a further limitation on the rate base of non-troubled system acquisitions is inconsistent with the provisions of Pennsylvania law related to how rate base is determined in a Section 1329 acquisition.

Customer Service Recommendations and Tariff Changes

56. Q. Several witnesses recommend customer service requirements and the waiver of certain fees[55] as a condition of approval of the Merger. How do you respond?

A. The parties' proposals for additional requirements and metrics related to customer service are discussed in the testimony of the Joint Applicants' witness Matthew W. Prine, Joint Applicants Statement No. 6-R. The Joint Applicants have not proposed any tariff changes as part of this proceeding, and any tariff changes, including the waiver of fees, are appropriately addressed in the context of a base rate case. Similarly, enhanced programming as proposed by the OCA and CAUSE-PA is better considered in the context of a base rate case where all costs and revenues are being reviewed.

IV. THE JOINT APPLICANTS HAVE PROPOSED ADEQUATE CUSTOMER PROTECTIONS TO ENSURE CUSTOMERS WILL BENEFIT FROM THE MERGER AND CAN AGREE TO A NUMBER OF INTERVENORS' PROPOSED CONDITIONS

57. Q. Please identify the customer protections the Joint Applicants have committed to ensure customers will benefit from the Merger.

A. The Joint Applicants expanded list of commitments, which includes certain conditions proposed by the parties, is attached to Ms. Norton's testimony as Exhibit CN-1R. Additionally, Exhibit CN-2R includes a comprehensive list of the conditions recommended by the parties in this proceeding that the Joint Applicants can accept the conditions (in some cases, with clarifications or modifications). Not all conditions that were accepted by the Joint Applicants are discussed in my or Ms. Norton's testimony.

[55] CAUSE-PA St. No. 1, pp. 85-86; OCA St. No. 2, pp. 29-30; OSBA St. No. 2, p. 5.

58. Q. Several witnesses propose "ring-fencing" measures and protections for Aqua PA and Peoples.[56] How do the Joint Applicants respond?

A. As discussed in my direct testimony, American Water already uses measures to separate regulated utility operations from affiliated unregulated companies and to avoid cross-subsidization among regulated companies to protect Pennsylvania utility customers. These measures, which are generally designed to reduce the risk of unregulated operations affecting a utility's regulated service and its financial health, also avoid preferential treatment or subsidization of unregulated affiliates by the utility. However, the Joint Applicants are willing to adopt additional ring-fencing commitments suggested by I&E, the OCA, and the OSBA outlined in Exhibit CN-2R.

I would note that my agreement with the ring-fencing measures proposed by the parties would not preclude the sharing of resources pursuant to an affiliate agreement approved by the Commission.

59. Q. What measures are, or will be, in place to address the cross-subsidization concerns raised by intervenors?

A. I&E witness Patel recommends that transactions amongst American Water affiliates "not promote any form of cross subsidization and render benefits to the shareholders of the group companies."[57] I agree. In addition to the "ring-fencing" conditions discussed above, American Water also maintains affiliate agreements (which are approved by the Commission) and a corresponding cost accounting manual to provide legal, accounting, and operational guardrails to ensure that regulated utility customers

[56] *See, e.g.*, I&E St. No. 1, pp. 35-41, OCA St. No. 1, pp. 27, 75-77, 85-86, OSBA St. No. 2, p. 14.

[57] I&E St. No. 1, p. 37.

do not bear costs or risks attributable to affiliates. This includes a disciplined cost assignment methodology that accounts for both direct and allocated charging aligned with cost causation principles that help prevent shifting shared service costs from non-regulated businesses to regulated customers. They also ensure that affiliates are only charged for actual costs, with no markup. Each operating company of American Water maintains separate financial statements reflecting its own assets and liabilities as well as its own capital structure and this will be true of Aqua PA and Peoples after the Merger. No individual operating company assumes liability for debts issued by the holding company.

60. Q. I&E witness Patel and OCA witness Smith expressed concern that the merger could impact the accumulated deferred income tax ("ADIT") or excess ADIT ("EADIT") balances of Aqua PA and Peoples.[58] How do you respond?

A. As set forth in Exhibit CN-2R, the Joint Applicants confirm that the Merger does not and will not impact the ADIT or EADIT balance on Aqua PA's or Peoples' financial statements (including balance sheets), and that the Merger will not affect the accounting and ratemaking treatments of Aqua PA's or Peoples' ADIT, including EADIT, accumulated deferred tax credits, and net operating losses.

V. CONCLUSION

61. Q. Does this conclude your direct testimony?

A. Yes, it does. However, I reserve the right to supplement my testimony as additional issues and facts arise during the course of the proceeding.

[58] I&E St. No. 1, p. 39; OCA St. No. 1, pp. 15, 66-70.

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., LLC, AND PEOPLES NATURAL GAS COMPANY LLC

DOCKET NO. A-2025-3058927
A-2025-3058928
A-2025-3058929

VERIFICATION

I, David Bowler, hereby state that the facts set forth in the pre-marked Joint Applicants Statement No. 2-R and accompanying exhibits, if any, are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.

DATE: June 25, 2026

David Bowler
Executive Vice President
Chief Financial Officer
American Water Works Company, Inc.

JOINT APPLICANTS
STATEMENT NO. 2-RJ

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

DOCKET NOS. A-2025-3058927, A-2025-3058928 AND A-2025-3058929

REJOINDER TESTIMONY

WITNESS: DAVID BOWLER

SUBJECT: OPPOSING PARTY PROPOSED CONDITIONS AND COMMITMENTS

DATED: JULY 29, 2026

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REJOINDER TESTIMONY
OF
DAVID BOWLER

I. INTRODUCTION

1. Q. Please state your full name and business address.

A. My name is David Bowler. My business address is 1 Water Street, Camden, NJ 08102.

2. Q. By whom are you employed and in what capacity?

A. I am employed by American Water Works Service Company, Inc. ("Service Company") and serve as Executive Vice President and Chief Financial Officer for American Water Works Company, Inc. ("American Water"). In that role, I am responsible for all aspects of American Water's financial management and strategy, including finance strategy and planning, treasury, accounting, tax, enterprise risk and internal audit, regulatory services, and supply chain functions.

3. Q. Have you submitted any other testimony in this proceeding?

A. Yes, I submitted direct testimony that was marked as Joint Applicants[1] Statement No. 2. My background and qualifications are set forth in that statement. Additionally, I submitted rebuttal testimony that was marked as Joint Applicants Statement No. 2-R.

4. Q. What is the purpose of your rejoinder testimony in this proceeding?

A. The purpose of my rejoinder testimony is to respond to various issues raised in the surrebuttal testimony of Pennsylvania Public Utility Commission ("Commission") Bureau of Investigation and Enforcement ("I&E") witness DC Patel, Office of Consumer Advocate ("OCA") witness Ralph C. Smith, Coalition for Affordable Utility

[1] The Joint Applicants include American Water, Essential Utilities, Inc. ("Essential"), Aqua Pennsylvania, Inc. ("Aqua PA"), Aqua Pennsylvania Wastewater, Inc. ("Aqua PA WW"), and Peoples Natural Gas Company LLC ("Peoples"). Unless otherwise specified herein, references to Aqua PA also include Aqua PA WW, which is a wholly-owned subsidiary of Aqua PA.

Service and Energy Efficiency in Pennsylvania ("CAUSE-PA") witness Patrick Cicero, and County of Delaware ("Delco") witness Christine Reuther.

II. RATE CREDITS

5. Q. Mr. Bowler, have you reviewed the surrebuttal testimony of I&E witness Patel, OCA witness Smith, and CAUSE-PA witness Cicero?

A. Yes, I have.

6. Q. Do these witnesses agree that the proposed transaction, together with the commitments agreed to by the Joint Applicants, will provide substantial affirmative benefits to customers?

A. No. Mr. Cicero, Mr. Patel, and Mr. Smith assert that the expanded list of commitments proposed by the Joint Applicants in rebuttal testimony (*see* Joint Applicants Exhibit CN-1R) does not provide tangible, definitive, or concrete benefits to customers.[2] Mr. Cicero alleges that there are no tangible, clear or durable public benefits from the Merger as proposed, and while the Merger may result in benefits to shareholders, it is hard to see the tangible benefits for customers.[3] Mr. Patel claims that the proposed merger would not produce substantial affirmative public benefits because the Joint Applicants have not made "definitive" commitments to flow any quantified merger savings into rates.[4] For his part, Mr. Smith states that the lack of quantified cost savings and bill credit commitments heightens the need for additional commitments.[5]

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[2] *See* CAUSE-PA St. No. 1-SR at 2-6, 9, 15; I&E St. No. 1-SR at 7; OCA St. No. 1-SR at 16, 18, 21-25.

[3] CAUSE-PA St. No. 1-SR at 3, 9.

[4] I&E St. No. 1-SR at 7.

[5] OCA St. No. 1-SR at 16, 18.

7. Q. Do any of these witnesses propose that the Joint Applicants provide customers with a bill credit to ensure that the Merger results in substantial affirmative benefits for customers?

A. Yes. Mr. Smith recommends that the Joint Applicants establish a rate credit fund to reduce customer rates in future rate cases of Aqua, Peoples, and Pennsylvania-American Water Company ("PAWC").[6] Mr. Smith also noted that the lack of bill credits offered by the Joint Applicants was one of the reasons he was recommending the Commission not approve the transaction, and that the lack of bill credits would also heighten the need for other commitments, such as a "Most Favored Nation" provision and base rate case moratoriums.[7] Mr. Patel similarly recommends that American Water and Essential establish a rate stabilization fund to provide customers of PAWC, Aqua PA, and Peoples with a one-time $60 rate credit following Merger closing but before the end of December 31, 2027, "to provide an immediate pass through of a small portion of merger savings without deferring to a future rate period."[8]

8. Q. Are the Joint Applicants willing to agree to a rate credit as an immediate tangible benefit to Essential customers in Pennsylvania to address the concerns of Messrs. Cicero, Smith, and Patel?

A. Yes. Although the Joint Applicants firmly believe that the proposed merger and the commitments set forth in Joint Applicants Exhibit CN-1R will provide substantial affirmative public benefits to customers and the Commonwealth of Pennsylvania, the Joint Applicants carefully reviewed the comments and proposals set forth in surrebuttal

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6 OCA St. No. 1-SR at 2, 11.
7 *Id*. at 18, 43-44.
8 *Id*. at 20-22.

testimony and determined that a rate credit to Aqua PA and Peoples customers will further ensure that these customers receive an immediate, tangible benefit. Therefore, in addition to undertaking the commitments set forth in Joint Applicants Exhibit CN-1R, the Joint Applicants will commit to fund an approximately $30.7 million Rate Stabilization Fund – equivalent to a value of $25 per Aqua PA and Peoples customer – to provide a one-time rate credit to each Aqua PA and Peoples customer within one year of the closing of the proposed merger. American Water will fund this benefit, and Aqua PA and Peoples will not seek to recover in rates any part of the Rate Stabilization Fund. Aqua PA and Peoples will file a compliance report summarizing the rate credit details with the Commission after completing the one-time rate credits. The Rate Stabilization Fund will provide customers with a very real financial benefit independent of the synergies and cost savings reflected in the ratemaking process in the future.

III. CAPITAL STRUCTURE

9. Q. In rebuttal testimony, you responded to I&E witness Patel's recommendation that Aqua PA, Peoples, and PAWC commit to maintaining an annual debt ratio closer to 50%, inclusive of short-term debt. Please summarize your response.

A. As discussed in my rebuttal testimony, customers benefit from a utility that is well run, and part of that is maintaining a strong financial position. Maintaining a balanced capital structure supports American Water's financial health, which allows the company to continue to attract capital at a reasonable cost. As stated in my rebuttal testimony, I expect that Aqua PA, Peoples and PAWC will each maintain an annual debt ratio of not more than approximately 50% in order to maintain a strong financial

position, which I understood to be consistent with I&E's recommendation in direct testimony.

10. Q. Did Mr. Patel change his position on his recommended annual debt ratio in response to your rebuttal testimony on this issue?

A. Yes. In his surrebuttal testimony, Mr. Patel changed his recommendation to instead require a minimum of 50% debt in the capital structure.[9] Mr. Patel did not address my testimony regarding the importance of maintaining a balanced capital structure, nor did he discuss the necessity of the financial health of the company and how that is in the interest of customers. Instead, Mr. Patel indicates that this recommendation is narrowly targeted to address "ratepayers interest in affordability."[10]

11. Q. How do you respond?

A. American Water is committed to maintaining affordable utility rates for its Pennsylvania customers. As discussed in more detail in Joint Applicants' witness Cheryl Norton's rebuttal testimony, American Water takes a balanced approach to maintaining affordability while also making investments necessary to provide safe and reliable service. Similarly, American Water takes seriously its responsibility to protect the long-term health of the company to be able to continue to provide the safe and reliable service that our customers expect. While financing with high amounts of debt may produce savings in the short run, in the longer term, over leveraging adds additional risk, which is then translated to higher debt costs. Mr. Patel seems to

[9] I&E St. No. 1-SR at 16.

[10] *Id*. at 17.

overlook the need to balance these interests and is instead focusing only on the limited view of short-term savings that may result from increasing leverage.

IV. COST OF DEBT

12. Q. In his surrebuttal testimony, Mr. Patel disputes that the proposed merger would result in lower financing costs for Aqua PA and Peoples customers. Please discuss this testimony.

A. Mr. Patel compared composite debt rates from base rate case filings from 2018 through 2026 and concluded that PAWC's long-term debt rates were higher than those of Aqua PA or Peoples.

13. Q. How do you respond?

A. Mr. Patel's testimony compared the historical composite embedded cost of long-term debt for Aqua PA, Peoples, and PAWC,[11] which is not necessarily indicative of the cost of debt going forward. Since mid-2020, debt issued by Aqua PA has had an average credit spread that is 49 basis points higher than that issued by American Water Capital Corporation ("AWCC") for PAWC. When controlling for timing and tenor of debt, the credit spread indicates the cost above the risk-free rate that borrowers and, ultimately, customers pay. Therefore, the increased credit spread experienced in Aqua's debt issuances since mid-2020 shows that absent the proposed merger, Aqua PA's cost of debt will more than likely increase over time as demonstrated by the higher

[11] Mr. Patel's chart overstates PAWC's debt cost rates for each of the Commission docket numbers shown. For example, for PAWC's 2025 rate case at Docket Nos. R-2025-3057983 and R-2025-3058051, Mr. Patel shows an average cost of long-term debt of 4.71%. As clearly shown throughout PAWC's rate filing and on page 189 of the Opinion and Order entered on July 27, 2026 in that rate case, a portion of PAWC's debt is separately identified in the capital structure at a cost rate of 2.20%, thus, PAWC's overall cost of long-term debt is lower than shown in Mr. Patel's chart.

credit spreads. A comparison of AWCC and Aqua PA coupon rates and credit spreads is shown in Table 1 below.

Table 1

	Date	Spread	Implied UST*	Coupon
AWCC	2/20/2024	+107	4.38%	5.45%
Aqua	7/1/2023	+155	3.93%	5.48%
AWCC	5/10/2021	+93	2.32%	3.25%
Aqua	9/1/2020	+143	1.42%	2.85%

*UST refers to the United States Treasury rate.

Importantly, AWCC achieves the benefit of a lower credit spread without subjecting the assets of the subsidiary to a lien, unlike the First Mortgage Bonds historically favored by Aqua PA.

14. Q. Please discuss the increase in Aqua PA's credit spread since mid-2020 following Essential's acquisition of Peoples.

A. As stated above, Aqua PA has recently issued debt with a credit spread an average of 49 basis points higher than AWCC's credit spread. Mr. Patel noted that the historical composite embedded cost of long-term debt for Aqua PA and Peoples is lower than that of PAWC. The lower historical composite debt cost is generally consistent with Aqua PA having a credit spread similar to, or lower than, that issued by AWCC for PAWC prior to 2020. The timing of the increase in credit spread corresponds to a reduction in Aqua PA's credit rating following an increase in Essential's long-term debt of approximately $2 billion, including the assumption of $1.1 billion of debt, to purchase Peoples.[12]

[12] Aqua PA's rating for Senior Secured Debt was downgraded by S&P from AA- to A+ in 2020 and then to A in 2024. Its issuer rating is lower at A-.

Aqua PA's debt issued since Essential's purchase of Peoples carries a higher rate and with a higher credit spread than AWCC's debt issuances. As stated in my rebuttal testimony, the credit spread is dependent on the credit quality of the borrowing entity, and the post-Merger credit spread of the combined Company is expected to result in lower financing costs for Aqua PA and Peoples than they would have realized absent the merger.

Thus, while Mr. Patel disagrees with my testimony about debt cost savings due to a comparison of current average debt cost rates and considers the debt ratings to be an immaterial difference, his testimony seems to rely on the false assumption that historical debt costs are indicative of future debt costs regardless of credit ratings or other material changes to a company's risk profile.

15. Q. You stated above that the borrowing cost for Aqua PA and Peoples increased after the assumption of debt to purchase Peoples. Will the proposed merger similarly increase the cost of debt?

A. No, the cost of debt is not expected to be negatively impacted by this transaction. American Water is issuing shares of stock to acquire the Essential stock; in other words, this is an all-stock merger and, as a result, will not increase American Water's leverage or materially alter the Company's risk profile.

16. Q. You testified above that since mid-2020, debt issued by Aqua PA has had an average credit spread that is 49 basis points higher than that issued by AWCC for PAWC. How does a 49 basis point interest rate differential impact the revenue requirement?

A. Aqua PA currently has nearly $2.2 billion of long-term debt.[13] With the increase in Aqua PA's credit spreads since 2020, absent the merger, this debt would eventually be replaced with more expensive debt. The annual revenue requirement impact of an additional 49 basis points, as indicated in my testimony above as the credit spread differential between Aqua PA and AWCC, would increase rates by $10.7 million. In my opinion, that is not immaterial to customers.

V. SECTION 1329 ACQUISITIONS

17. Q. In support of his recommendation that a moratorium on fair market value acquisitions Section 1329 of the Public Utility Code be imposed as a condition of approval of the merger, OCA witness Smith argues in his surrebuttal testimony that the goodwill associated with the proposed merger in this proceeding is similar to the purchase price in Section 1329 proceedings. Do you agree?

A. No. Mr. Smith argues that "[t]he increase in rate base under Section 1329 cases due to the change of control, is similar to Goodwill" and that customers "end up bearing the cost of rate base increases, and related transaction costs."[14]

I disagree with Mr. Smith's claim that the Joint Applicants' position on goodwill in this proceeding is in any way related to the ratemaking rate base

[13] Aqua PA's 2024 Water Annual Report filed with the Commission August 29, 2025, page 16. As of the date this testimony was finalized, Aqua PA had not yet filed its 2025 Annual Report.

[14] OCA St. No. 1-SR at 27.

determination of a system that is acquired under Section 1329. Systems eligible for acquisition under Section 1329 are strictly limited to municipal corporations and municipal authorities, which are not subject to the Commission's jurisdiction. There has never been an acquisition under Section 1329 of a Commission-regulated utility. In my experience, "rate base" is a concept unique to regulated utilities and, therefore, an acquisition under Section 1329 does not "increase the rate base" of the acquired system because systems acquired under Section 1329 do not have a rate base prior to acquisition. Section 1329 simply allows a public utility or entity to purchase a municipal system for its fair market value.

18. Q. In her surrebuttal testimony, Delaware County witness Christine Reuther claimed, through reference to the OCA, that Section 1329 acquisitions have resulted in "$68 million in additional annual charges on customer bills."[15] How do you respond?

A. Ms. Reuther did not provide a citation for this number, so I do not know the source of this claim. In American Water's experience, rates often need to be increased after acquisition because the selling utility or entity lacked the financial or technical capability to make necessary system investments and/or because rates were not covering the cost of service at the time of acquisition. American Water works to provide for the long-term best interest of our customers, including making necessary system investments that may have been neglected by a selling entity. This means that rates for systems acquired, such as through Section 1329, may need to be increased to properly reflect the cost of providing safe and adequate service. All rate changes are

[15] County of Delaware St. No. 1-S at 4.

reviewed and approved by the Commission before rates charged to customers are adjusted.

VI. CUSTOMER BILLS

19. Q. On page 10 of his surrebuttal testimony, Mr. Patel provided a table showing monthly bills, which he claims supports the need for a rate case stay-out and one-time rate credit for PAWC. Do you agree?

A. No. Mr. Patel relies on monthly bill comparisons, sourced from CAUSE-PA's direct testimony, to support his proposed rate case stay-out and bill credits. While Mr. Patel indicates that these PAWC wastewater bills indicate further action is needed by the Commission, such as the imposition of a rate case stay-out, the fact is that the rates reflected in the bills shown in Mr. Patel's chart were approved by the Commission as just and reasonable.

As a regulated public utility, American Water must make prudent investments to ensure safe and reliable service. The utility then follows the Commission's process to seek recovery for these investments through base rate cases. The Pennsylvania legislature established a mechanism to moderate customer bill impacts through Section 1311(c) of the Public Utility Code ("Act 11 allocation"), which allows the Commission to allocate a portion of wastewater revenue requirements across a broader water customer base.

While Mr. Patel highlights a 71.6% increase in wastewater bills between 2021 and 2026, he does not acknowledge that a significant portion of this increase reflects changes in the Commission's allocation of wastewater revenue requirements rather than increases in overall costs, particularly costs per customer. In 2021, wastewater

rates recovered approximately 74% of the wastewater revenue requirement, compared to approximately 89% in 2026, due to the Commission's reduced use of Act 11 allocations in more recent proceedings.[16] If the Act 11 allocation were the same in current rates as it was in 2021, wastewater bills would be significantly less than the amount shown in the chart in Mr. Patel's testimony.

VII. CONCLUSION

20. Q. Does this conclude your rejoinder testimony?

A. Yes, it does. However, I reserve the right to supplement my testimony as additional issues and facts arise during the course of the proceeding.

[16] 2021 bills Mr. Patel referenced were based on rates set at Docket No. R-2020-3019369. The Commission approved wastewater revenue requirement of $113 million with revenues of $84 million from wastewater customers and $29 million allocated to water customers. $84 million / $113 million = 74%.

2026 bills Mr. Patel referenced were based on rates set at Docket No. R-2023-3043189. The Commission approved wastewater revenue requirement of $208 million with total revenues of $185 million from wastewater customers and $23 million allocated to water customers. $185 million / $208 million = 89%.

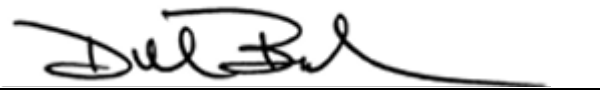
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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., LLC, AND PEOPLES NATURAL GAS COMPANY LLC

DOCKET NO. A-2025-3058927
A-2025-3058928
A-2025-3058929

VERIFICATION

I, David Bowler, hereby state that the facts set forth in the pre-marked Joint Applicants Statement No. 2-RJ and accompanying exhibits, if any, are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.



DATE: July 29, 2026

David Bowler
Executive Vice President
Chief Financial Officer
American Water Works Company, Inc.

JOINT APPLICANTS
STATEMENT NO. 3

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

DOCKET NO. A-2025-

DIRECT TESTIMONY

WITNESS: COLLEEN ARNOLD

SUBJECT: OVERVIEW AQUA PENNSYLVANIA, INC. MANAGEMENT AND OPERATIONS; INFRASTRUCTURE IMPROVEMENT EFFORTS; CUSTOMER AND COMMUNITY COMMITMENTS; BENEFITS OF THE MERGER

DATED: NOVEMBER 26, 2025

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DIRECT TESTIMONY
OF
COLLEEN ARNOLD

I. INTRODUCTION AND BACKGROUND OF WITNESS

1. Q. Please state your name and business address.

A. My name is Colleen Arnold. My business address is 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010.

2. Q. By whom are you employed and what is your position?

A. I am employed by Essential Utilities, Inc., f/k/a Aqua America, Inc. ("Essential"), as the President of the Aqua companies. Aqua Pennsylvania, Inc. ("Aqua PA"), including Aqua PA's subsidiary, Aqua Pennsylvania Wastewater, Inc. ("Aqua PA WW"),[1] is a wholly owned subsidiary of Essential. Peoples Natural Gas Company LLC ("Peoples"), one of the other applicants in this proceeding, is also owned by Essential and is an affiliate of Aqua PA.

3. Q. Please describe your educational and professional background.

A. I have a Bachelor of Science in civil engineering from the University of Massachusetts, a Master of Science in environmental engineering from Manhattan College, and an executive Master of Business Administration from Villanova University.

I have more than 30 years of experience in environmental engineering and utility operations management, as well as extensive experience and education in water quality. I joined Aqua PA in 2008 and worked as the Manager of Treatment

[1] Unless otherwise specified herein, references to Aqua PA also include Aqua PA WW, which is a wholly-owned subsidiary of Aqua PA.

and Water Quality for about two years. In 2013, I rejoined Essential at the corporate level, as the Director of Water Quality and Environmental Compliance, across all of the Aqua states. In September 2015, I was promoted to Deputy Chief Operating Officer of Aqua America, Inc. In 2020, I took my current role as President of the Aqua companies. I have been an active member of the American Water Works Association since 1992, and I am currently serving as an at-large member on the Water Utility Council. I am also a board trustee for the Water Research Foundation, a board member for the Ridley Hospital Community Foundation, and a board trustee for Main Line Health.

4. Q. Please provide an overview of your responsibilities as the President of the Aqua companies of Essential.

A. In this role, my responsibilities include the oversight of the operations, engineering, and business development functions of all the Aqua companies' regulated water and wastewater operations encompassing over 1,500 water systems and 200 wastewater systems throughout eight states – Pennsylvania, Ohio, Indiana, Illinois, New Jersey, Virginia, North Carolina, and Texas.

5. Q. On whose behalf are you submitting this testimony?

A. I am submitting this testimony on behalf of Aqua PA, one of the "Joint Applicants" in this proceeding. The Joint Applicants are comprised of Aqua PA, Aqua PA WW, and Peoples, along with American Water Works Company, Inc. ("American Water"), Alpha Merger Sub, Inc. ("Merger Sub"), and Essential. The Joint Applicants are requesting all necessary authority, approvals, and Certificates of Public Convenience from the Pennsylvania Public Utility Commission ("PUC" or

"Commission") to lawfully effectuate the merger of Essential and American Water (the "Merger").

6. Q. Have you previously provided written testimony before the PUC?

A. No.

7. Q. What is the purpose of your direct testimony?

A. The purpose of my direct testimony is to support 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. 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*" (hereinafter, "Merger Application").

More specifically, the purpose of my testimony is to: provide an overview of Essential and Aqua PA; discuss the current and post-Merger management of Aqua PA; discuss Aqua PA's current infrastructure improvement and replacement efforts; discuss Aqua PA's customer and community commitments; and further attest to and support the substantial affirmative public benefits associated with the proposed Merger.

II. OVERVIEW OF ESSENTIAL AND AQUA PA

8. Q. Please describe Essential.

A. Essential is a water, wastewater, and natural gas utility holding company that currently provides service through its operating subsidiaries in Pennsylvania, Ohio,

North Carolina, Illinois, Texas, New Jersey, Indiana, Virginia, and Kentucky. Essential's water and wastewater subsidiaries provide drinking water and wastewater treatment infrastructure and services. Essential's natural gas subsidiaries, e.g., Peoples, provide natural gas distribution services. Essential's prior acquisition of LDC Funding, LLC, owner of Peoples,[2] at Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063, was approved by a Commission Order entered on January 24, 2020 ("Aqua-Peoples Acquisition"). Additional details regarding Peoples are provided by Joint Applicants witness Michael Huwar (Joint Applicants Statement No. 4).

9. Q. Please describe Aqua PA.

A. Aqua PA is a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania. Aqua PA is a wholly-owned subsidiary of Essential. Aqua PA WW is a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania. Aqua PA WW is a wholly-owned subsidiary of Aqua PA. Aqua PA and Aqua PA WW are each a "public utility" as defined under Section 102 of the Code, 66 Pa.C.S. § 102.

Aqua PA furnishes water service to approximately 459,000 water customer accounts in all or portions of the following Pennsylvania counties: Adams, Berks, Bradford, Bucks, Carbon, Chester, Clarion, Clearfield, Columbia, Crawford, Cumberland, Delaware, Forest, Juniata, Lackawanna, Lawrence, Lehigh, Luzerne, Mercer, McKean, Monroe, Montgomery, Northampton, Northumberland, Pike, Schuylkill, Susquehanna, Snyder, Venango, Warren, Wayne, and Wyoming.

[2] Peoples Gas was merged into Peoples Natural Gas in 2022. *See* Docket Nos. A-2021-3029831 and A-2021-3029833.

Aqua PA WW furnishes wastewater service to approximately 68,000 wastewater customer accounts in all or portions of the following Pennsylvania counties: Adams, Beaver, Berks, Bucks, Carbon, Chester, Clarion, Clearfield, Delaware, Lackawanna, Luzerne, Mercer, Monroe, Montgomery, Pike, Schuylkill, Venango, and Wyoming.

Collectively, Aqua PA provides water and/or wastewater service to approximately 1.59 million people in Pennsylvania.

III. MANAGEMENT OF AQUA PA

10. Q. How is Aqua PA currently managed?

A. Aqua PA is managed by a state president with operations; capital planning, design, and construction; and business development reporting to them. Aqua PA has a dedicated workforce including operations directors, area managers, field supervisors, plant managers, water quality and compliance, engineering, construction, and meter operations. Aqua PA's management is driven by compliance, water quality, reliability, and safety metrics to provide the best possible service to our customers. Key metrics include water quality compliance, safety metrics, execution of the capital plan, which includes the Long-Term Infrastructure Improvement Plan ("LTIIP"), and compliance with all Pennsylvania Department of Environmental Protection and PUC rules and regulations.

11. Q. How will the structure and management of Aqua PA change as a result of the acquisition?

A. Aqua PA will continue to have a management team that has day-to-day responsibility, authority, and resources to provide safe, reliable, and efficient

service. Aqua PA will continue to develop its own budgets and business plans. Over time, plans will be developed to integrate and we will work together with American Water to leverage best practices and produce economies of scale. This is further discussed in the direct testimony of Cheryl Norton (Joint Applicants Statement No. 1).

IV. AQUA PA'S INFRASTRUCTURE IMPROVEMENT AND REPLACEMENT EFFORTS

12. Q. Please describe Aqua PA's LTIIP applicable to water and wastewater operations.

A. Aqua PA has had a water LTIIP in place since 2017. Its most recent water LTIIP was approved by the Commission on June 13, 2024 at Docket No. P-2023-3043755 (the "Amended Water Third LTIIP"), and also included an updated Lead Service Line Replacement ("LSLR") Plan. Under, the Amended Water Third LTIIP, Aqua PA anticipates that it will invest approximately $1 billion dollars from 2023 through 2027 in Distribution System Improvement Charge ("DSIC") eligible projects, and that it will replace 324 miles of main.

Relative to the updated LSLR plan, from 2023 through 2027, Aqua PA plans to replace lead service lines at a cap of 1,500 replacements per year, with a projected budget amount of approximately $12 million per year at a full run-rate. This replacement rate is expected to enable Aqua PA to replace all lead service lines, Aqua PA-owned and Customer-owned, within 10 years. This will allow Aqua PA to continue to reduce and eliminate lead throughout Aqua PA's systems, which in turn will improve the overall distribution system integrity and the health of Aqua PA's customers and the Commonwealth overall.

Aqua PA WW has also had an LTIIP in place for wastewater operations since 2013. Aqua PA WW's current wastewater LTIIP was approved by the Commission on June 5, 2025, at Docket No. P-2024-3052037, and covers the period of 2025-2029 ("Third Wastewater LTIIP"). Under its Third Wastewater LTIIP, Aqua PA WW plans to increase its collection system infrastructure spending to about $14.5 million per year (on average) over the course of the five-year plan. Aqua PA WW also included systems that were not previously included in its DSIC program that were acquired under Section 1329 of the Public Utility Code, 66 Pa.C.S. § 1329, or that were non-Section 1329 acquisitions that have been included in Aqua PA WW's most recent base rate case proceeding.

13. Q. How will Aqua PA meet its capital requirements for both water and wastewater operations after the acquisition?

A. After the Merger, Aqua PA will evaluate all available options to meet its capital requirements, including continuing to issue its own debt along with leveraging the ability to obtain additional capital funding from American Water Capital Corp.

V. CUSTOMER AND COMMUNITY COMMITMENTS

14. Q. Please explain Aqua PA's programs for assisting low-income customers.

A. Aqua PA's Customer Assistance Program ("CAP") provides three benefits to participants: 1) discounted monthly bills; 2) $40 credits towards pre-program arrearages for each monthly payment; and 3) protection from late payment charges. Discounts are offered on a tiered basis, providing the deepest discounts to those with the lowest incomes. Any balance a customer may owe when joining the program is frozen and eligible for elimination through $40 credits that are posted

to the account each month when the reduced monthly bill is paid. And, while participating in CAP, if the customer misses the due date of their bill, no late payment fees are applied. Customers with incomes at or below 200% of the Federal Poverty Level are eligible to participate in the CAP.

15. Q. Will the acquisition of Aqua PA affect its commitments to low-income customers?

A. No.

16. Q. Will Aqua PA's billing or customer information system change as a result of the acquisition?

A. No. Aqua PA's billing and customer information system will not change immediately upon closing. Through our integration efforts, we expect to evaluate the future integration of billing systems and anticipate potential benefits moving onto the same SAP-based platform as American Water. Aqua PA had previously moved onto SAP's Enterprise Resource Platform for finance and asset management, so efficiencies from being on the full SAP platform are expected.

VI. PUBLIC BENEFITS

17. Q. Do you agree with the Merger benefits discussed in the direct testimonies of Cheryl Norton and David Bowler?

A. Yes. The Merger will create benefits for Aqua PA, our customers, and the communities that they serve. As described in Ms. Norton's testimony, the Merger will create a larger platform to enhance industry-leading water and wastewater service and water quality best practices, and drive innovation and a better overall customer experience. We believe that the Merger will generate synergies and result

in cost savings opportunities over the long term and, importantly, Essential's charitable contributions and community support in its service areas through the Commonwealth will continue. Through the Merger, and development of a larger overall water and wastewater utility, the customers, employees, environment, and communities across the Commonwealth will benefit for many reasons, as outlined in their testimonies.

18. Q. Are there particular benefits related to the Merger from Aqua PA's perspective that you would like to highlight?

A. Yes. First, I believe that both American Water and Essential are leaders in the water and wastewater industry and have dedicated teams of talented employees that deliver safe and reliable service to customers. As we integrate, there will be opportunities to share best practices, learn from each other, and improve. I am particularly excited to work with the American Water team on their safety, water quality, and training programs. The safety of our employees and the communities we serve is our number one priority and top of mind every day. American Water has a centralized operations training team tasked with sustaining a highly skilled workforce of water and wastewater professionals to help ensure safe, compliant, and reliable services, and enable employee growth. As I have reviewed American Water's organization, I believe that our employees will benefit from this robust program. In addition, as discussed by Ms. Norton, this is one piece of the operational excellence framework American Water has in place that we will be able to leverage focusing on operator training, sustainability, water quality and compliance, standard operating procedures, operating and maintenance best

management practices, and performance management with continuous improvement at its core. While Essential certainly focuses and excels in these areas, American Water has a framework that we can benefit from and where best practices from both companies can be shared for the better of all our customers.

Second, we also anticipate that there are similar opportunities for American Water to benefit from existing Essential operations. In particular, one such benefit is access to Aqua PA's local certified laboratory located at its Bryn Mawr office for water and wastewater testing, which is geographically close to American Water's existing operations in Pennsylvania.

I also would like to highlight the opportunities for Essential employees. Being part of the American Water enterprise will allow more paths for growth and opportunities for our dedicated employees. I agree that the Merger will offer expanded opportunities to Essential employees for career advancement and professional development for those employees who remain with the combined company. As noted in Ms. Norton's testimony, Aqua PA and Peoples, along with American Water's and Essential's other regulated subsidiaries, will have access to a "deeper bench" of highly trained professionals who possess significant operational experience in various specialized areas. This centralized expertise will drive and further enhance knowledge sharing, standardization of processes and practices, training, and operational efficiencies and will create opportunities for greater growth for our employees.

Lastly, the merger with American Water brings a strong benefit to Aqua PA in terms of its customer information system platform. American Water has already

migrated to SAP's billing platform. As stated previously, it is anticipated that Aqua and American Water will work together to build a roadmap whereby all of Aqua's customers could be migrated off its current customer information system and onto the system that American Water is using at the time of future integration.

19. Q. Has American Water made other commitments that will affirmatively benefit Aqua PA's operations and its customers?

A. Yes, it has. As shown in Exhibit C to the Merger Application, American Water is making a number of commitments to support Aqua PA's continued provision of clean, safe, reliable and affordable water and wastewater service. American Water will ensure that Aqua PA continues to have the necessary resources to continue providing clean, safe, reliable, and affordable service, as well as to continue making necessary investments in infrastructure replacement and renewal. Moreover, post-Merger, Aqua PA's day-to-day operations will continue to be locally managed by local employees that live, work, and give back to the communities where Aqua PA's customers are located. Furthermore, American Water has affirmed it will honor all Essential collective bargaining agreements under their current terms. These commitments, as well as the commitments and benefits discussed in the direct testimony of other witnesses supporting the Merger Application, will affirmatively benefit Aqua PA's operations and its customers.

VII. CONCLUSION

20. Q. Does this conclude your direct testimony?

A. Yes, it does. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding.

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

DOCKET NO. A-2025-_____

VERIFICATION

I, Colleen Arnold, hereby declare that I am the President, Aqua at Essential Utilities, Inc., that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Statement are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.

Colleen Arnold

DATE: November 26, 2025

Colleen Arnold
President, Aqua
Essential Utilities, Inc.

JOINT APPLICANTS
STATEMENT NO. 3-R

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

DOCKET NOS. A-2025-3058927, A-2025-3058928 AND A-2025-3058929

REBUTTAL TESTIMONY

WITNESS: COLLEEN ARNOLD

SUBJECT: BENEFITS OF THE PROPOSED MERGER; CONTRACTUAL OBLIGATIONS

DATED: JUNE 25, 2026

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REBUTTAL TESTIMONY
OF
COLLEEN ARNOLD

I. INTRODUCTION AND PURPOSE OF TESTIMONY

1. Q. Please state your name and business address.

A. My name is Colleen Arnold. My business address is 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010.

2. Q. By whom are you employed and in what capacity?

A. I am the President, Aqua of Essential Utilities, Inc. ("Essential").

3. Q. Have you previously filed testimony in this matter?

A. Yes. I submitted direct testimony with the Joint Application on November 26, 2025.

4. Q. What is the purpose of your rebuttal testimony?

A. In my testimony, I respond to the Bureau of Investigation & Enforcement's ("I&E's") and the County of Delaware's ("DelCo's" or the "County's") direct testimony. The topics revolve around the benefits of the proposed merger and prior contractual obligations.

5. Q. How is the remainder of your rebuttal testimony organized?

A. Following this introduction, my testimony proceeds as follows: Section II responds to I&E's claims regarding the various benefits and operational synergies of the proposed merger, and Section III responds to DelCo's claims regarding contractual obligations after the proposed merger closes.

II. BENEFITS OF THE PROPOSED MERGER

6. Q. Do any of the other parties make any claims regarding the purported benefits and operational synergies of the merger?

A. Yes. I&E witness D.C. Patel makes many claims about the purported benefits and synergies of the proposed merger, or lack thereof.

7. Q. Please identify the aspect of his claims to which you will respond.

A. I will respond to his claim that "it is speculative to assume that the merger will provide *substantial* benefits to ratepayers" and that, due to the large size of the existing utilities prior to the merger, "it is questionable whether any significant public benefits would even be achieved post-merger." (I&E St. No. 1, pp. 10-13.)

8. Q. Do you agree with Mr. Patel?

A. I disagree with Mr. Patel's statements. Over time, the combination of American Water and Essential will provide affirmative public benefits to customers and other stakeholders. While the integration efforts are underway, I have observed that American Water has a more robust safety, water quality, and training program at its service company level. Its centralized approach to operational training will further Aqua PA's focus on safe, compliant, and reliable service. Aqua PA does not currently have access to a research and development program, nor does it have the deeper bench of American Water's center-lead engineering department. I have also observed through the integration process that American Water has a more robust procurement process, which should lead to greater efficiencies in purchases that Aqua PA will make in the future. Ms. Norton expands upon the particular significant public benefits and regulatory conditions associated with the merger.

9. Q. Does I&E witness Patel make any other claims regarding the purported benefits and operational synergies of the merger, or lack thereof?

A. Yes, I&E witness Patel also claims that the merger will lead to the consolidation of administrative and duplicative functions, resulting in job eliminations and layoffs, and limiting new job openings, thereby naturally eliminating advancement opportunities for existing employees. (I&E St. No. 1, pp. 9-10.)

10. Q. How do you respond to Mr. Patel?

A. Over time, duplicative functions may be identified, and the combined company will manage the business with the best interests of customers, employees, and shareholders in mind. However, Aqua PA's workforce will remain sufficient to continue providing customers with safe, reliable, and affordable service, and all collective bargaining agreements will continue to be honored. Ms. Norton further discusses how the combination of the companies will broaden, not necessarily reduce, career paths in her rebuttal testimony. The larger platform of the combined companies may provide new opportunities for Aqua PA personnel to explore new roles, with enhanced opportunities for training and career development.

III. CONTRACTUAL OBLIGATIONS

11. Q. Do any of the other parties make any claims regarding contractual obligations after the proposed transaction closes?

A. Yes, DelCo's witness Christine Reuther makes a claim regarding contractual obligations after the proposed transaction closes.

12. Q. Please identify the aspect of her claim to which you will respond.

A. I will respond to the County's belief that its Asset Purchase Agreement with Aqua will be unenforceable if the proposed transaction closes. (DelCo St. No. 1, p. 6.) Further, I will respond to the County's belief that if the Joint Applicants are abandoning their efforts to acquire DELCORA, it would be a significant benefit to the County and its residents. (*Id.*)

13. Q. Do you agree with Ms. Reuther?

A. While I am not an attorney, I do not believe that the contract between DELCORA and Aqua PA WW is germane to this merger proceeding. I note that Aqua PA WW will still exist as a certificated public utility providing wastewater service in Pennsylvania after

closing of the Merger. I also believe that the Asset Purchase Agreement and the proposed transaction between Aqua PA WW and DELCORA will benefit customers.

IV. CONCLUSION

14. Q. Does this conclude your rebuttal testimony?

A. Yes, it does. I reserve the right to supplement my rebuttal testimony as additional issues arise.

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., LLC, AND PEOPLES NATURAL GAS COMPANY LLC	**DOCKET NO. A-2025-3058927** **DOCKET NO. A-2025-3058928** **DOCKET NO. A-2025-3058929**

VERIFICATION

I, Colleen Arnold, hereby declare that I am the President, Aqua at Essential Utilities, Inc., that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.

Colleen Arnold

DATE: June 25, 2026

Colleen Arnold
President, Aqua
Essential Utilities, Inc.

JOINT APPLICANTS
STATEMENT NO. 3-RJ

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

DOCKET NOS. A-2025-3058927, A-2025-3058928 AND A-2025-3058929

REJOINDER TESTIMONY

WITNESS: COLLEEN ARNOLD

SUBJECT: BENEFITS OF THE PROPOSED MERGER; THE PENDING DELCORA TRANSACTION

DATED: JULY 29, 2026

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REJOINDER TESTIMONY OF COLLEEN ARNOLD

I. INTRODUCTION

1. Q. Please state your name and business address.

A. My name is Colleen Arnold. My business address is 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010.

2. Q. By whom are you employed and in what capacity?

A. I am the President, Aqua of Essential Utilities, Inc. ("Essential").

3. Q. Have you previously filed testimony in this matter?

A. Yes. I submitted direct testimony with the Joint Application on November 26, 2025, and rebuttal testimony marked as Joint Applicants Statement No. 3-R on June 25, 2026.

4. Q. What is the purpose of your rejoinder testimony?

A. In my testimony, I respond to the Bureau of Investigation & Enforcement's ("I&E's"), the County of Delaware's ("DelCo's" or the "County's"), and the Office of Small Business Advocate's ("OSBA's") surrebuttal testimony. The topics revolve around the benefits of the proposed merger, the organizational structure of the combined company, post-merger reporting, and the merger's impact on the pending DELCORA transaction. To the extent that I do not address certain topics in the surrebuttal testimony of other parties does not mean that I agree with their arguments, positions, or recommendations, and I rely on my direct and rebuttal testimony where those positions are addressed or would be applicable to multiple parties' positions.

5. Q. Are you sponsoring any exhibits with your rejoinder testimony?

A. No.

II. BENEFITS OF THE PROPOSED MERGER

6. Q. Do any of the other parties make any claims regarding the purported benefits and operational synergies of the merger?

A. Yes. I&E witness D.C. Patel makes many claims about the purported benefits and synergies of the proposed merger.

7. Q. Please identify the aspect of his claims to which you will respond.

A. While Mr. Patel agrees that Aqua PA may benefit from American Water's research and development and operating training programs, he does not believe that these benefits should be "categorized as a source of substantial public benefits absent integration of business operations and info about measured true benefits to be realized by Aqua PA." (I&E St. No. 1-SR, p. 32.) Mr. Patel also states that all utilities are required to implement necessary efficiency measures with or without the merger to "provide adequate, efficient, safe, reliable, and reasonable utility services under 66 Pa C.S. § 1501." (*Id.*) Therefore, all utilities are required to implement necessary efficiency measures with or without the merger to provide safe and reliable services.

8. Q. Do you agree with Mr. Patel?

A. Mr. Patel seems focused on finding a deficiency in Aqua PA's service in order for there to be a benefit conferred by the Merger. I simply note that Aqua PA will see further improvements to its service post-merger after being able to learn, cross-train, and take advantage of American Water's resources.

III. THE PENDING DELCORA TRANSACTION

9. Q. Do any of the other parties make claims about the merger's impact on the pending DELCORA transaction?

A. Yes. DelCo's witness Christine Reuther makes many claims about the merger's impact on the pending DELCORA transaction.

10. Q. Please identify the aspect of her claims to which you will respond

A. Ms. Reuther states that I have failed to rebut that the DELCORA Asset Purchase Agreement will be unenforceable if the merger closes. (DelCo St. No. 1-SR, p. 12.) Further, she states that I have provided no details as to how the proposed DELCORA transaction will benefit customers, particularly given that control of Aqua PA's subsidiary, Aqua Pennsylvania Wastewater, Inc., would fundamentally change as a result of the merger. (*Id.*) She believes that if the Joint Applicants are able to reach a resolution to the outstanding DELCORA issues arising from the merger and provide certainty to all parties involved, it would be a significant benefit and avoid future legal disputes. (DelCo. St. No. 1-SR, p. 13.)

11. Q. How do you respond to Ms. Reuther's claims?

A. It appears that Ms. Reuther is testifying about a legal matter in terms of the DELCORA agreement. While I disagree with Ms. Reuther's position regarding whether the DELCORA agreement would be void, this matter will be addressed by counsel in briefing. The benefits associated with the DELCORA acquisition are set forth in that proceeding.

IV. CONCLUSION

12. Q. Does this conclude your rejoinder testimony?

A. Yes, it does.

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., LLC, AND PEOPLES NATURAL GAS COMPANY LLC	**DOCKET NO. A-2025-3058927** **DOCKET NO. A-2025-3058928** **DOCKET NO. A-2025-3058929**

VERIFICATION

I, Colleen Arnold, hereby declare that I am the President, Aqua at Essential Utilities, Inc., that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.

Colleen Arnold

DATE: July 29, 2026

Colleen Arnold
President, Aqua
Essential Utilities, Inc.

JOINT APPLICANTS
STATEMENT NO. 4

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

DOCKET NO. A-2025-

DIRECT TESTIMONY

WITNESS: MICHAEL HUWAR

SUBJECT: OVERVIEW OF PEOPLES NATURAL GAS COMPANY LLC MANAGEMENT AND OPERATIONS; INFRASTRUCTURE IMPROVEMENT EFFORTS; CUSTOMER COMMITMENTS; BENEFITS OF THE MERGER

DATED: NOVEMBER 26, 2025

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DIRECT TESTIMONY
OF
MICHAEL HUWAR

I. INTRODUCTION AND BACKGROUND

1. Q. Please state your name and business address.

A. My name is Michael Huwar. My business address is 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

2. Q. By whom are you employed and what is your position?

A. I am employed by Peoples Natural Gas Company LLC ("Peoples"), as the President. Peoples is a wholly owned subsidiary of Essential Utilities, Inc. ("Essential") f/k/a as Aqua America, Inc. Aqua Pennsylvania, Inc. ("Aqua PA"), including Aqua PA's subsidiary, Aqua Pennsylvania Wastewater, Inc. ("Aqua PA WW"),[1] two of the other applicants in this proceeding, are also owned by Essential and are affiliates of Peoples.

3. Q. Please describe your education and professional experience.

A. I hold an undergraduate degree from the University of Pittsburgh. I am the corporate officer responsible for Peoples and its various departments including but not limited to Operations, Construction, Pipeline Safety and Compliance, Damage Prevention, Sales, Customer Service and Community Relations. Prior to my time at Peoples, I held various positions with Columbia Gas of Pennsylvania, Inc. ("Columbia") and its parent company, NiSource Inc. from 1986 through 2020, including President and Chief Operating Officer of Columbia Gas of Pennsylvania, Inc. and Columbia Gas of Maryland, Inc. While at Columbia/NiSource, I also

[1] Unless otherwise specified herein, references to Aqua PA also include Aqua PA WW, which is a wholly-owned subsidiary of Aqua PA.

served as Vice President and General Manager, Operations for Columbia Gas of Virginia, Inc., Vice President of Sales, Vice President of Products and Services, and Director of Large Customer Relations. From 2015 through 2017, I served as Vice President of Marketing for Columbia Midstream, a subsidiary of Columbia Pipeline Group and TransCanada/TC Energy.

4. Q. What are your current job responsibilities with Peoples?

A. As President, I have the overall responsibility of leading the business and establishing the strategic plan for Peoples. My principal role is setting and executing on Peoples' strategic goals which prioritize the operation and maintenance of a safe and reliable natural gas distribution system from which we serve our customers and communities.

Safety and reliability are the top priorities at Peoples and, as such, I oversee the modernization of Peoples' infrastructure to maintain the overall safety and integrity of our natural gas delivery system. From that system, we meet the natural gas distribution needs of our customers in 18 counties in Western Pennsylvania.

5. Q. On whose behalf are you submitting this testimony?

A. I am submitting this testimony on behalf of Peoples, one of the "Joint Applicants" in this proceeding. The Joint Applicants are comprised of Aqua PA, Aqua PA WW, and Peoples, along with American Water Works Company, Inc. ("American Water"), Alpha Merger Sub, Inc. ("Merger Sub"), and Essential. The Joint Applicants are requesting all necessary authority, approvals, and Certificates of Public Convenience from the Pennsylvania Public Utility Commission ("PUC" or

"Commission") to lawfully effectuate the merger of Essential and American Water (the "Merger").

6. Q. Have you previously provided written testimony before the PUC or any other regulatory commission?

A. Yes. I submitted testimony in Peoples' most recent base rate proceeding at Docket No. R-2023-3044549. I also submitted testimony in the proceeding that merged Peoples Gas Company LLC (formerly T.W. Phillips) into Peoples at Docket Nos. A-2021-3029831 and A-2021-3029833. This merger of the two gas distribution companies was approved by the Commission on August 25, 2022. While at Columbia, I submitted testimony in support of its base rate proceedings before the Commission at Docket Nos. R-2018-2647577 and R-2020-3018835.

7. Q. What is the purpose of your direct testimony?

A. The overall purpose of my direct testimony is to support 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. 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*" (hereinafter, "Merger Application").

More specifically, the purpose of my testimony is to provide an overview of Peoples; discuss the current and post-merger management of Peoples; discuss Peoples' current infrastructure improvement and replacement efforts; discuss

Peoples' customer and community commitments; provide an overview of Peoples' satisfaction of prior settlement comments; and further attest to and support the substantial affirmative public benefits associated with the Merger.

II. OVERVIEW OF PEOPLES

8. Q. Please describe Peoples.

A. Peoples is a limited liability company formed under the laws of the Commonwealth of Pennsylvania for the purpose of providing natural gas transmission, distribution, and supplier of last resort services to customers subject to the Commission's regulatory jurisdiction. Peoples provides natural gas services to approximately 700,000 customers in all or portions of the following Pennsylvania counties: Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Clarion, Clearfield, Fayette, Greene, Indiana, Jefferson, Lawrence, Mercer, Somerset, Venango, Washington and Westmoreland.

Peoples is an indirect subsidiary of Essential, which was registered in Pennsylvania in 1968, originally as Philadelphia Suburban Corporation, and subsequently Aqua America, Inc. As noted above, Aqua PA and Aqua PA WW are also subsidiaries of Essential and affiliates of Peoples.

III. MANAGEMENT OF PEOPLES

9. Q. How is Peoples currently managed?

A. As President of Peoples, I have a team of gas professionals that oversee gas operations, reliability, sales and marketing, construction and engineering, and strategy and corporate development. Peoples has a dedicated workforce including employees in geographic information system and asset management, safety,

engineering, pipeline project management, and large volume sales. Peoples' management is driven by compliance and safety metrics to provide the best possible service to our customers. Key metrics include gas safety compliance, execution of the capital plan, which includes the Long-Term Infrastructure Improvement Plan ("LTIIP"), facility damages, and compliance with all Pipeline and Hazardous Materials Safety Administration and PUC rules and regulations.

10. Q. How will the structure and management of Peoples change as a result of the acquisition?

A. Peoples' management will continue to have day-to-day responsibility, authority and resources to provide safe, reliable, and efficient natural gas distribution service. Peoples will continue to develop its own budgets and business plans.

11. Q. Will Peoples continue to have the technical fitness necessary to operate a natural gas distribution company ("NGDC") following the acquisition by American Water?

A. Yes. The Peoples' management team, which has all of the experience and skill necessary to effectively manage and operate an NGDC, will remain in place following the Merger. In addition, the Peoples' team will be further supported by American Water's expertise in regulated utility operations.

IV. PEOPLES' PIPELINE INFRASTRUCTURE REPLACEMENT EFFORTS

12. Q. Please describe Peoples' current LTIIP.

A. Peoples has had an LTIIP in place since 2013. Peoples current LTIIP, which is its second combined LTIIP, is for the period of 2021 – 2025 ("Second LTIIP"). Under its Second LTIIP, for the period of 2021-2025, Peoples will have invested more than $1.9 billion to modernize its natural gas infrastructure. Over that same five

year period, Peoples will have replaced more than 880 miles of aging pipeline infrastructure. Peoples is currently on track to meet or exceed its LTIIP commitments by the end of 2025.

13. Q. Has Peoples filed a Third LTIIP for Commission approval?

A. Yes. Peoples filed a Third LTIIP with the Commission for the period of 2026 – 2030 at Docket No. P-2025-3057167. Peoples Third LTIIP is currently pending Commission approval. Under the Third LTIIP, Peoples is proposing to invest more than $3 billion in infrastructure improvements to strengthen and modernize its facilities. Peoples plans to replace approximately 930 miles of cast iron, wrought iron, bare steel, a subset of first-generation plastic, and a subset of other coated steel mains during the term of the Third LTIIP. The Third LTIIP also includes the projected installation of approximately 124,000 new Intelis Meters each year. The Intelis Meters contain advanced safety features and are designed to provide real-time monitoring of gas pressure at the point of service, enabling early detection of anomalies that could indicate leaks, pressure drops or other potentially hazardous conditions. The deployment of Intelis Meters will contribute to a safer natural gas delivery system, providing benefits for both customers and field personnel.

14. Q. How will Peoples meet its capital requirements after the acquisition?

A. After the Merger, Peoples will evaluate all available options to meet its capital requirements, including continuing to issue its own debt along with leveraging the

ability to obtain additional capital funding from American Water Capital Corp. ("AWCC").[2]

V. CUSTOMER COMMITMENTS

15. Q. Please explain Peoples' programs for assisting low-income customers.

A. Peoples offers a suite of programs that are designed to support our income qualified customers in two key ways: improving affordability and helping ensure our customers maintain safe natural gas service. Several of the programs we offer and promote to our customers are centered around affordability. Our flagship program is the Customer Assistance Program ("CAP"), which provides a monthly payment based on income. The CAP has tiers of benefits, providing lowest payments from those with the lowest incomes. Peoples' traditional CAP serves customers up to 150% of the Federal Poverty Level ("FPL"). Peoples also has a CAP expansion program that expands eligibility to customers with incomes between 151% to 200% of the FPL, which was designed to assist customers who have significant arrears but do not qualify for assistance from the Low Income Energy Assistance Program ("LIHEAP") and the traditional CAP. Peoples also maintains a hardship fund, administered by Dollar Energy Fund, that provides customer grants to customers in need.

Peoples' customers have access to LIHEAP. Not only do we promote LIHEAP through bill inserts and paid media, but we also provide extensive training to our contact center staff so that they refer all customers appearing to be potentially

[2] As Mr. Bowler notes, American Water is evaluating the extent to which it intends to utilize AWCC for Peoples.

eligible. Our contact center is able to mail applications to customers with their county assistance office information pre-filled to assist them in submitting a timely application for assistance.

Conservation is also important to maintaining affordable bills and Peoples' offers a Low Income Usage Reduction Program that provides significant home improvements, such as air sealing, attic insulation, and replacement of heating equipment when needed. And, Peoples' has lowered the annual usage threshold required to participate in its program from 140 thousand cubic feet ("MCF") to 120 MCF to increase access for more households.

As I mentioned earlier, in addition to affordability, we recognize how important it is that we have safety nets for our vulnerable families and seniors. We operate an Emergency Repair Program ("ERP") that fully covers the cost of repair or replacement of heating systems and gas lines that are usually the responsibility of the homeowner. When cooler weather arrives, many of our homeowners, particularly seniors, find their heating system is not working and do not have the funds to address these emergencies. Since October 1 of this year, we have already handled the repair or replacement of more than 65 heating systems through ERP. In addition to homeowners, we can also use up to 25% of our annual budget in service to renters whose landlords are unable to complete the necessary repairs.

Finally, I would like to highlight the work our team takes on through the Customer Assistance Referral and Evaluation Services ("CARES") program. We have a strong CARES team that includes professionals in social work and related fields. These team members provide support to vulnerable customers that goes

beyond the gas bill. They also guide customers to other basic needs services such as food pantries and social services. While many of these customers come to this team through our contact center, we also recognize our field employees see situations they may not be able to handle on their own. That is why, several years ago, we launched a "Help At Peoples Now" ("HAPN") direct phone line from our field team to our CARES team. Our field employees can call the HAPN line directly to help customers with issues such as furnaces they must red-tag due to safety or to stop the termination of a senior. At Peoples, we recognize that all of our employees care about our customers, particularly those that are most vulnerable. We strive to provide employees with the tools to help those in need.

16. Q. Will the acquisition of Peoples affect its commitments to low-income customers?

A. No.

17. Q. Will the Peoples' billing or customer information system change as a result of the acquisition?

A. No. Peoples' billing and customer information system will not change immediately upon closing.

VI. PUBLIC BENEFITS

18. Q. Please briefly describe Peoples' experience under Essential ownership.

A. Since 2020, Essential has owned and managed Peoples and has met the commitments in the Commission's Order entered January 24, 2020 approving Essential's acquisition of Peoples[3] at Docket Nos. A-2018-3006061, A-2018-

[3] Peoples Gas was merged into Peoples Natural Gas in 2022. *See* Docket Nos. A-2021-3029831 and A-2021-3029833.

3006062 and A-2018-3006063("Aqua-Peoples Acquisition").[4] Under Essential's ownership, Peoples has been able to benefit from the sharing of best practices with Aqua PA, and other operating utilities under Essential's ownership.

19. Q. Can you discuss how the Merger will further advance the benefits and improvements Peoples realized under Essential ownership?

A. Peoples will be able to further leverage the best practices and resources of American Water and its operating utilities. Peoples has benefitted from access to additional sources of capital under Essential's ownership, which has facilitated and accelerated Peoples' infrastructure work and allowed it to meet or exceed LTIIP commitments. Peoples expects that it will continue to have access to additional sources of capital under American Water's ownership, as well as experience the financial benefits more fully explained in Mr. Schuller's testimony (Joint Applicants Statement No. 5).

Peoples and American Water will also benefit from their respective large concentrations of customers and systems in Western Pennsylvania. Peoples' headquarters will remain in Pittsburgh through at least January 31, 2029 consistent with the commitments made in the Aqua-Peoples Acquisition. The day-to-day operations of Peoples will continue to be locally managed by dedicated local employees serving our customers and living in and giving back to our communities. American Water is committed to maintaining Peoples' charitable giving levels in

[4] Since the Commission's approval of the Aqua-Peoples Acquisition, Aqua and Peoples have supplied annual status reports to the Commission. The most recent report was submitted at Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063 on January 31, 2025, and is available at https://www.puc.pa.gov/pcdocs/1864606.pdf. As shown therein, the majority of the commitments have been completed or are of an ongoing nature.

its service areas for at least two years after completion of the Merger. American Water will also be able to leverage Peoples' strong corporate presence in Pittsburgh, Pennsylvania, as a means to enhance its physical corporate presence in Western Pennsylvania.

American Water is also committed to maintaining the workforce, operational facilities, and offices to support the continued provision of safe, reliable, sustainable, and affordable natural gas service. This includes honoring all Peoples collective bargaining agreements under their current terms. In addition, the Merger will also allow both Peoples and American Water to enhance their communication efforts when coordinating infrastructure improvement projects

Finally, I want to specifically highlight Peoples' success with respect to the Goodwin Tombaugh ("GT") gathering system, and satisfaction of the commitments made as a part of the Commission's approval of the Aqua-Peoples Acquisition. Our success with the GT system is an example of the beneficial work for customers that Peoples accomplished under Essential ownership, which we will be able to build on with American Water following the Merger. Peoples expects that it will continue to meet its obligations with respect to the GT gathering system under American Water's ownership as it continues to implement a long-term solution to ensure the safety and reliability of this system.

20. Q. Do you have any concerns that the Merger will impact the retail natural gas market?

A. No, I do not. As outlined in Ms. Norton's direct testimony, American Water does not own or operate any companies that directly or indirectly compete with Peoples. As American Water has confirmed, the Merger itself will not result in any change in gas rates or changes to the gas operations or customer choice programs of Peoples. The Merger, therefore, would not result in anti-competitive or discriminatory conduct in the retail market for natural gas in Pennsylvania.

VII. CONCLUSION

21. Q. Does this conclude your direct testimony?

A. Yes, it does. I reserve the right to supplement my testimony as necessary if additional issues arise during the course of this proceeding.

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

DOCKET NO. A-2025-_____

VERIFICATION

I, Michael Huwar, hereby declare that I am the President, Peoples Natural Gas Company LLC at Essential Utilities, Inc., that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Statement are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.

DATE: November 26, 2025

Michael Huwar
President, Peoples Natural Gas Company LLC
Essential Utilities, Inc.

JOINT APPLICANTS
STATEMENT NO. 4-R

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

DOCKET NOS. A-2025-3058927, A-2025-3058928 AND A-2025-3058929

REBUTTAL TESTIMONY

WITNESS: MICHAEL HUWAR

SUBJECT: BENEFITS OF THE PROPOSED MERGER; PIPELINE REPLACEMENT; PRIOR PEOPLES SETTLEMENT TERMS; VARIOUS COMMITMENTS AND CONDITIONS; CUSTOMER SERVICE PERFORMANCE

DATED: JUNE 25, 2026

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REBUTTAL TESTIMONY
OF
MICHAEL HUWAR

I. INTRODUCTION AND PURPOSE OF TESTIMONY

1. Q. Please state your name and business address.

A. My name is Michael Huwar. My business address is 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

2. Q. By whom are you employed and in what capacity?

A. I am the President of Peoples Natural Gas Company LLC ("Peoples"). Peoples is a natural gas distribution company and an indirect subsidiary of Essential Utilities, Inc. ("Essential").

3. Q. Have you previously filed testimony in this matter?

A. Yes. I provided direct testimony in this matter.

4. Q. What is the purpose of your rebuttal testimony?

A. In my testimony, I respond to the Bureau of Investigation & Enforcement's ("I&E's"), the Office of Consumer Advocate's ("OCA's"), and the Office of Small Business Advocate's ("OSBA's") direct testimony. The topics address the benefits of the proposed merger, continued pipeline replacement measures, adherence to prior commitments and settlement conditions, and customer service performance objectives.

5. Q. Have you prepared any schedules in support of your rebuttal testimony?

A. Yes, please see **Joint Applicants Exhibit MH-1R** attached to my rebuttal testimony.

6. Q. How is the remainder of your rebuttal testimony organized?

A. Following this introduction, my testimony proceeds as follows: Section II responds to I&E's claims regarding various benefits and operational synergies of the proposed merger; Section III responds to I&E's claims regarding pipeline replacement commitments; Section IV responds to I&E's request that its prior settlement conditions with Peoples are honored;

Section V responds to OCA and OSBA's claims regarding various commitments and conditions to the proposed merger; and Section VI responds to portions of OCA's claims regarding customer service performance objectives.

II. BENEFITS OF THE PROPOSED MERGER

7. Q. Do any of the other parties make any claims regarding the purported benefits and synergies of the merger?

A. Yes. I&E witness D.C. Patel makes many claims about the purported benefits and synergies of the proposed merger, or lack thereof.

8. Q. Please identify the aspect of his claims to which you will respond.

A. I will respond to his claim that "there is a clear lack of synergies and economies of scale" between Peoples, American Water, and Essential because, while American Water and Essential focus on the water and wastewater industry, Peoples is focused on a different industry type, natural gas distribution. (I&E St. No. 1, p. 26.) He also states that these differences in industry require different safety standards and expertise, and Peoples could be seen as secondary to American's Water's water strategy. (I&E St. No. 1, pp. 26-27.)

9. Q. Do you agree with Mr. Patel?

A. Mr. Patel's assessment that natural gas is a different industry than water/wastewater is correct, but respectfully, not the point. In 2020, Peoples merged with and into Aqua America (a pure water/wastewater utility holding company), together becoming Essential. Since the 2020 ownership change, Peoples has proven that safety does not change or decline when parent company ownership changes.

Peoples, as an operating subsidiary of Essential, and if this merger is approved, as an operating subsidiary of American Water, currently has and will continue to have the resources and expertise necessary to carry out its core mission. Peoples' core mission is to

provide safe, reliable, and sustainable natural gas distribution service to its customers – that mission will remain in place after this merger.

Peoples disagrees with Mr. Patel that it will be seen as secondary to American Water's water strategy. American Water has stated that it is aware of Peoples' responsibilities and requirements as a natural gas utility. Further, American Water has stated that it does not expect Peoples' stated goals for pipeline replacement work to be impacted by the merger. Ms. Norton addresses these claims more fully in her rebuttal testimony.

III. PIPELINE REPLACEMENT

10. Q. Do any of the other parties make any claims regarding pipeline replacement commitments?

A. Yes. I&E witness Robert Gobrecht makes many claims regarding Peoples' pipeline replacement commitments.

11. Q. Please identify the aspect of his claims to which you will respond.

A. I&E witness Robert Gobrecht states that Peoples must implement a Distribution Integrity Management Program ("DIMP") in accordance with federal regulations and submit a Long-Term Infrastructure Improvement Plan ("LTIIP") to recover costs for the repair, improvement, and replacement of eligible property under the Distribution System Improvement Charge ("DSIC"). (I&E St. No. 3, pp. 3-10.) Further, he believes that pipeline replacement should be risk-based and driven by the DIMP. (*Id.*, p. 7.)

12. Q. How do you respond to Mr. Gobrecht?

A. Peoples agrees that pipeline replacement should be risk-based and driven by DIMP. Peoples' DIMP and Commission-approved LTIIP are both risk-based and consistent with Mr. Gobrecht's recommendations.

13. Q. Does I&E witness Gobrecht make any other claims regarding Peoples' pipeline replacement commitments?

A. Yes. I&E witness Gobrecht states that Peoples has replaced 891 miles under the LTIIP, and its at-risk distribution pipeline replacement is planned to be completed by 2038. (I&E St. No. 3, pp. 8-9.) He believes that the riskiest assets that should be prioritized for replacement are bare steel, cast iron, wrought iron, Aldyl-A, and unknown pipe material. (I&E St. No. 3, p. 9.) Further, he states that American Water is aware of Peoples' pipeline replacement program and indicated its goals will be unaffected by the merger. (I&E St. No. 3, p. 10.)

14. Q. Do you agree with Mr. Gobrecht?

A. Peoples generally agrees that some of its riskiest assets include bare steel, cast iron, wrought iron, Aldyl-A, and unknown pipe material (which Peoples categorizes as bare steel from a risk perspective). Peoples submits that its DIMP is updated annually based on risk and as such its riskiest assets are constantly being assessed and prioritized accordingly.

15. Q. Does I&E witness Gobrecht make any other claims regarding Peoples' pipeline replacement commitments?

A. Yes. I&E witness Gobrecht believes that Peoples should continue to adhere to the commitments of its continued pipe replacements and provide quarterly information on progress on right-of-way issues and completion of the remaining 2.8 miles of bare steel pipe within the Goodwin/Tombaugh system. (I&E St. No. 3, pp. 10-11.) Further, he believes Peoples should perform an evaluation, including meter accuracy and leakage rates, to determine the cause of high unaccounted for gas ("UFG") rates. (I&E St. No. 3, p. 13.)

16. Q. How do you respond to Mr. Gobrecht?

A. Peoples has met and will continue to meet its Goodwin Tombaugh System commitments, which originated from the Aqua/Peoples Settlement in 2020. Peoples currently reports on

its Goodwin Tombaugh progress on a biannual basis and can commit to doing so until the remaining 2.8 miles of bare steel pipe replacement is completed. If, after the last 2.8 miles of bare steel pipe are replaced and UFG rates have not been properly levelized, Peoples can commit to performing an evaluation to determine the cause of UFG rates, including meter accuracy and leak rates.

IV. PEOPLES' PRIOR SETTLEMENTS WITH I&E

17. Q. Do any of the other parties make any claims regarding Peoples' prior settlement commitments with I&E?

A. Yes. I&E witness Gobrecht recommends that the Joint Applicants be required to continue to abide by the following commitments Peoples has made with I&E: (1) implementing corrective actions and incident response under Docket No. C-2024-3050319; (2) implementing a QA/QC component within its damage prevention program under Docket No. M-2025-3052089; (3) incorporating regulator stations into the DIMP plan using a risk model, and including bypass valve operation in pre-job briefing under Docket No. M-2023-3024990; and (4) requiring an update to the design process regarding temporary meter and regulator stations under Docket No. M-2022-3028365. (I&E St. No. 3, pp. 13-14.)

18. Q. How do you respond to Mr. Gobrecht?

A. Peoples agrees to abide by the Commission-approved settlement commitments that are outlined in Docket No. C-2024-3050319. *See* **Joint Applicants Exhibit HW-1R** for a copy of the 17 commitments, which Peoples is actively addressing at this time. Further, Peoples will continue to abide by its commitment to implementing a QA/QC component within its damage prevention program under Docket No. M-2025-3052089; incorporating regulator stations into its DIMP plan using a risk model, and including bypass valve operation in pre-job briefing under Docket No. M-2023-3024990; and requiring an update

to the design process regarding temporary meter and regulator stations under Docket No. M-2022-3028365.

V. VARIOUS COMMITMENTS AND CONDITIONS OF THE PROPOSED MERGER

19. Q. Do any other parties make any claims regarding various commitments and conditions of the proposed merger?

A. Yes. OCA witness Ralph Smith states that, as part of the standard of review that must be met in order for the proposed transaction to be approved by the Commission, the Commission must consider the Natural Gas Choice and Competition Act, which requires the Commission to determine whether a transaction is likely to result in anticompetitive or discriminatory conduct, including unlawful exercise of market power. (OCA St. No. 1, p. 22.)

20. Q. Do you believe the standard described by Mr. Smith will be met?

A. The Natural Gas Choice and Competition Act applies to and provides protections for Pennsylvania natural gas distribution customers, natural gas distribution companies, and natural gas suppliers. The proposed transaction will not result in any anticompetitive conduct or discriminatory behavior, as this is a change in control, not a merging of natural gas utilities and suppliers. Moreover, there are no unregulated natural gas supply affiliates at issue in this proceeding.

The proposed transaction will not result in any unlawful exercise of natural gas market power. This transaction does not involve the merging of natural gas distribution companies or unregulated supplier companies. The current natural gas competitive retail market in Pennsylvania will not be impacted by this proposed transaction.

Finally, the proposed transaction will have no impact on Pennsylvania retail natural gas consumers, who will continue to enjoy the benefits of and access to the competitive natural gas market in Pennsylvania.

21. Q. Does Mr. Smith make any other claims regarding various commitments and conditions of the proposed merger?

A. Yes. OCA witness Smith states that American Water shall maintain a qualified management team to operate Peoples following the proposed transaction. (OCA St. No. 1, p. 17-18.) Mr. Smith also recommends that Peoples headquarters remain in Pittsburgh for a period of five years following completion of the merger. (*Id.*)

22. Q. How do you respond to these recommendations?

A. It is my understanding that American Water agrees that Peoples will maintain a qualified management team with the necessary natural gas expertise to operate Peoples following the proposed transaction. It is also my understanding that American Water has committed to maintaining Peoples' headquarters in Pittsburgh for a period of five years. Peoples' current lease ends in 2029 and as such, Peoples will evaluate its lease options while adhering to its commitment to remain in Pittsburgh for five years. Ms. Norton addresses these commitments more fully in her rebuttal testimony.

23. Q. Does Mr. Smith make any other claims regarding various commitments and conditions of the proposed merger?

A. Yes. OCA witness Smith states that at least one member of the American Water board of directors shall have substantial experience in natural gas. (OCA St. No. 1, pp. 79, 81.)

24. Q. How do you respond to this recommendation?

A. Ms. Norton addresses this condition more fully in her rebuttal testimony, but it is noteworthy that Christoper Franklin, who has substantial experience in natural gas, will

become a member of American Water's Board of Directors immediately following the Merger.

25. Q. Does Mr. Smith make any other claims regarding various commitments and conditions of the proposed merger?

A. Yes. OCA witness Smith states that American Water shall preserve Peoples' pipeline safety commitments. (OCA St. No. 1, pp. 84-85.)

26. Q. How do you respond to this recommendation?

A. American Water has stated that it is aware of the responsibility and requirements regarding Peoples' pipeline replacement program and that it does not expect Peoples' stated pipeline replacement goals to be affected by the Merger. Moreover, pipeline safety commitments are rooted in federal and state law, and both American Water and Peoples will abide by federal and state pipeline safety standards.

27. Q. Do any other parties make any claims regarding various commitments and conditions of the proposed merger?

A. Yes. OSBA witness Celia Hashlamoun believes that the Commission should require Peoples to maintain separate operational, safety, engineering, compliance, and regulatory reporting functional areas for five years after closing. (OSBA St. No. 2, pp. 5, 16.) Thereafter, natural gas operational and safety functions should remain under Peoples' management and not be consolidated into the broader corporation without commission approval. (*Id.*)

28. Q. How do you respond to this recommendation?

A. Peoples retains an experienced and competent gas management team, and Peoples (and American Water) agrees to maintain a qualified management team with the necessary natural gas expertise to operate Peoples following the proposed transaction. The proposed merger does not contemplate merging utility field operational functions; as such, gas

operations will remain with Peoples and will not be consolidated into a broader corporation. Nevertheless, it is important that Peoples maintains flexibility to take advantage of the resources American Water brings to Merger, including robust safety and engineering teams specifically highlighted by Ms. Arnold.

VI. CUSTOMER SERVICE PERFORMANCE

29. Q. Do any other parties make any claims regarding customer service performance?

A. Yes. OCA witness Barbara Alexander stated that as part of the settlement and Final Order in the 2020 Aqua and Peoples merger proceeding, Peoples committed to tracking its field operations appointments and continuing its standard of meeting 99% of all appointments for five years and maintaining an average emergency response time of 27.5 minutes. (OCA St. No. 2, p. 23.)

30. Q. Please explain whether those customer service performance objectives will continue to be met if the merger is approved.

A. Peoples can commit to tracking field operations appointments, continuing its standard of meeting 99% of all appointments for another five years, and maintaining an average emergency response time of 27.5 minutes. Peoples met those commitments after the settlement and Final Order in the 2020 Aqua and Peoples merger proceeding and will do so following this proposed transaction for a period of five years.

VII. CONCLUSION

31. Q. Does this conclude your rebuttal testimony?

A. Yes, it does. I reserve the right to supplement my rebuttal testimony as additional issues arise.

Joint Applicants Exhibit MH-1R

(10) Other relevant factors.

52 Pa. Code § 69.1201(c).[8]

The Commission will not apply the factors as strictly in settled cases as in litigated cases. 52 Pa. Code § 69.1201(b). While many of the same factors may still be considered, in settled cases, the parties "will be afforded flexibility in reaching amicable resolutions to complaints and other matters as long as the settlement is in the public interest." *Id.* The *Policy Statement* sets forth the guidelines we use when determining whether, and to what extent, a civil penalty is warranted.

B. Proposed Settlement

The Parties assert the proposed Settlement is in the public interest and should, therefore, be approved by the Commission. *See* Joint Petition at 22. In support, the Parties set forth the full Settlement Terms and Conditions at Pages 14 through 22 of the Joint Petition and prepared respective Statements in Support of the Settlement, attached as Appendix B and C to the Joint Petition. The essential Terms and Conditions of the Settlement are set forth in ¶ 36 of the Joint Petition, reproduced below:

> **A. <u>Civil Penalty</u>:**
>
> Peoples will pay a civil penalty in the amount of Three Hundred Twenty-Five Thousand Dollars ($325,000.00) pursuant to 66 Pa.C.S. § 3301(c). Said payment will be made within thirty (30) days of the entry date of the Commission's Final Order approving the Settlement Agreement and will be made by certified check or money order payable to the "Commonwealth of Pennsylvania." The docket number of this proceeding, C-2024-3050319, will be indicated with the

[8] Because the Commission's Regulations governing the factors and standards applicable to a determination of whether to impose a civil penalty were developed in *Rosi, supra,* these ten factors are commonly known as the "*Rosi* factors".

certified check or money order and the payment will be sent to:

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility
Commission Commonwealth
Keystone Building
400 North Street
Harrisburg, PA 17120

The civil penalty will not be tax deductible pursuant to Section 162(f) of the Internal Revenue Code, 26 U.S.C.S. § 162(f). Peoples will not seek recovery of any portion of any agreed upon total civil penalty amount in any future ratemaking proceeding.

B. Donation for the Purchase of Methane Detectors:

In addition to the civil penalty described above, Peoples will a [sic] make a donation in the amount of Fifty Thousand Dollars ($50,000.00) to Tyrone, PA, area fire departments for the purchase and distribution of methane detectors to local businesses and residents. Said donation will be made within thirty (30) days of the entry date of the Commission's Final Order approving the Settlement Agreement. Peoples will not seek recovery of any portion of any agreed upon total donation amount in any future ratemaking proceeding.

C. Recovery of Costs to Implement:

Peoples and I&E agree that any Settlement Agreement will not prohibit Peoples from seeking recovery of the costs it has incurred or may incur to implement the remedial actions identified in this Settlement.

D. Call Center Procedures and Responses:

Peoples will add language to its Call Center training materials and procedures that requires Call Center employees to ask the caller if they potentially damaged a Peoples facility when the caller indicates that they are a contractor. If the contractor's answer is yes or unknown, the Peoples' Call

Center employee shall instruct the caller to contact 911. Further, Peoples will add language to its Operations Center training materials and procedures that after dispatching the emergency Order for a potential pipeline damage, Peoples' Operations Center employees are required to call 911 to confirm that they were notified of potential pipeline damage and advise 911 that the Company is responding to a broken line.

E. Responding to Outdoor Leak Emergencies:

When responding to an outdoor leak emergency, if an on-site Peoples representative discovers suspected damage to its facilities during the course of the on-site investigation, the Peoples representative will notify its Operations Center to contact 911, as soon as safely and reasonably possible.

F. Complete Documentation:

Peoples will complete documentation (electronic or otherwise) of the initial site visit based on the best information available at that time and within a reasonable time after Peoples has deemed the situation safe.

G. Drug and Alcohol Testing:

Pursuant to the requirements in 49 CFR Part 199, if Peoples has an employee onsite at the time of a PHMSA reportable incident, Peoples will (a) test each surviving covered employee whose performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the incident; or (b) to document its decision not to test a covered employee.

H. Review of Leak Investigation Procedures:

Peoples will review its standard operating procedures, job procedures, and trainings related to leak investigations to ensure consistency across all Peoples documentation. Thereafter, the Company agrees to reconcile any inconsistencies across its procedures and trainings within twelve (12) months following the date of a Final Commission Order in this proceeding.

I. Retaining a Third-Party for Development of Trainings:

Peoples will retain a third-party consultant to compile all procedures and trainings related to emergency responses and develop trainings that are consistent with each other and the emergency response procedures in place. Peoples will engage the third-party consultant within three (3) months of a Final Commission Order in this proceeding.

J. Update Procedures Related to Evacuating and Contacting 911:

Peoples will update its procedures and trainings to provide detailed directions and indicate under what circumstances evacuating and contacting 911 emergency services is a necessary safety measure. The Company will initiate training related to these updated procedures within six (6) months of the updates.

K. Training on Updated Emergency Response Procedures:

Peoples will provide training for any updated processes or procedures related to emergency response within six (6) months of the effective date of any changes to said processes and procedures.

L. Submission of Incident Reports Pursuant to 49 CFR § 191.9:

Peoples will gather all required data for submission of a complete incident report electronically, as required under 49 CFR § 191.9. Peoples will use "best available" information at the time of submission to complete the electronic incident reports. As more information becomes available, Peoples agrees to file supplemental updates to the incident reports.

M. Collaboration with Electric Distribution Companies:

Peoples agrees to document when a request is made to the involved electric distribution company ("EDC") to shut off power to impacted premises. Peoples agrees to document when it determines and communicates to the EDC that it is safe to restore power to those premises. Peoples will actively engage with EDCs, in its service areas, to promote collaboration in responding to natural gas incidents.

N. Emergency Simulations:

Peoples will conduct emergency simulations for its Operation Center employees and for its Customer Contact Center employees on an ongoing basis, consistent with its procedures. The first emergency simulation, involving Operations Center employees and Customer Contact Center employees, will occur within six (6) months of a Final Commission Order in this proceeding.

O. Evaluation of Emergency Simulations and Trainings:

Peoples will enhance its annual Emergency Simulation training to evaluate the effectiveness of the simulations. The evaluation will be a combination of a quality assurance ("QA") analysis of the presentation and engagement of the exercise by the Compliance department, and a proficiency review of the field employees participating in the training. The QA analysis will evaluate the level of interactive participation by the employees and grade their ability to identify the appropriate procedures and actions necessary to respond to the emergency. Following the exercise, the employees will be tested to evaluate proficiency of their specific functional areas (i.e., FCS, O&M, GM&R, Leak Survey, etc.) related to the simulation.

Peoples will invite [I&E's Pipeline Safety Division (Pipeline Safety)] to observe trainings and simulations. After observing a training or simulation, Pipeline Safety personnel will be afforded the opportunity to provide comment, suggestions, or feedback for improvement to trainings and

simulations to Peoples. With the intention of improving its emergency response training, Peoples will give due consideration to any comments, suggestions, or feedback received from Pipeline Safety.

P. <u>Monitored Excavation Inspections</u>:

Peoples will perform periodic Monitored Excavation Inspections of the trenchless excavations it has direct notice or observation of, based on a risk-based approach in connection with a PA One Call ticket(s). During a Monitored Excavation Inspection of a PA One Call ticket that involves trenchless technology, Peoples agrees to verify that the contractor has employed prudent techniques to verify the location of the gas facilities potentially impacted. If the contractor fails to follow the requirement to employ prudent techniques, Peoples will take the following actions:

- Communicate with the contractor the One Call requirements to verify the position of the gas facilities during trenchless excavations;

- Submit an AVR to the Damage Prevention Council of notice of failure by the contractor to verify the position of the gas facilities during trenchless excavation;

- Document the conversation with the contractor and the submission of an AVR; and

- Generate a follow-up work order to revisit the project to verify the contractor adheres to the PA One-Call Law requirements for additional trenchless activity.

When attending a Complex Project pre-construction meeting, Peoples will question the project owner as to whether excavation includes trenchless technology to identify and flag the ticket as “trenchless.”

Q. <u>Implementation of Incident Command System ("ICS") Training</u>:

Peoples will implement Incident Command System ("ICS") Training for certain necessary job functions related to emergency response within six (6) months of a Final Commission Order in this proceeding.

Joint Petition at 15-19.

In its Statement in Support, I&E asserted that the Settlement, if approved, will provide substantial public benefits, including improved safety and emergency response procedures, improved emergency response training, increased inspections of trenchless excavations, and the purchase and distribution of methane detectors to businesses and residences in the Tyrone, PA, area. According to I&E, the Settlement includes valuable safety enhancements that go above and beyond what the Company could be required to implement if the matter were litigated and a decision were rendered based solely on provisions of the relevant state and federal regulations. Further, I&E contended that the Settlement is consistent with the Commission's *Policy Statement* factors and reflects a carefully balanced compromise of the interests of the Parties. Thus, I&E requested that the Commission approve the Settlement without modification. Joint Petition, Appendix B at 5-6, 9-17.

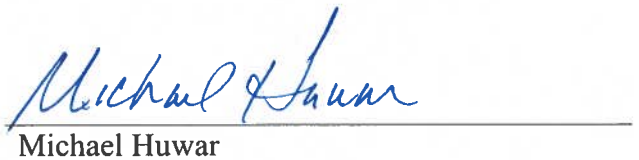
In its Statement in Support, Peoples argued that its actions were, at all times prior to, during and following the tragic incident, in full compliance with its established practices and procedures, written documents that had been previously reviewed and approved by I&E and compliant with state and federal pipeline safety laws and regulations. However, the Company submitted that, in light of the significant negotiations with I&E, it was appropriate to reach an amicable resolution that will benefit the public interest. Joint Petition, Appendix C at 3.

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., LLC, AND PEOPLES NATURAL GAS COMPANY LLC	**DOCKET NO. A-2025-3058927** **DOCKET NO. A-2025-3058928** **DOCKET NO. A-2025-3058929**

VERIFICATION

I, Michael Huwar, hereby declare that I am the President of Peoples Natural Gas Company LLC, that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.



DATE: June 25, 2026

Michael Huwar
President
Peoples Natural Gas Company LLC

JOINT APPLICANTS
STATEMENT NO. 4-RJ

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

DOCKET NOS. A-2025-3058927, A-2025-3058928 AND A-2025-3058929

REJOINDER TESTIMONY

WITNESS: MICHAEL HUWAR

SUBJECT: BENEFITS OF THE PROPOSED MERGER; POST-MERGER MANAGEMENT COMMITMENTS

DATED: JULY 29, 2026

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REJOINDER TESTIMONY OF MICHAEL HUWAR

I. INTRODUCTION

1. Q. Please state your name and business address.

A. My name is Michael Huwar. My business address is 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

2. Q. By whom are you employed and in what capacity?

A. I am the President of Peoples Natural Gas Company LLC ("Peoples"). Peoples is a natural gas distribution company and an indirect subsidiary of Essential Utilities, Inc. ("Essential").

3. Q. Have you previously filed testimony in this matter?

A. Yes. I submitted direct testimony with the Joint Application on November 26, 2025, and Rejoinder testimony marked as Joint Applicants Statement No. 4-R, filed on June 25, 2026.

4. Q. What is the purpose of your rejoinder testimony?

A. In my testimony, I respond to the Bureau of Investigation & Enforcement's ("I&E's") and the Office of Consumer Advocate's ("OCA's") surrebuttal testimony. The topics address the benefits of the proposed merger and Peoples post-merger management commitments. To the extent that I do not address certain topics in the surrebuttal testimony of other parties does not mean that I agree with their arguments, positions, or recommendations, and I rely on my direct and rebuttal testimony where those positions are addressed or would be applicable to multiple parties' positions.

5. Q. Are you sponsoring any exhibits with your rejoinder testimony?

A. No.

II. BENEFITS OF THE PROPOSED MERGER

6. Q. Do any of the other parties make any claims regarding the purported benefits and synergies of the merger?

A. Yes. I&E witness D.C. Patel makes claims about the purported benefits and synergies of the proposed merger.

7. Q. Please identify the aspect of his claims to which you will respond.

A. In his surrebuttal testimony, Mr. Patel reiterates that one of the benefits of a merger or acquisition is that the "consolidation of utilities with *similar business operations* produces efficiencies and cost savings resulting from synergistic opportunities." (I&E St. No. 1-SR, pp. 34-35.) Mr. Patel believes that because Peoples is a different utility type than the other water and wastewater utilities involved in the merger, it will "not provide synergies and economies of scale in gas business operations and resulting cost savings to customers. (I&E St. No. 1-SR, p. 35.) Further, Mr. Patel states there are no additional gas distribution operations owned and operated by American Water that could provide benefits as part of the merger. (*Id.*) Therefore, Mr. Patel concludes that Peoples is unlikely to meet the substantial affirmative public benefits standard required by the Pennsylvania Public Utility Code. (*Id.*)

8. Q. How do you respond to Mr. Patel?

A. The merging of different utility types does not mean that there will be an absence of synergies or economies of scale to leverage in this merger, nor does it mean that there will be no savings for customers. The Joint Applicants are in the process of identifying the ways in which they will share best practices with each other, share technology

platforms across the companies, and share professional services across companies. For example, Joint Applicant witness Norton states that

> the Merger will generate synergies and result in overall aggregate cost savings opportunities…related to (i) knowledge sharing and the standardization of processes, practices and training, (ii) consolidating the costs of highly-skilled industry professionals; (iii) technology sharing (including those that may arise from being on a full SAP platform), (iv) leveraging the size and scale of the combined company to maximize its purchasing power and obtain discounts on necessary goods and services, including but not limited to water treatment chemicals, pipe valves and fittings, meters, engineering services, consulting services, professional services, and employee benefits, and (v) financing efficiencies…

(JA St. No. 1-R, pp. 9-12.) Ms. Norton identifies several areas where the companies–gas, wastewater, and/or water–can work together to identify synergies and economies of scale. I believe that, at a minimum, in the areas of project management, supply chain management, and other professional services, the companies will find synergies and cost savings for customers.

III. POST-MERGER MANAGEMENT COMMITMENTS

9. Q. Do any of the other parties make any claims regarding post-merger management commitments?

A. Yes. OCA witness Ralph Smith makes claims about Peoples management after the merger.

10. Q. Please identify the aspect of his claims to which you will respond.

A. Mr. Smith argued that maintaining myself as the President of Peoples is not the same as having a seat on the post-merger American Water board of directors. (OCA St. No. 1-SR, p. 41.)

11. Q. Do you have a response to Mr. Smith's claims?

A. Yes. Mr. Smith is correct that the President of Peoples will not have a seat on the American Water board of directors. However, Mr. Smith fails to acknowledge two things. First, under the post-merger structure, the President of Peoples will report directly to Mr. John Griffith, American Water's Chief Executive Officer ("CEO"). This means that the natural gas operations will not be reported through water or wastewater operations, but rather the gas operations team will be directly accountable to American Water's CEO, as a separate and distinct function from the water/wastewater operations. This is important as the gas operations team has and will continue to have the necessary expertise to operate our natural gas systems safely and reliably, and will convey natural gas priorities and needs directly to Mr. Griffith.

Second, Mr. Smith also fails to acknowledge that the most important place for gas utility expertise is at the natural gas distribution company level. The natural gas distribution company level, or the subsidiary level, is the best place for gas expertise, as that is where the physical and direct supervision of the gas system occurs.

As Ms. Norton conveys in her rejoinder testimony, there is natural gas experience currently on the existing American Water board. (*See* JA St. No. 1-RJ, p. 3.) As evidenced by Ms. Norton and in my testimony, we have and will continue to have the requisite gas utility expertise to successfully and safely manage the gas business operations.

IV. CONCLUSION

12. Q. Does this conclude your rejoinder testimony?

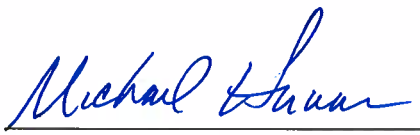
A. Yes, it does.

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., LLC, AND PEOPLES NATURAL GAS COMPANY LLC	**DOCKET NO. A-2025-3058927** **DOCKET NO. A-2025-3058928** **DOCKET NO. A-2025-3058929**

VERIFICATION

I, Michael Huwar, hereby declare that I am the President of Peoples Natural Gas Company LLC, that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.



DATE: July 29, 2026

Michael Huwar

President

Peoples Natural Gas Company LLC

JOINT APPLICANTS
STATEMENT NO. 5-R

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

DOCKET NOS. A-2025-3058927, A-2025-3058928 AND A-2025-3058929

REBUTTAL TESTIMONY

WITNESS: DANIEL J. SCHULLER

SUBJECT: CUSTOMER SERVICE PERFORMANCE; COST OF SERVICE STUDIES

DATED: JUNE 25, 2026

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REBUTTAL TESTIMONY
OF
DANIEL J. SCHULLER

I. INTRODUCTION AND PURPOSE OF TESTIMONY

1. Q. Please state your name and business address.

A. My name is Daniel J. Schuller. My business address is 762 West Lancaster Avenue, Bryn Mawr, PA 19010.

2. Q. By whom are you employed and in what capacity?

A. I am employed as the Executive Vice President and Chief Financial Officer of Essential Utilities, Inc. ("Essential"). I provide services to Essential, Aqua Pennsylvania, Inc. ("Aqua PA"), including Aqua PA's subsidiary Aqua Pennsylvania Wastewater, Inc. ("Aqua PA WW"),[1] and Peoples Natural Gas Company LLC ("Peoples").

3. Q. Have you previously filed testimony in this matter?

A. Yes. I submitted direct testimony with the Joint Application on November 26, 2025.

4. Q. What is the purpose of your rebuttal testimony?

A. In my testimony, I respond to the Bureau of Investigation & Enforcement's ("I&E's"), the Office of Consumer Advocate's ("OCA's"), the Office of Small Business Advocate's ("OSBA's"), and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania's ("CAUSE-PA's") direct testimony. The topics revolve around the customer service performance objectives and cost of service studies ("COSS").

5. Q. How is the remainder of your rebuttal testimony organized?

A. Following this introduction, my testimony proceeds as follows: Section II responds to OCA's claims regarding customer service performance objectives, Section III addresses OCA's and CAUSE-PA's recommendations regarding customer assistance programs, and Section IV responds to OSBA's recommendations related to Aqua PA's COSS.

[1] Unless otherwise specified herein, references to Aqua PA also include Aqua PA WW.

II. CUSTOMER SERVICE PERFORMANCE

6. Q. Please generally describe Essential's customer service operations.

A. Customer service for Essential's water subsidiaries is managed through customer service operations. The customer service operations respond to customer inquiries, maintain customer information systems and the customer self-service portal, provide billing and collections services, as well as many other customer service functions. Customer service for Essential's natural gas subsidiaries is managed through a similar model.

7. Q. Do any of the other parties make any claims regarding customer service performance?

A. Yes. OCA witness Barbara Alexander states that as part of the settlement and Final Order in the 2020 Aqua PA and Peoples merger proceeding,[2] Peoples committed to multiple customer service objectives, including meeting or exceeding the objectives of answering at least 82% of calls within 30 seconds, a 2.0% call abandonment rate, a 0% busy-out rate, a 0.008% rate of bills not rendered each billing period, a 0.15% rate of meters not read within six months, a 1% rate of company disputes not answered within 30 days, and an average emergency response time of 27.5 minutes. (OCA St. No. 2, p. 23.)

8. Q. Please explain whether those customer service performance objectives will continue if the merger is approved.

A. Peoples will continue to maintain these customer service performance objectives if the merger is approved. However, Peoples would note that if at any time any of the performance objectives are not achieved (e.g., due to extreme weather events), Peoples should be given the opportunity to explain the reason the objective was not achieved.

[2] *See* Docket Nos. A-2018-3006061, A-2018-3006062, and A-2018-3006063.

9. Q. Does OCA witness Alexander make any other claims regarding customer service?

A. Yes. OCA witness Alexander states that as part of the settlement and Final Order in the 2020 Aqua PA and Peoples merger proceeding, Aqua PA committed to improve its call center performance objectives by meeting or exceeding the objectives of answering at least 82% of calls within 30 seconds, having a busy-out rate of no more than 0.25%, and an average call abandonment rate no higher than 2.5%. (OCA St. No 2, p. 21.)

10. Q. Please explain whether those customer service performance objectives will continue if the merger is approved.

A. Aqua PA will continue to maintain these customer service performance objectives if the merger is approved. However, Aqua PA would note that if at any time any of the performance objectives are not achieved (e.g., due to extreme weather events), Aqua PA should be given the opportunity to explain the reason the objective was not achieved.

11. Q. Can you also list additional customer service quality and customer service performance objectives Aqua PA and Peoples will continue to follow after the closing of the merger?

A. Yes. As referenced in the direct testimony of OCA witness Alexander Exhibit BA-4, both Aqua PA and Peoples have made prior commitments in their most recent rate cases. Aqua PA and Peoples will continue to maintain those objectives, however, a number of these have been completed.

12. Q. Does OCA witness Alexander make any other claims regarding customer service?

A. Yes. OCA witness Alexander also stated that as part of the settlement and Final Order in the 2020 Aqua PA and Peoples merger proceeding, Peoples committed to meet the overall average performance customer survey results reflected in the 2017-2018 results. (OCA St. No. 2, p. 23.)

13. Q. Please explain whether those customer service performance objectives will continue if the merger is approved.

A. Essential views this regulatory condition as completed in the 2020 settlement and does not believe this condition should be included in this proceeding due to the historical context of the years cited in the prior settlement.

14. Q. Does OCA witness Alexander make any other claims regarding customer service?

A. Yes. OCA witness Alexander explains that as part of the settlement and Final Order in the 2020 Aqua PA and Peoples merger proceeding, Aqua PA agreed to develop a live Excel spreadsheet system to track customer complaints, review the information by conducting a root cause analysis of adverse trends, and, within 24 months, reduce the average number of days to respond to customer complaints to less than 10 days. (OCA St. No. 2, p. 22.)

15. Q. Please explain whether those customer service performance objectives will continue to be met if the merger is approved.

A. Yes, Aqua PA will continue to track these objectives.

16. Q. Does OCA witness Alexander make any other claims regarding customer service?

A. Yes. OCA witness Alexander explains that as part of the settlement and Final Order in the 2020 Aqua PA and Peoples merger proceeding, Aqua PA agreed to provide a yearly report to OCA, I&E, and OSBA for five years demonstrating the achievement of its service quality objectives. (OCA St. No. 2, p. 22.)

17. Q. Please explain whether those customer service performance objectives will continue to be met if the merger is approved.

A. While our commitment under the 2020 merger proceeding has expired, Aqua PA and Peoples will resume providing a yearly report on the service quality objectives for five years after closing.

III. CUSTOMER ASSISTANCE PROGRAMS

18. Q. Do any other parties make any claims regarding customer assistance programs?

A. Yes. Both OCA witness Alexander and CAUSE-PA witness Patrick Cicero make claims regarding customer assistance programs.

19. Q. Please describe the aspects of their claims to which you will respond.

A. I will describe the Customer Assistance Programs ("CAPs") of Aqua PA and Peoples that are discussed in the testimony of OCA witness Alexander and CAUSE-PA witness Cicero.

Aqua PA operates a suite of programs to assist income-eligible households. Aqua PA's CAP provides generous monthly bill discounts based on four tiers of income, providing the highest discounts to those with the lowest incomes. If an applicant enrolls with existing arrears, those arrears are frozen from collection while the customer participates in CAP. As customers pay their reduced bills each month, they receive a $40 credit towards those frozen arrears to reduce the balance to zero over time. Aqua PA also encourages conservation through its conservation kits, as well as a comprehensive leak repair program that addresses both inside leaks that are causing high usage bills and outside line leaks. Finally, Aqua PA offers a hardship grant called Aqua Aid to provide a further safety net for income-eligible customers who may have fallen behind on bills or received a high bill from an unknown leak.

Similarly, Peoples provides substantial programs to support its income-eligible customers. Its CAP also offers a four-tiered income-based bill reduction program that includes an arrearage forgiveness benefit for arrearages accrued prior to enrolling in the program. Peoples' customers have access to home weatherization through the Low Income Usage Reduction Program ("LIURP") and emergency support with failing heating systems and gas lines through the emergency repair program. Similar to Aqua Aid, Peoples'

customers may also receive hardship grant assistance through its program at Dollar Energy Fund.

20. Q. Does Ms. Alexander make any other claims regarding customer assistance programs?

A. Yes. OCA witness Alexander states that in the prior merger with Aqua PA, Peoples agreed that (1) its shareholders would contribute an additional $100,000 each year for four years to Dollar Energy Fund, (2) Peoples' LIURP emergency furnace repair would increase by $75,000, and (3) LIURP emergency repair program eligibility criteria would be amended to include renters as well as homeowners. (OCA St. No. 2, p. 24.) The increase in LIURP funding would be paid for by Aqua America shareholders for a three-year period after closing. (*Id.*)

21. Q. Please explain how the proposed merger will impact these prior commitments.

A. Most of the original requirements above have expired; however, at this time, I believe these programs are funded and managed appropriately. I would also note that Peoples further increased its annual shareholder donation to Dollar Energy Fund by $150,000 through the Low-Income Stipulation in its 2023 base rate proceeding.[3] Peoples also increased its LIURP emergency furnace repair program further through two recent Petitions to the Commission to ensure adequate funding.[4] The LIURP emergency repair eligibility criteria was modified as agreed upon in the prior merger to allow for 25% of the annual budget to be used to support the needs of renters. This was a permanent change to the program, which remains intact and is reflected in Peoples' Universal Service and Energy Conservation Plan ("USECP").

[3] *See* Docket No. R-2023-3044549.
[4] *See* Docket Nos. M-2018-3003177; M-2020-3021343; P-2025;3053645; and P-2026-3060819.

22. Q. Does Ms. Alexander make any other claims regarding customer assistance programs?

A. Yes. OCA witness Alexander states that in the prior merger with Peoples, Aqua PA agreed to extensive new data-collection and reporting requirements to identify estimated and confirmed low-income customers and their bill-payment experience. (OCA St. No. 2, pp. 25-26.)

23. Q. Please explain how the proposed merger will impact these prior commitments.

A. In its 2024 base rate proceeding, Aqua PA agreed to amend its definition of confirmed low-income customers to include all customers for whom Aqua PA obtains information that would reasonably place the customer within a low-income designation. This definition, as well as the previously agreed upon data-collection and reporting requirements, will not be impacted by the merger.

24. Q. Does Ms. Alexander make any other claims regarding customer assistance programs?

A. Yes. OCA witness Alexander states that in the prior merger with Peoples, Aqua PA agreed to implement a comprehensive universal service and conservation program that includes: (1) a bill payment/customer assistance program; (2) a hardship fund; (3) a water conservation program; (4) a low-income service repair line and replacement program; and (5) a comparable funding mechanism that exists for electric and gas utilities in Pennsylvania. (OCA St. No. 2, p. 26.)

25. Q. Please explain how the proposed merger will impact these prior commitments.

A. As agreed upon in the prior merger, Aqua PA implemented a suite of programs to support the needs of limited income customers. The programs were approved in Aqua PA's 2021 base rate proceeding[5] and included: (1) CAP that offers monthly reduced bills as well as an arrearage forgiveness benefit for previously accrued arrearages; (2) continuation of its hardship fund with enhancements in its availability to interested customers and increased

[5] *See* Docket Nos. R-2021-3027385 and R-2021-3027386.

funding; (3) conservation kits to support reduced household usage; and (4) a leak repair program that provides for full coverage of inside leaks and external line leaks. These programs were further enhanced as a result of settlement commitments in Aqua PA's 2024 base rate proceeding.[6] While Aqua PA proposed a comparable rider-based funding mechanism to those in place at energy companies in the Commonwealth, that aspect of its proposal was not approved. All of these programs utilize an income eligibility requirement of 200% of the federal poverty level, a higher level of eligibility than is in place at most energy utilities in Pennsylvania. The present proposed merger will not impact these programs.

26. Q. Does Ms. Alexander make any other claims regarding customer assistance programs?

A. Yes. OCA witness Alexander states that in the prior merger with Peoples, Aqua PA agreed that its shareholders would contribute an additional $50,000 to the hardship grant component being developed for Aqua PA's Helping Hand program annually for four years. (OCA St. No. 1, p. 26.)

27. Q. Please explain how the proposed merger will impact this prior commitment.

A. The proposed merger will not impact this prior commitment. Aqua PA shareholders contributed the required $50,000, and Aqua PA has further expanded its contribution commitments in its subsequent base rate and acquisition proceedings.[7] In addition to increased funding, Aqua PA has significantly enhanced its hardship grant component. Aqua PA has re-branded its hardship grant program as "Aqua Aid" to be consistent with and use the logo of other Aqua Aid programs existing in other states within the Essential footprint. Aqua PA worked with its Aqua Assistance Collaborative ("AAC") stakeholder group to discuss eligibility, availability of applications, and other key components of the

[6] *See* Docket Nos. R-2024-3047822 and R-2024-3047824.
[7] See Docket Nos. R-2021-3027385; R-2021-3027386; R-2024-3047822; R-2024-3047824; A-2022-3033138; A-2022-3034143; A-2023-3041695; and A-2024-3049015.

program. The hardship program is now administered by Dollar Energy Fund, allowing increased access through online, phone, and in-person social service agency application sites.

28. Q. Does Ms. Alexander make any other claims regarding customer assistance programs?

A. Yes. OCA witness Alexander states that in the prior merger with Aqua PA, Peoples agreed to increase funding for its CAP, LIURP, CARES, and hardship fund with an amended universal service plan. (OCA St. No. 2, pp. 24-26.)

29. Q. Please explain how the merger will impact the funding for these various programs.

A. Peoples' currently approved USECP includes increases in funding to its programs described in my testimony as a result of the prior merger, as well as the Low-Income Stipulation from its 2023 base rate proceeding. The proposed merger will not impact funding for these programs, the costs of which, with the exception of the hardship fund, are recovered through Peoples' universal service rider.

30. Q. Does Mr. Cicero make any other claims regarding customer assistance programs?

A. Yes. CAUSE-PA witness Cicero recommends that Aqua PA be required to better coordinate referrals and enrollment in its usage-reduction/repair programs. (CAUSE-PA St. No. 1, p. 78.) Specifically, Cicero is "concerned that Aqua appears to be greatly underspending related to its leak repair program." (*Id.*)

31. Q. How do you respond to this recommendation?

A. Aqua PA has been working to increase participation in its leak repair program and has shared its efforts and gained feedback from the AAC on this topic at both its February and May 2026 stakeholder meetings. Aqua PA identified that messaging around the leak repair program required modification, as customers who were seeking assistance appeared to call Aqua PA after their leak was repaired, seeking assistance with their water bill that accrued as a result of the leak, rather than seeking assistance for the repair itself. Aqua PA modified

its messaging, resulting in a sharp increase in participation. April's leak repair program expenses for that single month exceeded total expenditures for the period October 2025 through March of 2026. With this change in messaging, which is also reflected in current bill inserts sent to all residential customers during the month of June, Aqua PA is on track to increase participation and use of these funds and will continue to work with the AAC to further improve the program. Joint Applicant witness Prine addresses CAUSE-PA's broader coordination recommendations.

32. Q. Does Mr. Cicero make any other claims regarding customer assistance programs?

A. Yes. CAUSE-PA witness Patrick Cicero states that Peoples should increase its LIURP budget by $1,500,000 to a total of $5,000,000 annually, as well as increase its Emergency Furnace/House and Service Line Repair Program ("ERP") budget by 20%. (CAUSE-PA St. No. 1, p. 75.)

33. Q. How do you respond to this recommendation?

A. Mr. Cicero's recommendation does not offer a necessary or appropriate condition for approval of the Merger. Peoples increased its LIURP funding most recently in 2024 through the Low-Income Stipulation to $3.5 million annually. This was a fairly recent funding change. Any unused funding is carried over to the following year. During 2024 and 2025, Peoples worked through a transition of its program administration in an effort to increase savings achieved by participating households. As a result of this transition, Peoples did not fully expend its annual budget in 2024 or 2025, leading to dollars carrying over into 2026. Peoples is currently undergoing an independent evaluation of its universal service programs, as required by the Commission's Bureau of Consumer Services ("BCS"). This evaluation will consider the appropriateness of the current budget of LIURP, and any recommendation of the evaluator to modify the budget will be included in the evaluator's report that will be submitted to BCS no later than April 1, 2027. Peoples is also required

to develop a proposed USECP, utilizing recommendations and findings from the independent evaluation, to be filed no later than April 1, 2028. This thorough process is a more appropriate manner in which to consider the funding level of LIURP. Regarding ERP funding, Peoples' proposal to increase the budget by 33% was just approved by the Commission in March of this year,[8] and therefore a further increase is not necessary.

34. Q. Does Mr. Cicero make any other claims regarding customer assistance programs?

A. Yes. CAUSE-PA witness Cicero raises a concern (CAUSE-PA St. No. 1, p. 63-64) that in his view, the level of arrearage forgiveness is not adequate and recommends a modification to Aqua PA's and Peoples' existing programs to a 24-month forgiveness plan.

35. Q. How do you respond to this recommendation?

A. Peoples' arrearage forgiveness program operates on a 36-month forgiveness plan, consistent with other energy utilities in the Commonwealth. In its 2024 base rate proceeding, Aqua PA agreed to develop a plan to be filed with its next base rate case to accelerate its arrearage forgiveness component of CAP to provide full balance forgiveness in 36 months. It is important to note that for both Aqua PA and Peoples, the arrearage forgiveness plans currently in place provide customers with flexibility, supporting their efforts to obtain the benefits through regular payments of their utility bills. Customers are not required to make their monthly bill payment by the due date of the bill, for example, in order to receive the benefit. If the customer falls behind and then catches their payments up, they will receive arrearage forgiveness benefits for those late payments. Customers are not removed from the arrearage forgiveness program by Aqua PA or Peoples for failure to make a timely payment. While utilities in some other states have arrearage forgiveness programs or, as they are often referred to, arrearage management programs, to help customers clear utility debt in a shorter timeframe, those programs typically have clauses

[8] *See* Docket Nos. M-2018-3003177; M-2020-3021343; and P-2026-3060819.

that remove a customer from the program for failure to make payments. And, many also have stay-out provisions that prevent a customer from re-enrolling in the program if they have been removed for missing payments. The arrearage forgiveness programs currently in place at Peoples and Aqua PA provide an appropriate balance of support for limited income households while maintaining reasonable program costs for other utility ratepayers.

36. Q. Does Mr. Cicero make any other claims regarding customer assistance programs?

A. Yes. CAUSE-PA witness Cicero recommends that the Companies propose to recover the cost of universal service programs from all ratepayers. (CAUSE-PA St. No. 1, p. 61.)

37. Q. How do you respond to this recommendation?

A. Cost recovery from various customer classes is enacted through rate design, which is determined in base rate proceedings. Any change in cost recovery or rate design should be considered in that context and not pre-determined in this Merger proceeding. In the case of Peoples, for example, cost recovery of universal service programs occurs through the approved universal service rider, which explicitly applies only to residential customers, with the exception of those who are receiving service under Rate CAP.[9] This treatment is consistent with universal service rider mechanisms in place at other energy utilities in the Commonwealth and is based on cost of service. As residential customers are the only class to receive the direct benefit of the programs, the direct costs of the programs are recovered only from that class.

38. Q. Do you agree with CAUSE-PA witness Cicero that Aqua PA should be required to implement a percent of income payment ("PIP")?

A. No. CAUSE-PA's proposal for Aqua PA to adopt a PIP should be rejected as unnecessary at this time. Aqua PA's current CAP offers significant benefits to low-income customers

[9] *See* Peoples Natural Gas Company LLC, PA PUC Tariff No. 48, p. 76, Rider Universal Service.

and includes four tiers of discounts. Aqua PA's current customer information system does not have the capability to move to a PIP.

39. Q. Do you agree with CAUSE-PA witness Cicero that Aqua PA should be required to file a comprehensive universal service program ("USP") with consumer education and outreach plans ("CEOP") as a component of the USP?

A. No. My understanding is that USPs apply to electric and gas utilities only as noted by witness Cicero in his direct testimony. Consistent with Commission precedent, it is inappropriate to impose this requirement on Aqua PA. Aqua PA shares information about its customer assistance programs with all interested stakeholders, including the OCA and CAUSE-PA, on a quarterly basis at its AAC customer assistance and advisory group meetings, and continues to address potential changes to its programs in every base rate case. Moreover, Aqua PA shares its CEOP information with the AAC. Therefore, Aqua PA does not believe an additional customer assistance program should be required by the Commission at this time.

IV. COST OF SERVICE STUDIES

40. Q. OSBA witness Joseph Kubas states that in Aqua PA's most recent base rate case, Aqua PA grouped wastewater commercial, industrial, and public authority classes into the non-residential class. (OSBA St. No. 1, pp. 2-3.) OSBA witness Kubas then recommends that Aqua PA split commercial customers into a separate class of service in future wastewater COSSs. (OSBA St. No. 1, pp. 3-4.) Please respond to this recommendation.

A. Aqua PA agrees with Mr. Kubas' recommendation and will separate its wastewater Commercial customer class into a separate class in future wastewater COSSs.

41. Q. Similarly, OSBA witness Joseph Kubas states that in Aqua PA's most recent rate case, Aqua PA grouped revenue from third-party sales with miscellaneous revenue

and not in any specific class of service. (OSBA St. No. 1, p. 4.) OSBA witness Kubas recommends that Aqua PA show the cost of providing service to third-party sales as a separate class in future wastewater COSSs. (OSBA St. No. 1, p. 3.) Please respond to this recommendation.

A. Aqua PA agrees with Mr. Kubas' recommendation and will separate Third-Party sales as a separate class in future wastewater COSSs.

V. CONCLUSION

42. Q. Does this conclude your rebuttal testimony?

A. Yes, it does. I reserve the right to supplement my rebuttal testimony as additional issues arise.

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., LLC, AND PEOPLES NATURAL GAS COMPANY LLC

DOCKET NO. A-2025-3058927
DOCKET NO. A-2025-3058928
DOCKET NO. A-2025-3058929

VERIFICATION

I, Daniel J. Schuller, hereby declare that I am the Executive Vice President and Chief Financial Officer at Essential Utilities, Inc., that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.



DATE: June 25, 2026

Daniel J. Schuller
Executive Vice President
Chief Financial Officer
Essential Utilities, Inc.

JOINT APPLICANTS
STATEMENT NO. 5-RJ

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

DOCKET NOS. A-2025-3058927, A-2025-3058928 AND A-2025-3058929

REJOINDER TESTIMONY

WITNESS: DANIEL J. SCHULLER

SUBJECT: CUSTOMER SERVICE PERFORMANCE;
CUSTOMER ASSISTANCE PROGRAMS;
UNIVERSAL ASSISTANCE PROGRAMS

DATED: JULY 29, 2026

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REJOINDER TESTIMONY OF
DANIEL J. SCHULLER

I. INTRODUCTION

1. Q. Please state your name and business address.

A. My name is Daniel J. Schuller. My business address is 762 West Lancaster Avenue, Bryn Mawr, PA 19010.

2. Q. By whom are you employed and in what capacity?

A. I am employed as the Executive Vice President and Chief Financial Officer of Essential Utilities, Inc. ("Essential"). I provide services to Essential, Aqua Pennsylvania, Inc. ("Aqua PA"), including Aqua PA's subsidiary Aqua Pennsylvania Wastewater, Inc. ("Aqua PA WW"),[1] and Peoples Natural Gas Company LLC ("Peoples").

3. Q. Have you previously filed testimony in this matter?

A. Yes. I submitted direct testimony with the Joint Application on November 26, 2025, and rebuttal testimony marked as Joint Applicants Statement No. 5-R, filed on June 25, 2026.

4. Q. What is the purpose of your rejoinder testimony?

A. In my testimony, I respond to the Office of Consumer Advocate's ("OCA's") and Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA's") surrebuttal testimony. The topics revolve around customer service performance, customer assistance programs, and universal service programs. To the extent that I do not address certain topics in the surrebuttal testimony of other parties does not mean that I agree with their arguments, positions, or recommendations, and I

[1] Unless otherwise specified herein, references to Aqua PA also include Aqua PA WW.

rely on my direct and rebuttal testimony where those positions are addressed or would be applicable to multiple parties' positions.

5. Q. Are you sponsoring any exhibits with your rejoinder testimony?

A. No.

II. CUSTOMER SERVICE PERFORMANCE

6. Q. Do any other parties make claims regarding customer service performance?

A. Yes. OCA witness Barbara Alexander makes claims about customer service performance.

7. Q. Please identify the aspect of her claims to which you will respond.

A. Ms. Alexander states that certain commitments for Aqua and Peoples customers that I agree to if the merger is approved should be continued beyond the initial five-year commitment period. (OCA St. 2-SR, p. 15.) She further reiterates the importance of the reporting obligation to ensure compliance after the merger is approved. (OCA St. 2-SR, p. 16.)

8. Q. How do you respond to Ms. Alexander?

A. I respectfully disagree. I believe a five-year reporting timeline strikes the right balance between verifying the commitments agreed to and reporting on them. After a five-year time period, there are opportunities for any of the statutory advocates to focus on particular issues going forward. These opportunities include asking discovery questions in a base rate case, which frequently arise on similar topics.

III. CUSTOMER ASSISTANCE PROGRAMS AND UNIVERSAL SERVICE PROGRAMS

9. Q. Do any other parties make claims regarding the merger's impact on customer assistance programs ("CAP") and universal service programs?

A. Yes. CAUSE-PA witness Patrick Cicero makes claims about the merger's impact on customer assistance programs and universal service programs agencies, to continually enhance its CAP and other assistance programs.

10. Q. What claims does Mr. Cicero make about his recommendations to reform the Companies' arrearage forgiveness programs?

A. Mr. Cicero reemphasizes that universal service issues must be examined in this proceeding and that prior commitments in other proceedings (e.g., the Aqua 2024 rate case) to address these issues do not diminish the need to provide increased assistance for low-income customers in this matter. (CAUSE-PA St. 1-SR, p. 34.) He further claims that the implementation costs of his further recommendations were not quantified and that they were not compared with the estimated financial growth or benefits that would accrue to shareholders. (*Id.*)

11. Q. How do you respond to Mr. Cicero's claims?

A. Aqua PA has already agreed in its prior base rate proceeding to propose an arrearage forgiveness component of CAP to provide full balance forgiveness in 36 months.[2] I believe this is an important change that should be implemented and evaluated before any new conditions are added.

[2] *See* Docket Nos. R-2024-3047822 and R-2024-3047824.

12. Q. Does Mr. Cicero make any recommendations regarding increased coordination amongst the Joint Applicants regarding their universal service programs?

A. Yes. Mr. Cicero makes many recommendations to increase coordination among the Joint Applicants regarding their universal service programs. Specifically, he recommends that the Companies (1) coordinate when customers present high usage across utility; (2) coordinate their usage reduction programs, including that Aqua and PAWC coordinate their program offerings with Peoples' LIURP and Act 129 programs to permit referrals and program access assistance; and (3) allow for cross-referral and enrollment across their universal service programs for households who are served by more than one Company, so that enrollment is standardized and streamlined. (CAUSE-PA St. 1-SR, p. 43.) He states that my rebuttal does not detract from the basis for his recommendations, and that his recommendations are meant to supplement recent efforts. (CAUSE-PA St. 1-SR, p. 44.)

13. Q. How do you respond to Mr. Cicero's recommendations?

A. From a high-level perspective, we do not disagree that coordination between the operating subsidiaries to benefit low-income customers is certainly something the companies should endeavor to do. At this time, my understanding is that not every aspect of each company's universal service program is identical, and it is likely that over time, there will be opportunities to streamline and coordinate. At the same time, there are some barriers related to customer information systems, customer confidentiality issues, current program eligibility requirements, and the need for affiliated interest agreements, which will require evaluation for possible changes.

IV. CONCLUSION

14. Q. Does this conclude your rejoinder testimony?

A. Yes, it does.

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., LLC, AND PEOPLES NATURAL GAS COMPANY LLC

DOCKET NO. A-2025-3058927
DOCKET NO. A-2025-3058928
DOCKET NO. A-2025-3058929

VERIFICATION

I, Daniel J. Schuller, hereby declare that I am the Executive Vice President and Chief Financial Officer at Essential Utilities, Inc., that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.



DATE: July 29, 2026

Daniel J. Schuller
Executive Vice President
Chief Financial Officer
Essential Utilities, Inc.

JOINT APPLICANTS
STATEMENT NO. 5

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

DOCKET NO. A-2025-

DIRECT TESTIMONY

WITNESS: DANIEL SCHULLER

SUBJECT: ESSENTIAL CORPORATE STRUCTURE; FINANCIAL STATEMENTS OF ESSENTIAL'S PENNSYLVANIA SUBSIDIARIES; PUBLIC BENEFITS AND IMPACT OF THE MERGER ON RATES, SERVICE AND EMPLOYEES

DATED: NOVEMBER 26, 2025

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DIRECT TESTIMONY
OF
DANIEL SCHULLER

I. INTRODUCTION AND BACKGROUND OF WITNESS

1. Q. Please state your name and business address.

A. My name is Daniel J. Schuller. My business address is 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010.

2. Q. By whom are you employed and what is your position?

A. I am employed by Essential Utilities, Inc. ("Essential"), f/k/a Aqua America, Inc. ("Aqua America"), as Executive Vice President and Chief Financial Officer. Aqua Pennsylvania, Inc. ("Aqua PA"), including Aqua PA's subsidiary, Aqua Pennsylvania Wastewater, Inc. ("Aqua PA WW"),[1] and Peoples Natural Gas Company LLC ("Peoples") are applicants in this proceeding and are wholly-owned by Essential.

3. Q. Please describe your educational and professional background.

A. I have a Bachelor of Science, Master of Science, and Doctorate in civil engineering from Purdue University. I participated in continuing executive education at the University of Chicago's Booth School of Business.

Prior to joining Essential (previously known as Aqua America, Inc.) in 2015, I spent eight years focused on infrastructure investments with J.P. Morgan Asset Management's Infrastructure Investments Group. In this role, I was responsible for a three-state water and wastewater utility owned by the group's infrastructure fund. I also sat on the board of directors of a natural gas distribution

[1] Unless otherwise specified herein, references to Aqua PA also include Aqua PA WW, which is a wholly-owned subsidiary of Aqua PA.

company owned by the fund. Prior to J.P. Morgan, I spent eight years as a management consultant with Mars & Co. Upon joining Essential, I was Executive Vice President of Strategy & Corporate Development. In this role, I was responsible for overseeing Essential's efforts to proactively serve additional customers throughout our multi-state footprint. I was named to my current role in 2018.

4. Q. Please provide an overview of your responsibilities as the Executive Vice President, Chief Financial Officer of Essential.

A. In this role, I am responsible for all financial operations of Essential, including accounting, SEC reporting, financial planning and analysis, tax, treasury, rates, and internal audits. I drive financial performance and growth within the organization, and lead Essential's communications with its auditors, banks, and rating agencies. In addition, I am responsible for the Company's administrative functions – customer service, supply chain, fleet, and facilities.

5. Q. On whose behalf are you submitting this testimony?

A. I am submitting this testimony on behalf of Essential and its regulated subsidiaries that are also "Joint Applicants" in this proceeding. The Joint Applicants are comprised of Aqua PA, Aqua PA WW, and Peoples, along with American Water Works Company, Inc. ("American Water"), Alpha Merger Sub, Inc. ("Merger Sub"), and Essential. The Joint Applicants are requesting all necessary authority, approvals, and Certificates of Public Convenience from the Pennsylvania Public Utility Commission ("PUC" or "Commission") to lawfully effectuate the merger of Essential and American Water (the "Merger").

6. Q. Have you previously provided written testimony before the PUC or any other regulatory commission?

A. Yes. In 2018, I submitted direct, rebuttal, and rejoinder testimony at Docket Nos. A-2018-3006061, et. al., as part of the acquisition by Aqua America of LDC Funding, LLC, which owned both Peoples Natural Gas Company LLC ("Peoples Natural Gas") and Peoples Gas Company LLC ("Peoples Gas"), now Peoples[2] (the "Aqua-Peoples Acquisition"). I also submitted direct testimony before the Kentucky Public Service Commission and West Virginia Public Service Commission related to regulatory approvals of Aqua America's acquisition of LDC Funding, LLC at Case No. 2018-00369 and Case No. 18-1475-G-PC, respectively. These regulatory approvals were related to utility affiliates of Peoples located in those states.

7. Q. What is the purpose of your direct testimony?

A. The purpose of my direct testimony is to support 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. 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*" (hereinafter, "Merger Application").

[2] Peoples Gas was merged into Peoples Natural Gas in 2022. *See* Docket Nos. A-2021-3029831 and A-2021-3029833.

More specifically, the purpose of my testimony is to provide an overview of the financial statements of Aqua PA and Peoples. I then explain the rationale for the proposed merger and the financial benefits that the combination will provide for Aqua PA. Finally, I outline the impacts of the proposed merger on competition, rates, and employees.

II. ESSENTIAL CORPORATE STRUCTURE

8. Q. Please describe Joint Applicants Exhibit B included with the Merger Application.

A. Exhibit B is a chart that identifies the current corporate ownership structure of Essential and its subsidiaries.

9. Q. Please describe Essential's prior acquisition of Peoples.

A. In 2018, Aqua America filed an application to acquire both Peoples Natural Gas and Peoples Gas, now Peoples.[3] The acquisition was approved by the Commission at Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063 by an Order entered January 24, 2020 ("Aqua-Peoples Acquisition Order"). In the five years since Essential has owned Peoples, it has doubled its rate base and substantially improved its risk profile.

10. Q. Please explain how Essential manages and interacts with Aqua PA and Peoples.

A. Essential is the holding company for Aqua PA, Peoples, and their affiliates. Essential's leadership provides management, oversight, and overall guidance for Aqua, Peoples, and their affiliates. The organization operates under a shared

[3] *See* footnote 2, *supra*.

services platform in which many services, including, but not limited to, accounting, finance, human resources, information technology, and customer service, are provided to Aqua PA and Peoples. These services have been reviewed in PUC management audits and other regulatory filings.

11. Q. Please explain how the Merger will change the ownership structure of Aqua PA and Peoples.

A. Aqua PA and Peoples will each continue to be subsidiaries of Essential. Through the Merger Agreement, Merger Sub will merge with and into Essential, with Essential being the surviving corporation as a wholly owned subsidiary of American Water.

12. Q. Will the Merger diminish the PUC's oversight of Aqua PA or Peoples in any way?

A. No. Both Aqua PA and Peoples will continue to operate as they do today as Pennsylvania public utilities, and will remain subject to the jurisdiction of the PUC, and all statues and regulations applicable to their respective utility operations.

III. AQUA PA AND PEOPLES FINANCIAL STATEMENTS

13. Q. Is Essential a publicly-held company?

A. Yes. Essential is a publicly-held company and has been listed on the New York Stock Exchange. A copy of Essential's most recent Annual Report to its shareholders is attached to the Merger Application as Exhibit F.

14. Q. Please describe the financials of Aqua PA and Aqua PA WW.

A. Aqua PA is a Class A water utility in the Commonwealth. Aqua PA is the largest water/wastewater subsidiary of Essential, with total net utility plant assets of approximately $5.2 billion and annual operating revenues of approximately $680

million in 2024. As of December 31, 2024, Aqua PA had operating income of approximately $360 million, net income of $254 million, and its cash flows from operations equaled approximately $255 million. Aqua PA has an A- rating from Standard and Poor's ("S&P's") Rating Service and has approximately $2.209 billion in outstanding long-term debt at a weighted average interest rate of approximately 4.30%. Aqua PA also utilizes low-cost, long-term debt financing instruments through the Pennsylvania Infrastructure Investment Authority. In addition to Aqua PA's access to long-term debt, Aqua PA has its short-term credit facility of $100 million and has access to equity capital as a subsidiary of Essential.

Aqua PA WW is a Class A wastewater utility in the Commonwealth, with total net utility plant assets of approximately $547.4 million and annual revenues of approximately $73.6 million, as of December 31, 2024. Aqua PA WW, as a subsidiary of Aqua PA, has access to all of Aqua PA's financing capabilities.

15. Q. Please describe the financials of Peoples.

A. Peoples is a Class A gas utility in the Commonwealth. Peoples has total net utility plant assets of approximately $4.0 billion and annual operating revenues of approximately $827 million in 2024. As of December 31, 2024, Peoples had operating income of approximately $213 million, net income of $291 million, and its cash flows from operations equaled approximately $213 million.

IV. PUBLIC BENEFITS

16. Q. Please describe Essential's decision to become part of the American Water family of companies and why they are complementary partners.

A. Essential's decision to merge with American Water reflects the tangible benefits to customers, employees, and shareholders that the proposed combination is expected

to deliver. We are confident that the combined company will build upon our longstanding track record of delivering safe and reliable services and be better positioned to solve today's challenges while creating a sustainable future. Employees are expected to benefit from expanded training, development, and career growth opportunities due to the size of the combined company and the sharing of best practices from both American and Essential. The combined entity will result in the preeminent water and wastewater utility in the United States, anchored by a robust rate base approaching $34 billion, serving more than five million connections, and an expanded operational footprint across 17 states and 18 military installations.

17. Q. Do you agree with the Merger benefits discussed in the direct testimonies of Cheryl Norton and David Bowler, as well as Exhibit C to the Application?

A. Yes.

18. Q. From a financial perspective, can you please explain how Aqua PA and Peoples will benefit from becoming operating companies of American Water?

A. Financially, the combined company will be a strong parent for Aqua PA and Peoples. Currently, Essential is rated A- and Baa2 by S&P and Moody's, respectively. American is more highly rated at A and Baa1. The combined company is expected to maintain American's stronger credit ratings, reflecting strong credit metrics, as well as increased scale, diversified service territories and regulatory exposure, and a broader customer and revenue base. This strong credit profile will allow the combined company to access debt capital at competitive interest rates. Additionally, as a large-cap, regulated utility, the combined company

will continue to have ready access to the equity capital markets, issuing equity at a strong multiple, reflecting scale, high credit quality, and strong, stable cash flows. This strong access to debt and equity capital should be reflected in more affordable rates as the combined company executes its capital program. Additionally, as noted above, the intent is that, in the future, customer rate increases will be mitigated by the benefits created by increased purchasing scale for materials, supplies, and services for both capital and operating activities and the efficiencies created by bringing the two companies together. The combined entity will also be able to better address the multidecade need for infrastructure investment in our nation's aging water and wastewater systems, including pipe replacement, PFAS remediation, and lead service line replacements, as well as infrastructure investment in our nation's aging natural gas systems.

19. Q. Does adding Peoples as an operating company of American Water strengthen the combined company?

A. Yes. The addition of a large natural gas utility with nearly 750,000 customers over two states and with substantial growth prospects will increase the diversity of the cash flow streams of the combined entity as discussed in Mr. Bowler's direct testimony. As explained by Mr. Huwar, Peoples has substantial capital requirements, which can be met by the substantially larger company that American Water will become following the Merger.

20. Q. Will Essential's commitment to the communities in which Aqua PA and Peoples serve continue after closing of the Merger.

A. Yes. Both Aqua and Peoples have had a long-standing commitment to the communities that they serve. This has been demonstrated through Essential's Foundation giving, volunteer programs, and participation in local community events. As explained in the direct testimonies of Colleen Arnold and Michael Huwar, Aqua PA and Peoples will continue to provide the high level of customer service that they do today. Furthermore, American Water has committed to continue to invest in infrastructure replacement, renewal, upgrades, and additions to support the provision of clean, safe, reliable, and affordable service for Aqua PA's customers and for Peoples' customers.

21. Q. Will the Merger have an adverse impact on competition in the market for water and wastewater services in Pennsylvania?

A. No. The water and wastewater industry is fragmented and there are many municipal providers of water and wastewater service in Pennsylvania, as well as a number of other water and wastewater public utilities. Based on information from the PUC's website, there are a number of investor-owned water and wastewater utilities in Pennsylvania, as well as a number of municipal providers that are subject to regulation by the PUC.

While the combined company will serve approximately 31% of the population of Pennsylvania, this is relatively limited compared to the market positions of utilities in other states. For example, NextEra provides electric service to over 50% of Florida residents, Exelon delivers electricity to approximately 40%

of Pennsylvania residents, and Oncor provides electricity to nearly 40% of Texas residents.

Furthermore, with regard to the acquisition of water and wastewater systems in Pennsylvania, we do not believe the proposed merger is detrimental to customers or selling municipalities. First, in Pennsylvania, there are other companies like Veolia Water Pennsylvania, Inc. and The York Water Company, in addition to municipal systems that are also competing for the acquisition of both investor-owned and municipal systems. Second, the fair market value process, with each asset being valued based on three methods – cost, income, and market – results in reasonable prices being paid for assets and included in rates.

22. Q. Will the proposed Merger impact Aqua PA's or Peoples' existing utility rates?

A. The Merger will have no immediate impact on the rates of Aqua PA (for water or wastewater service) or Peoples (for natural gas service). All of the Pennsylvania utilities will continue to operate under their Commission-approved rates as set forth in their respective tariffs.

23. Q. Will the Merger have an adverse impact on Aqua PA's or Peoples' employees?

A. While there could be post-Merger changes to certain roles, including those in support functions, these will come after a thoughtful integration process. As explained in the direct testimony of Colleen Arnold, Aqua PA's day-to-day operations will continue to be locally managed by dedicated local employees. Similarly, Peoples' day-to-day operations will continue to be run by the employees in place today, including Michael Huwar as President of Peoples.

24. Q. Will the Merger have any impact on Aqua PA's or Peoples' ability to meet its pension obligations to their employees?

A. No. Both Aqua PA and Peoples will continue to honor all pension obligations to its employees post-Merger.

V. CONCLUSION

25. Q. Does this conclude your direct testimony?

A. Yes, it does. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding.

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., LLC, AND PEOPLES NATURAL GAS COMPANY LLC

DOCKET NO. A-2025-_____

VERIFICATION

I, Daniel Schuller, hereby declare that I am the Executive Vice President and Chief Financial Officer at Essential Utilities, Inc., that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Statement are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.

DATE: November 26, 2025

Daniel Schuller
Executive Vice President
Chief Financial Officer
Essential Utilities, Inc.

JOINT APPLICANTS
STATEMENT NO. 6-R

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

DOCKET NOS. A-2025-3058927, A-2025-3058928 AND A-2025-3058929

REBUTTAL TESTIMONY

WITNESS: MATTHEW W. PRINE

SUBJECT: CUSTOMER SERVICE AND CUSTOMER ASSISTANCE PROGRAMS

DATED: JUNE 25, 2026

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REBUTTAL TESTIMONY OF
MATTHEW W. PRINE

I. INTRODUCTION

1. Q. Please state your name and full business address.

A. My name is Matthew W. Prine. My business address is 1 Water Street, Camden, NJ.

2. Q. By whom are you employed and in what capacity?

A. I am employed by American Water Works Service Company, Inc. ("Service Company") as Vice President and Chief Customer Officer.

3. Q. What are your current responsibilities in this position?

A. My primary responsibility in my role as Vice President and Chief Customer Officer is to focus on further developing and advancing all aspects of the American Water Works Company, Inc. ("American Water") customer experience strategy. I lead American Water's efforts in building and maintaining programs that leverage technology and advance the overall customer experience in an effort to better understand and address customer concerns. I oversee the Customer Service Organization ("CSO"), which includes up to approximately 455 employees and 300 third-party, fully dedicated contractors who perform collections and support our inbound call handling team. My team supports all American Water regulated subsidiary utilities, including Pennsylvania-American Water Company ("PAWC").

4. Q. Please summarize and your educational background and professional expertise.

A. I hold a Bachelor of Arts degree in Philosophy from Hanover College. I began my career employment in September of 2001 when I was hired as Staff Assistant for Congressman Dan Burton of the 5th District of Indiana. In May of 2003, I was hired as a Field Representative for Congressman Steve Buyer of the 4th District of Indiana.

After nearly a year of service, I rejoined the office of Congressman Burton as Director of Community Affairs. In February 2007, I was hired as Regional Manager for Anchor Consulting, Inc., with responsibilities including business development, public policy research and engagement. In November 2008, I returned to the office of Congressman Dan Burton and accepted the position of Deputy Chief of Staff with responsibilities over personnel, district operations, and community affairs. In July 2011, I accepted the position of Executive Director for the Indiana Utility Shareholders Association ("IUSA"), representing over 4,000 Hoosier shareholders across Indiana. During my tenure with IUSA, I developed a broad understanding of utility regulation, infrastructure shortfall, capital investment and legislative reform. I began my employment with Indiana-American Water Company ("Indiana-American") as Community and Government Affairs Director in July 2014. In February 2019, I assumed my new duties as President of Indiana-American. As President of Indiana-American, I was responsible for the delivery of high-quality, reliable, and sufficient water and/or wastewater services to more than 1.3 million people throughout Indiana. In January 2025, I assumed my current role of Chief Customer Officer for American Water.

5. Q. Have you previously testified before the Pennsylvania Public Utility Commission ("Commission" or "PUC")?

A. Yes, I testified before the Commission in PAWC's pending base rate proceeding at Docket Nos. R-2025-3057983 and R-2025-3058051.

6. Q. Did you submit direct testimony in this proceeding?

A. No.

7. Q. What is the purpose of your rebuttal testimony in this proceeding?

A. The purpose of my rebuttal testimony is to address the concerns raised by other parties about how the proposed merger of American Water and Essential Utilities, Inc. ("Essential") (the "Merger") will impact customer service and customer assistance programs. I also will respond to the other parties' recommendations that the Joint Applicants (or their Pennsylvania utility subsidiaries) should adopt certain changes in these areas to demonstrate that the Merger provides an affirmative public benefit.

II. CUSTOMER SERVICE AND CUSTOMER ASSISTANCE

8. Q. In their direct testimony, witnesses for the Office of Consumer Advocate ("OCA") and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") question whether the proposed Merger will serve the public interest in the areas of customer service and customer assistance programming.[1] How do you respond?

A. The Merger at issue in this proceeding is between American Water and Essential, the parent companies of PAWC, Aqua Pennsylvania, Inc. ("Aqua PA") and Aqua Pennsylvania Wastewater, Inc. ("Aqua PA WW"),[2] and Peoples Natural Gas Company LLC ("Peoples"). Immediately following this Merger, PAWC, Aqua PA, and Peoples will continue to operate independently with separate customer assistance programs. Nevertheless, this Merger presents both customer service and customer assistance program benefits because all three Pennsylvania utilities will become part of the same corporate family and will share learnings and best practices with each other. The

[1] *See generally* OCA St. No. 2; CAUSE-PA St. No. 1.
[2] Unless otherwise specified herein, references to Aqua PA also include Aqua PA WW, which is a wholly owned subsidiary of Aqua PA.

common ownership created by the Merger enhances the Joint Applicants' ability to identify, evaluate, and potentially replicate customer-focused initiatives across a broader utility enterprise. This is beginning to occur through the integration process described in Mr. Bowler's testimony and will continue post-closing.

9. Q. Please describe American Water's CSO.

A. Customer service for all American Water subsidiaries is managed through a centralized CSO operated by the Service Company. The CSO responds to customer inquiries, maintains customer information systems and the myWater customer self-service portal, provides billing and collections services, as well as many other customer service functions. Please see the rebuttal testimony of Joint Applicant witness Schuller for a description of the customer service operations for Essential.

10. Q. Please briefly describe the customer assistance programs offered by PAWC.

A. PAWC supports low-income customers through PAWC's H2O Help to Others Program™ ("H2O"). The H2O program currently offers a four-fold approach, including bill discounts for water and wastewater service, arrearage management, hardship grants, and water conservation assistance.

The bill discount program ("BDP") currently includes a four-tier discount with discounts on the total bill ranging from 20% to 90%.[3] The arrearage management program ("AMP") assists low-income customers with arrearages. As part of the AMP, customers receive a $25 arrearage forgiveness credit in exchange for each full and

[3] In its pending base rate proceeding, PAWC proposed a slight change to its low-income discount structure to provide a "total bill" discount for water service, instead of separate discounts for the fixed and volumetric components of a water bill. Contrary to CAUSE-PA witness Cicero's assertion in his direct testimony (p. 59) that PAWC has proposed "more limited discounts", the bill impacts associated with the discount structure change are expected to be minimal. Notably, the OCA supported PAWC's proposed BDP structure change in the base rate proceeding.

timely monthly payment. The hardship fund program is a bill-paying assistance program funded by PAWC shareholders, donations from customers, and others who want to help our customers in need. Customers who qualify may receive grants of up to $500 annually toward their water bill and $500 annually toward their wastewater bill.

PAWC's water conservation assistance program offers tools and tips to help customers save water and money. The program includes a leak detection kit to help identify household leaks, conservation tips, and water use calculator.

In addition, PAWC offers qualifying residential and commercial customers flexible payment arrangements through installment agreements if they are financially unable to pay a water and/or wastewater service bill when due. PAWC also offers residential customers the option of paying bills under its budget billing plan. Please see the rebuttal testimony of Joint Applicant witness Schuller for a description of the customer assistance programs for Peoples and Aqua PA.

11. Q. How will American Water, Essential, and their respective Pennsylvania utility subsidiaries benefit from the Merger from a customer service perspective?

A. In an effort to support a smooth transition for customers and employees following the closing of the Merger, American Water does not anticipate changes to Essential's customer service on Day 1. However, as part of the integration planning process, both American Water and Essential are evaluating how to best integrate the two companies, including their respective customer service functions, following completion of the Merger. While integration efforts are underway and American Water and Essential are working diligently through that process, no definitive decisions have yet been made on

how to combine the customer service function. Post-Merger, American Water and Essential will share learnings and best practices so that over the long term, the combined company will provide a customer service solution that is more efficient and incorporates the best practices of both organizations in the best interest of customers.

12. Q. Do you have any specific examples of how this Merger could create customer service-related benefits?

A. Yes. The Merger provides the opportunity for PAWC, Aqua PA and Peoples to share best practices with one another to reduce verified infraction rates. PAWC's verified infraction rate has steadily declined in recent years, due in large part to the efforts of the American Water customer advocacy team. As part of the Commission's Bureau of Consumer Services' ("BCS") Utility Consumer Activities Report and Evaluation ("UCARE") reports, the BCS tracks infractions, which are defined as "a misapplication or infringement of a Commission regulation, particularly the standards and billing practices for residential utility service."[4] Since 2022, PAWC's verified infraction rates have decreased every year:

[4] *Quarterly Update to UCARE Report, January – December 2025*, Public Utility Commission Bureau of Consumer Services, p. 9 (https://www.puc.pa.gov/media/3922/ucare_2025-q1-4.pdf).

PAWC Verified Infraction Rate[5]:

Year	2022	2023	2024	2025
Number of Verified Infractions	383	276	140	118

By contrast, Aqua PA's verified infraction rates have been fluctuating over these same years and have exceeded PAWC's infraction rates over the last two years:

Aqua PA Verified Infraction Rate[6]:

Year	2022	2023	2024	2025
Number of Verified Infractions	141	174	205	133

Peoples' infraction rates, while significantly lower than both PAWC's and Aqua PA's, have also been fluctuating:

Peoples Verified Infraction Rate[7]:

Year	2022	2023	2024	2025
Number of Verified Infractions	13	33	44	21

Once the Merger is approved and Aqua PA and Peoples join the American Water family, the CSO and Essential's customer service teams will cross-train and adopt each other's best practices where appropriate. Essential, Aqua PA, and Peoples will benefit from the CSO's best practices, such as those employed by its customer

[5] *Quarterly Update to UCARE Report, January – December 2025*, Public Utility Commission Bureau of Consumer Services, p. 8 (https://www.puc.pa.gov/media/3922/ucare_2025-q1-4.pdf); *Quarterly Update to UCARE Report, January – December 2024*, Public Utility Commission Bureau of Consumer Services, p. 8 (https://www.puc.pa.gov/media/3636/ucare_2024-q1-4.pdf); *Quarterly Update to UCARE Report, January – December 2023*, Public Utility Commission Bureau of Consumer Services, p. 19 (https://www.puc.pa.gov/media/2754/ucare_2023_q4.pdf); *Quarterly Update to UCARE Report, January – December 2022*, Public Utility Commission Bureau of Consumer Services, p. 19 (https://www.puc.pa.gov/media/2244/ucare-2022-q4.pdf).
[6] *Id.*
[7] *Id.*

advocacy team, which may, in turn, lead to reductions in Aqua PA's and Peoples' future verified infraction rates. Similarly, the CSO will gather learnings from Essential's customer service team to facilitate improvement in any areas where Essential's customer service performance is currently stronger. For example, in 2025, the CSO met its goal for customer care agents ("CCAs") to answer 80% of calls received within 60 seconds. In 2025, Essential's customer service team answered 86.67% of calls received within 30 seconds. The CSO is interested in working with Essential's customer service team to understand what tools and processes they used to achieve this call answer rate. This cross-training and sharing of best practices between two sophisticated water and wastewater customer service teams is an important benefit of this transaction.

13. Q. Will the proposed Merger create any benefits related to customer assistance programing?

A. Yes. To be clear, no changes are proposed as part of this Merger to PAWC's or Aqua PA's customer assistance programs or to Peoples' universal service programs. Nevertheless, the Joint Applicants still anticipate several customer assistance program benefits associated with the Merger. Post-Merger, American Water and Essential will explore whether their expanded Pennsylvania customer base can create more streamlined assistance program enrollment opportunities, particularly in geographic areas where the Peoples and PAWC service territories overlap. In addition, American Water will learn from Peoples' expertise offering universal service programs in Pennsylvania, which differ from the customer assistance programs required under

Pennsylvania law for water and wastewater utilities, to evaluate whether similar programs should be developed for PAWC's customer base in the future.

A. Proposed Customer Service Conditions and Metrics

14. Q. Several parties recommend that the Commission direct the Joint Applicants to adopt customer service and customer assistance program changes if it approves the Merger.[8] Do you agree?

A. Unless otherwise stated herein, the Joint Applicants do not agree to adopt the changes proposed by the other parties. While I will address many of these proposals in more detail later in my testimony, it bears repeating that the Merger transaction itself does not change the operations, customer programs, tariffs, service territories, rates, or regulatory obligations of PAWC, Aqua PA, or Peoples. Further, American Water and Essential are in the process of evaluating how to best integrate the two companies, including their respective customer service and customer assistance functions, following completion of the Merger. Therefore, the Joint Applicants do not believe that mandating implementation of specific customer service and customer assistance program proposals, as recommended by other parties, is necessary to either address any impacts of the transaction or establish affirmative public benefits associated with the parent company Merger.

15. Q. OCA witness Alexander recommends that the PUC require annual reporting on customer service and universal service conditions for a five-year period after the final order in this case with the opportunity for parties to this proceeding to

[8] *See, e.g.*, OCA St. No. 2, pp. 5-7; CAUSE-PA St. No. 1, pp. 44-45.

comment on reported performance and the potential for the PUC to require credits to the applicable charge if there is non-compliance.[9] Please respond.

A. No customer service or universal service changes are proposed by the Joint Applicants in this proceeding. Accordingly, neither additional reporting requirements nor non-compliance credits are reasonable conditions for this Merger. The BCS already monitors and reports on the state utilities' customer service performance on a quarterly basis. The PUC will continue to retain the ability to audit and/or investigate each of the state utilities. The intervenors continue to have the ability to file complaints against the utilities. With respect to universal service reporting, Peoples already complies with all such reporting requirements. PAWC and Aqua PA are not subject to any universal service reporting requirements under Pennsylvania law, but they both have agreed to various customer assistance program reporting requirements in prior settlements. With no changes to the utilities' universal service or customer assistance programs proposed as part of this transaction, additional reporting on these programs is unnecessary.

16. Q. Several municipal intervenors generally recommend that the Merger be conditioned on meeting or exceeding customer service metrics,[10] while OCA witness Alexander recommends that: (1) Aqua PA and Peoples be required to meet the service quality and customer service performance standards agreed to in their 2020 merger, as well as additional or more stringent standards and commitments agreed to in subsequent base rate case orders; and (2) PAWC be

[9] OCA St. No. 2, pp. 6-7.
[10] *See* City of Butler St. No. 1, p. 5; County of Delaware St. No. 1, p. 5; East Whiteland Township St. No. 1, p. 5; County of Montgomery St. No. 1, p. 5.

required to meet certain customer service metrics and requirements that the OCA has recommended in PAWC's pending base rate proceeding.[11] Please respond.

A. Aqua PA, Peoples, and PAWC continue to follow all previously agreed-upon customer service commitments that remain active. Joint Applicant witness Schuller will address the Aqua PA and Peoples recommendations in his rebuttal testimony. For PAWC, witness Alexander recommends customer service-related changes that are similar to her proposals in PAWC's pending base rate case at Docket Nos. R-2025-3057983 and R-2025-3058051. Specifically, OCA witness Alexander recommends that PAWC should be required to a) answer a minimum of 80% of the calls with a customer service representative within 30 seconds with an abandonment rate of 2.5%; b) complete annual audit and investigation of customer call center compliance with Pennsylvania's regulations; c) conduct a "proper" root cause analysis of customer disputes, informal, and formal complaints; d) amend its contracts for its third-party call centers to require specific performance standards and penalty provisions relating to answering calls in a timely manner, abandonment rate, and compliance with Pennsylvania regulations governing consumer protections; and e) reform the marketing of non-basic services to PAWC customers. A final order is expected in PAWC's rate case at Docket Nos. R-2025-3057983 and R-2025-3058051 by mid-July, so it is unclear at this time whether the Commission will approve any of these recommendations. In the pending rate case, PAWC explained why each of Ms. Alexander's proposals is unwarranted.

Call Center Performance. The CSO has been improving its call answer rate and in 2025, it achieved its established goal of a live agent answering 80% of calls

[11] OCA St. No. 2, pp. 5-6, 27-31.

within 60 seconds with an abandonment rate of less than 8%. In the pending PAWC rate case, witness Alexander included this call center performance metric as part of her customer service recommendations. Nevertheless, as part of this case, Ms. Alexander now takes the position that the CSO should answer 80% of calls within 30 seconds with a 2.5% abandonment rate. It is my understanding that Aqua PA and Peoples agreed to this performance metric as part of their prior Merger. As part of integration efforts, the CSO will work with Essential post-Merger to evaluate the costs and feasibility associated with this performance objective. At this time, however, it would be unreasonable to arbitrarily change the CSO's targeted call center performance metrics when, in a contemporaneous proceeding, the OCA has already argued that the CSO's current call center performance metrics are an appropriate performance metric.

In addition, Ms. Alexander fails to recognize that her recommended call center performance metrics for PAWC are significantly more aggressive than the metrics that apply to electric and gas utilities. The "service level" presented in the BCS Customer Service Performance Reports for electric and gas utilities is the "percentage of calls answered within 30 seconds by an [interactive voice response ("IVR") system] or a [customer service representative] ready to render assistance." Answering a customer call through IVR, or in the case of American Water, the Intelligent Virtual Agent ("IVA"), is significantly different than answering a call with a live agent as Ms. Alexander has proposed for PAWC. If calls answered by IVA were reflected in the CSO's performance data, PAWC would already be achieving a service level of 80% of calls answered within 30 seconds and a 2.5% abandonment rate. The CSO's IVA system answers calls from customers within seconds.

Auditing and Root Cause Analysis. The Commission should reject all of Ms. Alexander's recommendations for additional CSO operational changes, including the completion of annual audit and investigation of customer call center compliance with Pennsylvania's regulations, the development of a new root cause analysis process for customer disputes, informal, and formal complaints, and the amendment of contracts for the CSO's third-party call centers to require specific performance standards and penalty provisions. Ms. Alexander fails to recognize that the CSO already provides a strong level of customer service. As previously discussed, the CSO provides Pennsylvania-specific training to educate CCAs on Pennsylvania regulations and PAWC has reduced its infraction rates over time, clearly demonstrating that additional auditing, root cause analyses, and performance standards are unnecessary. The performance levels of the CSO and third-party call-handling agencies are already monitored daily. PAWC leadership routinely reviews CSO performance trends with CSO leadership to develop strategies for improvement. The CSO determines staffing levels of third-party call-handling agencies based on the performance of individual agents against the CSO's customer service performance objectives. The CSO also utilizes other processes to reinforce training including its internal quality assurance ("QA") process, which involves reviewing all calls with low satisfaction scores from customers and any call that did not resolve the customer's concern in the first contact. The QA team evaluates whether the agent followed the process specified in the applicable training materials, and if it is a PAWC customer call, the QA team reviews compliance with Pennsylvania regulations as part of the evaluation.

Finally, looking beyond the CSO, PAWC already has an appropriate root cause analysis process in place. PAWC analyzes every customer complaint it receives (other than informal complaints that the BCS classifies as payment arrangement requests, that do not involve any allegation of wrongdoing by PAWC), to determine the contributing factor, if any. PAWC makes a root cause determination for every such customer complaint and logs a root cause for each such complaint, where a contributing factor is identified. In addition, PAWC generates monthly reports reflecting root causes of customer complaint, analyzes root cause trends, and regularly discusses root cause trends with appropriate business units within the CSO. The applicable business area reviews the root cause analysis to determine follow-up actions, such as training, policy review, or system enhancements, to prevent future occurrences.

Non-Basic Services. Ms. Alexander's final category of recommendations relates to non-basic services that are billed by PAWC and performed by PAWC's former affiliate American Water Resources ("AWR"). Those recommendations include a) eliminating AWR's use of American Water trade names on marketing materials, b) revising bill presentation to move non-basic services to a separate page of the bill, and c) PAWC, Peoples, and Aqua PA affirmatively soliciting alternative providers of non-basic services to add to their bills.

To provide some background on these services, for over two decades, AWR offered optional products and services, such as water line and sewer line protection plans, to PAWC customers. After enrolling with AWR, customers are charged a monthly fee so that if their water or sewer line breaks, AWR will deploy a contractor to fix the water or sewer line under the warranty program at minimal up-front cost to

the customer. PAWC customers can choose the convenience of including these charges on their PAWC bill or be billed directly by AWR.

It is standard industry practice for utilities both inside and outside of the Commonwealth to partner with providers of these types of warranty services. AWR offers similar services to residential water and sewer utility customers in 42 other states and the District of Columbia. The Commission's regulations permit a utility's billing of these non-basic services. Consistent with the Commission's regulations, PAWC includes charges for these services as a separate line item on customers' monthly bills. In addition, these services are entirely optional to customers, i.e., customer payments are applied to PAWC's charges first and a customer's choice not to pay for AWR's services does not result in any service termination efforts by PAWC.

Although American Water sold its interest in AWR in December 2021, which ended the affiliate relationship between AWR and PAWC, PAWC and AWR executed an agreement that ensures continued adherence to all Commission regulations related to the billing of AWR charges. AWR has historically used PAWC's trademark and logo for marketing purposes, which is standard industry practice when a utility partners with another entity to offer warranty products and services. Similar arrangements exist between other major Pennsylvania utilities and a competitor of AWR, HomeServe, which also uses the utility name and logo to market warranty services and products to residential utility customers in the Commonwealth. As the PUC found in PAWC's 2023 rate case, clear disclosures are included on all marketing materials explaining that AWR is not affiliated with PAWC, its products and services are optional, and AWR's

prices are not determined by PAWC.[12] Consistent with the final order in PAWC's 2023 rate case, AWR's longstanding use of PAWC's name and logo for marketing purposes is reasonable, and Ms. Alexander's recommended changes to this practice should be rejected in this proceeding.

Ms. Alexander's recommendation that PAWC should revise its bills to move non-basic services to a separate page of the bill should similarly be disregarded. The Commission's regulations are clear that charges for non-basic services should appear on a separate line of the bill, not an entirely separate page. Requiring PAWC to add a page to its bill for non-basic services is not only unnecessary per Commission regulations, but it also would be an unreasonable billing cost increase. Finally, no alternative providers of non-basic services have even approached PAWC to inquire about a billing relationship, so it is clear there is no discrimination occurring against other providers. PAWC has a billing relationship with AWR because of its historic partnership with this company. These non-basic services are unregulated by the Commission and entirely optional to customers. PAWC, Peoples, and Aqua PA should not be directed to launch a new unregulated work stream, with costs that arguably would not be recoverable because they relate to unregulated services, to identify other providers of non-basic services.

[12] *See Pa. PUC vs. PAWC*, Docket Nos. R-2023-3043189 & R-2023-3043190 (Order entered July 22, 2024) pp. 384-385 (finding that the "usage of PAWC's name and logo for marketing purposes is a longstanding practice as part of this arrangement and does not provide support for the OCA's requested investigation, especially given the clear disclosures that PAWC and AWR are not affiliated and AWR's services are optional.").

17. Q. OSBA witness Hashlamoun recommends that the Joint Applicants be required to provide advance notice to the PUC and customers of any billing system conversion within three years of closing and further provide a waiver of late fees for 90 days.[13] Do you agree?

A. I do not believe this is necessary. Billing system conversions often happen seamlessly without impacting billing release schedules and billing accuracy. The Merger will result in no immediate changes to the Joint Applicants' billing systems. It is possible, however, that over the long term, Essential's billing system would be integrated into American Water's billing platform to create additional efficiencies in the billing process for both parties. The Joint Applicants currently make regular billing system upgrades without notification or filing requirements and follow all regulatory requirements when doing so, and they have no reason to believe that any future Essential billing system conversion would adversely impact customers in any way. No advance notice or waiver of late fees is necessary where the billing process is not adversely impacted. If, however, such a problem were to arise in the future or if there were a risk of the Joint Applicants not complying with any Commission rule or regulation, the Joint Applicants would address the issue with the Commission at that time. Nonetheless, American Water will agree to notify the Commission if a billing system conversion or integration occurs within three years of the date of closing of the Merger.

[13] OSBA St. No. 2, pp. 19-20.

18. Q. CAUSE-PA witness Cicero contends that Aqua PA and PAWC, within 90 days of a final order in this case, should be required to waive reconnection fees for all confirmed low-income customers and advise customers of the change.[14] Do you agree?

A. There is no connection between a final order in this case and the assessment of reconnection fees by the Joint Applicants. Like many of the proposals from CAUSE-PA and OCA in this case, this recommendation inappropriately imposes requirements on the Pennsylvania subsidiaries of American Water and Essential when no Pennsylvania subsidiary utility integration is proposed in this proceeding. Immediately following the Merger of these parent companies, the reconnection practices of the Pennsylvania utilities will not change in any way. Therefore, there is no reason for the utilities not to charge the reconnection fees mandated by their respective Commission-approved tariffs.

B. <u>Arrearage Management and Bill Discount Programs</u>

19. Q. OCA witness Alexander recommended that Aqua PA and Peoples be required to comply with their universal service program funding and program design enhancements agreed to in their 2020 merger and expanded to include the incremental benefits from a recent rate case.[15] Please respond.

A. I defer to Joint Applicant witness Schuller's rebuttal testimony on this subject.

[14] CAUSE-PA St. No. 1, pp. 83-86.
[15] OCA St. No. 2, p. 6.

20. Q. Please summarize the recommendations made by the OCA and CAUSE-PA regarding arrearage management and bill discount programs.

A. OCA witness Alexander recommends that PAWC, within six months of the final order in this proceeding: (1) adopt a BDP enrollment target of 20% of the PAWC's estimated low-income population per year until at least a 75% enrollment target has been met; (2) develop screening protocols and enhanced outreach and education to increase enrollment in the BDP and AMP; and (3) modify the AMP to provide arrearage forgiveness for full payments, even if such payments are not timely.[16]

CAUSE-PA witness Cicero recommends that: (1) Aqua PA and PAWC submit a joint petition within one year of closing to transition their BDPs to a Percentage of Income ("PIP") structure and further propose that BDP costs be recovered from all customers; and (2) Peoples, Aqua PA, and PAWC restructure their AMPs to provide forgiveness amounts equal to 1/24th of total balance for each full payment, or $40 per month, whichever is greater.[17]

21. Q. Please respond to the OCA and CAUSE-PA proposals regarding AMPs.

A. Once again, CAUSE-PA and OCA are raising issues and attempting to relitigate issues that are already pending before the Commission in PAWC's current rate case. The rate case is the proper forum to decide these issues for PAWC because PAWC is neither a party to this Merger proceeding nor proposing any changes to its AMP in this proceeding and the record is fully developed in that proceeding after hearings. Further, specific arrearage management directives are not reasonable or necessary in this proceeding where, as part of the integration planning process, American Water and

[16] OCA St. No. 2, pp. 31-32.
[17] CAUSE-PA St. No. 1, pp. 60-61.

Essential will review each operating company's customer assistance functions (such as arrearage forgiveness) for potential adoption of best practices following completion of the Merger.

From a substantive perspective, I have some reservations about modifying the AMP to provide arrearage forgiveness for full payments that are not made on a timely basis because the change could lessen the incentive for consistent, on-time payment behavior. If customers understand that they can wait to make a payment until they have received a service termination notice, at which time they can make a payment and receive retroactive credits to avoid termination, customers could decide to stop making timely monthly payments, causing arrearage balances and the risk of uncollectibles to rise. The AMP is structured to provide credits in exchange for full and timely monthly payments to promote healthy payment habits that will allow customers to be able to maintain service and prevent their future arrearage balances from growing.

I also do not agree that Aqua PA and PAWC should be required to restructure their AMPs to provide forgiveness amounts equal to 1/24th of total balance for each full payment, or $40 per month, whichever is greater. Joint Applicant witness Schuller describes Aqua PA's current AMP and explains that Aqua PA has already committed to proposing certain changes in Aqua PA's next base rate proceeding. Currently, PAWC's AMP forgiveness credits are $25 for each month the AMP customer makes their full and timely monthly payment. This forgiveness pace results in an average period of forgiveness of approximately 3.5 years. Forgiving arrearage balances after 24 months or 2 years would significantly increase the costs of the AMP, which are ultimately borne by other customers.

To date, the Commission treats water and wastewater utilities differently than electric and gas utilities with respect to customer assistance program cost recovery. Electric and gas utilities are permitted to recover these costs on a full and timely basis via universal service cost riders while water and wastewater utilities are required to attempt to predict their customer assistance program costs ahead of time and build those costs into proposed base rate cases. PAWC and Aqua PA cannot modify the customer assistance program costs incorporated into their base rates unless they file new rate cases. In PAWC's current base rate case, PAWC presented evidence that if the Commission does not approve its proposed Customer Assistance Program ("CAP") rider, PAWC is already at risk of a $10 million shortfall in recovering customer assistance program costs if its BDP enrollment continues to increase. Practically doubling the costs of PAWC's AMP forgiveness credits will only compound this problem. Unless and until PAWC and Aqua PA receive corresponding rider recovery to electric and gas utilities, they cannot agree to any changes that would drastically increase customer assistance program costs.

I note that Joint Applicant witness Schuller describes why the existing Peoples arrearage forgiveness program is reasonable.

22. Q. Do you agree with the proposals to adopt a BDP enrollment target, modify the BDP structure to a PIP, and propose to recover program costs from all customers?

A. No. These proposals are superfluous because PAWC already has an enrollment target and a tiered bill discount program. As part of PAWC's 2023 base rate case at Docket Nos. R-2023-3043189 and R-2023-3043190, the Commission directed PAWC to adopt an enrollment target and file the target at that docket. On August 7, 2025, PAWC

submitted a plan identifying this target as 12.5% of PAWC's estimated low-income customer count by the end of 2025, increasing at a rate of 2.5% per year thereafter. A more aggressive enrollment target is not realistically attainable while PAWC is still evaluating the impact of its new documentation-based income recertification process and while PAWC does not have use of a CAP rider. Since launching a documentation-based income recertification process in 2025, PAWC's BDP enrollment has fluctuated between 14,000 enrollees and 30,000 enrollees. As of June 1, 2026, BDP enrollment was just under 26,650. The actual level of PAWC's future enrollment remains unclear based on the unprecedented and continuing impact of this new recertification process, but PAWC continues to strive to meet its previously agreed-upon enrollment target despite this uncertainty. It is clear to PAWC, however, that it would be unreasonable to agree to a more aggressive enrollment target in light of the fluctuations it is experiencing from documentation-based income recertification. In addition, to the extent its enrollment were to grow significantly, PAWC's undercollection of CAP-related costs could become a significant financial challenge while it does not have a CAP rider for full and timely cost recovery.

In addition, CAUSE-PA's proposal for PAWC to adopt a PIP should be rejected as unnecessary at this time. PAWC's Commission-approved BDP is structured to provide greater benefits to lower-income customers, like a PIP, because the BDP offers four tiers of discounts with greater discounts for lower-income customers. PAWC has IT system constraints that prevent it from tailoring each bill credit based on a customer-specific formula that aligns with a customer's household income, which is my understanding of how a PIP is designed. It is not reasonable to require PAWC to incur

the costs associated with upgrading its IT systems and overhauling its BDP to adopt a PIP structure when the current BDP structure already offers four tiers of discounts tailored to customers based on their household income levels.

Finally, CAUSE-PA's proposal to recover program costs from all customers should similarly be rejected because it is contrary to the ratemaking principle of cost causation. Moreover, any changes to cost recovery are appropriately decided in a base rate proceeding and should not be decided in this Merger proceeding. PAWC has proposed a CAP rider in its pending base rate proceeding, which applies only to residential customers and is based on cost of service. Only residential customers are eligible for the BDP and the AMP and therefore the costs of the program are allocated to that class.

23. Q. Do you agree with the OCA that enhanced screening, outreach and education are necessary to facilitate enrollment in PAWC's BDP and AMP?

A. No. PAWC employs a robust, multi-pronged approach to inform customers about the benefits provided by the H2O Program (which includes the BDP and AMP) with statewide, in-person information sessions, texting and paid customer education media campaigns, and select door-to-door canvasing efforts. In addition, when a customer calls seeking payment assistance and/or is facing service termination, CCAs are trained to direct customers to call Dollar Energy Fund (PAWC's implementation contractor) to enroll in the H2O Program. PAWC also has appropriate customer-facing materials and additional touchpoints where a customer facing termination is provided with information about assistance programs, including personal contact with confirmed low-income customers and specific information on termination notices and field service

representative cards. In sum, PAWC's existing screening, outreach and enrollment processes are appropriate.

C. Conservation Programs

24. Q. The OCA and CAUSE-PA each recommend that PAWC be required to develop a comprehensive conservation and leak repair/replacement assistance program. OCA recommends that the program be available to customers under 150% of federal poverty level ("FPL"), while CAUSE-PA recommends that the program be available to customers at or below 250% of FPL.[18] Please respond.

A. Information regarding Aqua PA's and Peoples' respective usage reduction programs is being shared as part of the integration planning process but no decisions will be made regarding the implementation or expansion of such programs until each of the companies has the opportunity to evaluate this information in the context of their respective operations and regulatory framework. It is my understanding from counsel that there are no Pennsylvania laws or regulations that require water or wastewater utilities to administer conservation and line leak repair programs. Under Pennsylvania law, only electric and gas utilities are obligated to have low-income usage reduction programs ("LIURPs"), which is why Peoples has such a program. Peoples' LIURP is part of its universal service plan, and the costs associated with this program are recovered through Peoples' Rider USR. To implement a LIURP-type program, PAWC would have to hire additional staff and manage costs associated with repairing and replacing the leaking lines and infrastructure of low-income customers and none of the associated costs of such a program are built into PAWC's existing or proposed base

[18] OCA St. No. 2, p. 32; CAUSE-PA St. No. 1, pp. 77-78.

rates. For PAWC to implement this type of program, PAWC should receive corresponding full and timely cost recovery as Peoples does. Finally, while it is accurate that Aqua PA already has a line repair/conservation program, this program was derived through a voluntary settlement. One benefit of this Merger is that post-closing, PAWC will work with Aqua PA to better understand how Aqua PA's program operates and evaluate whether such a program is feasible for PAWC and a reasonable use of customer dollars. In light of these post-Merger activities, it is not appropriate to require implementation of such a program in this proceeding.

25. Q. CAUSE-PA further recommends certain coordination activities among various conservation and universal service programs. Specifically, CAUSE-PA witness Cicero proposes that: (1) Peoples, Aqua PA, and PAWC coordinate when customers present high usage across utility types; (2) Aqua PA and PAWC coordinate their program offerings with Peoples' LIURP and Act 129 programs to permit referrals and program access assistance; and (3) Peoples, Aqua PA, and PAWC allow for cross-referral and enrollment across the companies' universal service programs for households who are served by more than one of the companies. Enrollment should also be standardized and streamlined.[19] Please respond.

A. American Water agrees with these recommendations only to the extent they are focused on Peoples, Aqua PA, and PAWC working together post-Merger to compare their customer assistance programs, to share their expertise implementing these programs, and to work together to develop additional enrollment tools that would allow each of

[19] CAUSE-PA St. No. 1, pp. 65, 80-81.

the utilities to identify income-eligible customers more efficiently. In particular, this Merger will allow subsidiaries of American Water and Essential to work closely together post-closing to identify additional income-eligible customers within their service territories because, in western Pennsylvania, the service territory footprints of PAWC and Peoples overlap. One tangible benefit of this Merger is for both PAWC and Peoples to be in a better position to identify customers who should be enrolled in their customer assistance programs and to get those customers the support they need in order to maintain utility service.

In terms of CAUSE-PA's other proposals to standardize and streamline enrollment among all three Pennsylvania subsidiary utilities, to begin working with low-income high users for each of the utilities, and to coordinate their programs, American Water is not opposed to these concepts in principle, but they are premature. At this time, there is no Merger proposed for Aqua PA, Peoples, and PAWC. Because the three utilities will remain separately operated post-Merger, their customer assistance and universal service programs also will be implemented separately. In the future, there may be an opportunity to combine their offerings together into a formal program, but for purposes of this proceeding, no such combination of utility operations is contemplated.

D. Hardship Programs

26. Q. Please summarize the recommendations by the OCA and CAUSE-PA regarding hardship grant programs.

A. OCA witness Alexander recommends that PAWC, within six months of the final order in this proceeding, increase the shareholder contribution to the Company's Hardship

Fund and expand the grants available for that program to $750 for water and $750 for wastewater.[20] These recommendations are already being considered by the PUC in PAWC's pending base rate proceeding.

CAUSE-PA witness Cicero recommends that Peoples, Aqua PA, and PAWC increase their hardship program funding levels by at least 30% over existing levels and maintain such funding for not less than 10 years. The funds would not be recoverable from customers and would be in addition to any increase in hardship funding ordered or agreed to in the context of other proceedings, including pending base rate proceedings.[21]

27. Q. Do you agree that the PUC should require the Joint Applicants to increase shareholder funding for their respective hardship grant programs?

A. I do not. First, I am advised by counsel that the Commission cannot order a utility to increase its shareholder contributions to a hardship fund. Second, Aqua PA, Peoples and PAWC already provide substantial shareholder funding to support their hardship grants. For example, the current annual shareholder contribution for PAWC is $1.45 million. These contributions are not recoverable from customers and the Joint Applicants are not aware of any other Pennsylvania water or wastewater utility providing such a generous donation to its hardship fund. American Water remains very interested in offering customer assistance programs, including hardship grants, that provide meaningful support for its low-income customers, but any program expansion must come with the ability to recover the actual costs of these programs.

[20] OCA St. No. 2, p. 32.
[21] CAUSE-PA St. No. 1, p. 71.

28. Q. Do you agree that it would be appropriate for PAWC to increase the value of hardship grants from $500 per service to $750 per service?

A. No. PAWC customers are eligible for hardship grants of up to $500 for their water service and $500 for their wastewater service, totaling up to $1,000 annually. Over the last five hardship grant cycles, PAWC's highest average grant amount for either water or wastewater service was $403.29 – in 2023 to 2024 – suggesting that the $500 grant cap per service remains reasonable. Increasing the hardship grant caps from $500 to $750 would likely deplete the hardship fund more quickly, providing higher grant amounts to customers with larger balances, but also supporting fewer overall customers.

29. Q. CAUSE-PA witness Cicero recommends that PAWC and Aqua PA be required to develop and submit comprehensive universal service plans for Commission review and approval within one year of the final order in this case. Plans would include detailed consumer education and outreach plans developed in consultation with each company's low-income advisory group.[22] Please respond.

A. As recognized by the Commission in PAWC's 2023 base rate case, universal service plans are another requirement under Pennsylvania law that applies to electric and gas utilities only. Consistent with Commission precedent, it is inappropriate to impose this requirement on PAWC. PAWC shares information about its customer assistance programs with all interested stakeholders, including the OCA and CAUSE-PA, on a quarterly basis at its customer assistance and advisory group meetings, and continues to address potential changes to its programs in every base rate case. There is no basis

[22] CAUSE-PA St. No. 1, pp 81-83.

founded under the law to force PAWC to develop an additional customer assistance program plan and filing requirement. Joint Applicant witness Schuller provides a further response to this recommendation as it relates to Aqua PA.

30. Q. CAUSE-PA witness Cicero recommends a one-year period for deploying any customer assistance program changes approved in this proceeding.[23] Do you agree?

A. I do not. Many changes to customer assistance programs require IT and billing system changes. To the extent any customer assistance program changes are directed in this proceeding, the Joint Applicants will deploy them as quickly as possible, but they cannot guarantee deployment within one year for all possible program changes due to the potential IT and billing system constraints they may face.

III. CONCLUSION

31. Q. Does this conclude your Rebuttal Testimony?

A. Yes. However, I respectfully reserve the right to supplement my Rebuttal Testimony as additional issues or facts arise during this proceeding. Thank you.

[23] CAUSE-PA St. No. 1, pp. 66, 82.

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., LLC, AND PEOPLES NATURAL GAS COMPANY LLC

DOCKET NO. A-2025-3058927
A-2025-3058928
A-2025-3058929

VERIFICATION

I, Matthew W. Prine, hereby state that the facts set forth in the pre-marked Joint Applicants Statement No. 6-R and accompanying exhibits, if any, are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.



DATE: June 25, 2026

Matthew W. Prine
Vice President
Chief Customer Officer
American Water Works Company Inc.

JOINT APPLICANTS
STATEMENT NO. 6-RJ

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

DOCKET NOS. A-2025-3058927, A-2025-3058928 AND A-2025-3058929

REJOINDER TESTIMONY

WITNESS: MATTHEW W. PRINE

SUBJECT: CUSTOMER SERVICE AND CUSTOMER ASSISTANCE PROGRAMS

DATED: JULY 29, 2026

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REJOINDER TESTIMONY OF
MATTHEW W. PRINE

I. INTRODUCTION

1. Q. Please state your name and full business address.

A. My name is Matthew W. Prine. My business address is 1 Water Street, Camden, NJ.

2. Q. Have you previously submitted testimony in this proceeding?

A. Yes, I submitted rebuttal testimony that was marked as Joint Applicants Statement No. 6-R.

3. Q. What is the purpose of your rejoinder testimony?

A. My rejoinder testimony addresses the final order in Pennsylvania-American Water Company's ("PAWC's") base rate proceeding at Docket Nos. R-2025-3057983 and R-2025-3058051 that was issued by the Pennsylvania Public Utility Commission (the "Commission") after surrebuttal was served in this proceeding. I also address customer assistance program coordination recommendations made by Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") witness Patrick M. Cicero.

II. RESPONSE TO CERTAIN CUSTOMER ASSISTANCE AND CUSTOMER SERVICE PROPOSALS

4. Q. In their direct and surrebuttal testimony, Office of Consumer Advocate ("OCA") witness Barabara R. Alexander and CAUSE-PA witness Cicero propose certain customer assistance and customer service proposals that were similar to or related

to proposals being made in PAWC's base rate proceeding.[1] Do you have any further response to the OCA and CAUSE-PA proposals in this proceeding?

A. Yes. On July 27, 2026, the Commission entered an order directing PAWC to, among other things, implement certain modifications to customer assistance programs and customer service processes. The Company will comply with those customer assistance and customer service directives.

5. Q. In his surrebuttal testimony, Mr. Cicero continues to recommend that PAWC, Peoples Natural Gas Company LLC, and Aqua PA[2] take steps to coordinate certain customer assistance programs.[3] Do you have any further response on customer assistance program coordination?

A. Yes. As I explained in my rebuttal testimony, American Water Works Company, Inc. agrees that Peoples, Aqua PA, and PAWC should work together post-Merger to compare their customer assistance programs, to share their expertise implementing these programs, and to work together to develop additional enrollment tools that would allow each of the utilities to identify income-eligible customers more efficiently. However, even near-term coordination efforts will require working through additional challenges post-Merger, such as different customer information systems, protecting confidential customer information, and different program eligibility requirements. It would be premature to require any specific programmatic coordination outcomes at this time.

[1] *See, e.g.*, OCA St. No. 2, pp. 29-33; CAUSE-PA St. No. 1, pp. 56-83; OCA St. No. 2-SR, pp. 9-14; CAUSE-PA St. No. 1-SR, pp. 28-45.
[2] Aqua PA includes both Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc.
[3] *See* CAUSE-PA St. No. 1-SR, pp. 43-45.

III. CONCLUSION

6. Q. Does this conclude your rejoinder testimony?

A. Yes.

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., LLC, AND PEOPLES NATURAL GAS COMPANY LLC

DOCKET NO. A-2025-3058927
A-2025-3058928
A-2025-3058929

VERIFICATION

I, Matthew W. Prine, hereby state that the facts set forth in the pre-marked Joint Applicants Statement No. 6-RJ and accompanying exhibits, if any, are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.



DATE: July 29, 2026

Matthew W. Prine
Vice President
Chief Operating Officer
American Water Works Company, Inc.

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

Joint Application for Certificate of Public Convenience
Docket Nos. A-2025-3058927; A-2025-3058928; A-2025-3058929

I&E Preserved Testimony and Exhibit List

D. C. Patel
- I&E Statement No. 1
- I&E Exhibit No. 1
- I&E Statement No. 1-SR

Ethan Cline
- I&E Statement No. 2
- I&E Exhibit No. 2
- I&E Statement No. 2-SR

Robert Gobrecht IV
- I&E Statement No. 3
- I&E Exhibit No. 3

I&E Statement No. 1
Witness: D. C. Patel

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 IN CONTROL OF AQUA PENNSYLVANIA, INC., AQUA PENNSYLVANIA WASTEWATER, INC., AND PEOPLES NATURAL GAS COMPANY, LLC

Docket Nos. A-2025-3058927, A-2025-3058928, and A-2025-3058929

Direct Testimony

of

D. C. Patel

Bureau of Investigation & Enforcement

Concerning:

Approval for Issue Certificate of Public Convenience under Section 1102(a)(3) and to Effect Change in Control Under Section 2210(c) of the Public Utility Code

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INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is D. C. Patel, and my business address is Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Public Utility Commission (Commission) in the Bureau of Investigation and Enforcement (I&E) as a Fixed Utility Financial Analyst.

Q. WHAT IS YOUR EDUCATION AND EMPLOYMENT BACKGROUND?

A. An outline of my education and employment background is attached as Appendix A.

Q. DOES YOUR DIRECT TESTIMONY INCLUDE AN ACCOMPANYING EXHIBIT?

A. Yes. I&E Exhibit No. 1 contains schedules that support my direct testimony.

Q. PLEASE DESCRIBE THE ROLE OF I&E IN PROCEEDINGS BEFORE THE COMMISSION.

A. I&E is responsible for protecting the public interest in proceedings before the

Commission. I&E's analysis in this proceeding is based on its responsibility to represent the public interest. This responsibility requires balancing the interests of the ratepayers, the regulated utility, and the regulated community as a whole.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my direct testimony is to present I&E's position on the Joint Application filed by American Water Works Company, Inc. (American Water), Essential Utilities, Inc. (Essential), Aqua Pennsylvania, Inc. (Aqua PA), Aqua Pennsylvania Wastewater, Inc. (Aqua PA-WW), Peoples Natural Gas Company, LLC (Peoples Gas) and Alpha Merger Sub, Inc. (Alpha Merger) (collectively Joint Applicants or Companies) seeking the Commission's approval under 66 Pa C.S.A §§ 1102(a)(3) and 2210(c) for the issue of a Certificate of Public Convenience and to effect a Change in Control by way of the merger of Essential and Alpha Merger, a wholly owned subsidiary of American Water.

Aqua PA, Aqua PA-WW, and Peoples Gas are utility subsidiaries of Essential providing water, wastewater, and natural gas distribution services respectively in Pennsylvania. Pennsylvania-American Water Company (PAWC) is a subsidiary of American Water, which provides water and wastewater services in Pennsylvania.

MERGER PROPOSAL

Q. EXPLAIN WHAT THE JOINT APPLICANTS ARE REQUESTING IN THE APPLICATION.

A. The Joint Applicants are requesting the Commission's approval under 66 Pa. C.S.A §§ 1102(a)(3) and 2210(c) for the issuance of a Certificate of Public Convenience and to effect Change in Control of Aqua PA, Aqua PA-WW, and Peoples Gas via the merger of Essential with Alpha Merger, a wholly owned subsidiary of American Water. Alpha Merger will cease to exist upon completion of the proposed merger transaction and Essential would continue as the surviving corporation and a wholly owned subsidiary of American Water. Post-merger closing, American Water would become the ultimate corporate parent (a new controlling interest) of Essential and its subsidiaries (Aqua PA, Aqua PA-WW, and Peoples Gas Gas).[1] The Joint Application refers to the Agreement and Plan of Merger entered on October 26, 2025 among American Water, Alpha Merger, and Essential.[2] Following the merger, the existing shareholders of American Water will own approximately 69% of the combined company, and the former shareholders of Essential will own approximately 31% of the combined company on a fully diluted basis.[3]

[1] Joint Application, pp. 6-7.
[2] Joint Application, p. 6.
[3] Joint Application, p. 7.

Q. WHAT DOES THE PUBLIC UTILITY CODE REQUIRE IN ORDER TO GRANT APPROVAL FOR THE ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AND CHANGE IN CONTROL?

A. The Public Utility Code mandates that Commission approval, in the form of a certificate of public convenience, must be obtained in order to effectuate the proposed merger or acquisition.[4] To obtain a certificate of public convenience, the applicants must demonstrate that the granting of a certificate is necessary or proper for the service, accommodation, convenience, or safety of the public.[5] Title 66 Pa. C.S.A. § 1103(a) provides in part,

> A certificate of public convenience shall be granted by order of the commission, only if the commission shall find or determine that the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public. The commission, in granting such certificate, may impose such conditions as it may deem to be just and reasonable.

The Pennsylvania Supreme Court explained this standard in the City of York case[6] as follows:

> [T]he appropriate legal framework requires a reviewing court to determine whether substantial evidence supports the Commission's finding that a merger will affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way.

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4 66 Pa C.S.A. § 1102(a).
5 66 Pa C.S.A. § 1103(a).
6 *City of York v. Pennsylvania Public Utility Commission*, 449 Pa. 136, 141, 295 A.2d 825, 828 (1972).

This implies that the merger should result in some affirmative benefit to the public, along with the lack of any adverse effect on the public. In short, the merger should produce *substantial* affirmative benefit to the public rather than merely leaving it unharmed and there must be direct and traceable financial benefits to ratepayers. The merging companies and utilities must do more than provide the promise of achieving synergies, efficiencies, cost savings, and best practices and the merger transaction should result in lower rates and an improvement in utility service for the ratepayers.

Title 66 Pa. C.S.A. § 2210(a) requires that the Commission consider whether the proposed merger, consolidation, acquisition, or disposition is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, and the effect the proposed merger transaction will have on the natural gas distribution company's (NGDC's) employees.

Title 66 Pa. C.S.A. § 2811(e)(1) requires that the Commission consider whether the proposed merger, consolidation, acquisition, or disposition is likely to result in anti-competitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail electricity customers in this Commonwealth from obtaining the benefits of a properly functioning and workable competitive retail electricity market.

Title 66 Pa. C.S.A. §§ 2210(a) and 2811(e)(1) refer to merger or acquisition transactions in the context of natural gas and electric distribution utilities, the concern for anti-competitive or discriminatory conduct, including the unlawful

exercise of market power, and the effect the proposed merger transaction has on the public. I am advised by counsel that this applies to the proposed merger of American Water and Essential, which own and control utilities (PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas) for providing water, wastewater, and natural gas distribution services in government franchised or authorized monopoly markets.

PROPOSED AFFIRMATIVE PUBLIC BENEFITS

Q. SUMMARIZE THE BENEFITS THAT THE JOINT APPLICANTS CLAIM REGARDING THIS MERGER TRANSACTION.

A. The Joint Applicants are claiming the following benefits:

(1) American Water and Essential will be better able to maintain an average customer water and wastewater bill that is affordable in the communities that the combined company will serve.[7]

(2) The merger will unite two highly skilled and experienced teams in the regulated utility space with a greater ability to attract, develop, and retain water, wastewater, and natural gas utility employees and create long-term opportunities for career growth.[8]

(3) The merger will enhance the capabilities of Aqua PA and Peoples Gas to fulfill their obligations to provide clean, safe, reliable, and affordable service to their customers in Pennsylvania.[9]

[7] Joint Application, p. 2.
[8] Joint Application, p. 2.
[9] Joint Application, p. 9.

(4) Sharing of resources and best practices will build upon American Water and Essential's long track records of delivering safe and reliable services and produce substantial public benefits due to post merger financial strength and operational flexibility, enhanced expertise in infrastructure improvement, innovation, environmental stewardship, commitment to employees, and continued community presence.[10]

(5) Joint Applicants expect that the merger will enable them to achieve efficiencies in the future, the benefit of which will accrue to Aqua PA and Peoples Gas, and ultimately flow to customers in future rate cases. Those economies will help to offset future increase in the costs of providing regulated water, wastewater, and natural gas service, and thus, are expected to yield lower rates.[11]

Q. IN YOUR OPINION, HAVE THE JOINT APPLICANTS PROVEN THAT THE PROPOSED MERGER WILL AFFIRMATIVELY PROMOTE SERVICE, ACCOMMODATION, CONVENIENCE, OR SAFETY OF THE PUBLIC IN SOME SUBSTANTIAL WAY?

A. No. As outlined in more detail below, the Joint Applicants claim that the proposed merger will "produce substantial public benefits" by creating a company with "financial strength and operational flexibility," "enhanced expertise in

[10] Joint Application, pp. 14-17.
[11] Joint Application, pp. 13-14.

infrastructure improvement, innovation, environmental stewardship," "commitment to employees," and continued "community presence."

I consider the claimed benefits to be speculative and insufficient to meet the standards necessary to approve this transaction. The ultimate real test of affirmative substantial public benefits of the proposed merger transaction can be evaluated or measured only after assessing the true post-merger impact or benefits to accrue to water, wastewater, and natural gas customers in distribution service rates in the foreseeable future. It is apparent that post-merger utility subsidiaries of American Water and Essential would routinely continue to file base rate cases to raise customers' rates despite the claimed benefits of operational and administrative efficiencies, synergies, and cost savings of the merger transaction. I will address some of the claimed benefits individually below.

Q. PLEASE COMMENT ON AMERICAN WATER AND ESSENTIAL'S CLAIM TO MAINTAIN AFFORDABLE POST-MERGER CUSTOMERS' WATER AND WASTEWATER BILLS IN THE COMMUNITIES SERVED.

A. American Water and Essential are not specifically committing or agreeing to maintain Pennsylvania customers' water and wastewater bills in the communities that the combined company (post-merger) will serve. Rather the Joint Applicants made a speculative and unsupported statement that the proposed merger would enable them to maintain more affordable water and wastewater bills for customers. The Joint Applicants do not indicate what rates would be and how the post-merger

bills or rates will be affordably maintained because the Joint Applicants are not committing to or presenting any specific plan for a rate freeze or rate case stay-out by each subsidiary for a definite future period.

Post-merger, as usual, PAWC, Aqua PA, and Peoples Gas will continue their accelerated annual capital expenditure programs in the context of or using the catchphrase of providing "safe and reliable utility service" that would necessitate more and more capital spending, and consequently these utilities will request a higher return on investment. This exercise motivates utilities to seek rate increases more frequently, which has the effect of consistently burdening ratepayers, increasing profits for the utility companies and parent companies, and benefitting investors at the cost of ratepayers. Water and wastewater customers have no other viable option to switch utility services in the franchised territory and instead must pay for the higher utility bills via rates that are unaffordable. Low-income programs are not the solution for other classes of customers who do not qualify for such programs and are struggling to pay their bills.

Q. PLEASE COMMENT ON AMERICAN WATER AND ESSENTIAL'S CLAIM FOR A GREATER ABILITY TO ATTRACT, DEVELOP, AND RETAIN UTILITY EMPLOYEES.

A. The Joint Applicants claim that the merger will unite two highly skilled and experienced teams in the regulated utility space, which would enhance a greater ability to attract, develop, and retain water, wastewater, and natural gas utility

employees and create long-term opportunities for career growth. However, with the merger of water utilities, there will be consolidation of numerous operating and administrative functions and activities leading to elimination of duplicative functions to gain efficiency and cost savings. This would result in elimination of jobs and employee layoffs or terminations and would limit new job openings, which would naturally eliminate advancement opportunities for existing employees. Currently, there is no indication that American Water and Essential are facing challenges to hire and retain skilled and experienced employees. PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas have not presented evidence that they are currently having difficulty managing their business operations efficiently with existing skilled and experienced teams to provide safe and reliable utility services.

Q. PLEASE COMMENT ON AQUA PA, AQUA PA-WW, AND PEOPLES GAS' CAPABILITIES TO FULFILL THEIR OBLIGATIONS TO PROVIDE CLEAN, SAFE, AND RELIABLE SERVICE TO CUSTOMERS IN PENNSYLVANIA.

A. Currently, Aqua PA, Aqua PA-WW, and Peoples Gas are technically and financially strong, mature, capable of mitigating business risks and challenges, and fulfilling their obligations to provide clean, safe, and reliable service to customers in Pennsylvania. Further, the Joint Applicants have not demonstrated that Aqua

PA, Aqua PA-WW, and Peoples Gas are not capable, are deficient, or are lacking or have insufficient resources to fulfill their obligations to provide clean, safe, and reliable services and to support currently ongoing business operations. The merger would not add or create any significant additional value to the utilities' capabilities and resources to provide clean, safe, reliable services as they are currently capable of providing clean, safe, and reliable utility services independently.

Q. PLEASE COMMENT ON SHARING OF RESOURCES AND BEST PRACTICES BY AMERICAN WATER AND ESSENTIAL THAT THE JOINT APPLICANTS CLAIM WOULD PRODUCE SUBSTANTIAL PUBLIC BENEFITS.

A. The Joint Applicants claim that sharing of resources and best practices would produce substantial public benefits due to post merger financial strength and operational flexibility, enhanced expertise in infrastructure improvement, innovation, and environmental stewardship, commitment to employees, and continued community presence. I generally agree that sharing resources and best practices could reduce inefficiencies in business operations and provide for the possibility of some extent cost saving.

However, at this time it is speculative to assume that the merger will provide *substantial* benefits to ratepayers because as discussed above, the real test of post-merger benefits from business synergy, efficiency, economies of scale, and

cost savings in dollars would only be known when all the claimed benefits are identified and measured separately on an annual basis and the merger-related cost savings accounted for separately as deferred customers' credit for ensuring annual rate reductions or credits to ratepayers. Additionally, if the merger is approved, a detailed compliance report on post-merger actions, efficiency, synergies, and cost savings realized in dollar amounts should be filed with the Commission for each of the Pennsylvania utilities under the merger transaction to evaluate realization of substantial affirmative public benefits.

However, due to the larger size of these existing utilities prior to any merger, it is questionable whether any significant public benefits would even be achieved post-merger.

Q. PLEASE COMMENT ON THE JOINT APPLICANTS CLAIM REGARDING FUTURE EFFICIENCIES AND BENEFITS TO FLOW TO CUSTOMERS IN FUTURE RATE CASES.

A. The Joint Applicants claim that the merger will enable them to achieve efficiencies in the future and the benefit of which will be accrued to Aqua PA, Aqua PA-WW, and Peoples Gas, which will ultimately flow to customers in future rate cases. The Joint Applicants claim that merger efficiencies would help to offset future increases in the cost of providing regulated water, wastewater, and natural gas service, and thus, are expected to yield lower billing rates. However, it is exaggerated and speculative to assume that the combined business operational

efficiencies and economies of scale would significantly offset future increases to the cost of providing water, wastewater, and natural gas services, and thus, it is questionable whether customers would benefit by lower rates. This claim is speculative and unsupported because the utilities' ambitious capital investment/expenditure programs and future uncertainties of economic and financial factors are likely to continue to drive up the cost of providing utility service. The Joint Applicants have not projected definitive merger efficiencies and resultant cost savings at this point and have not determined the time period over which they may be achieved.[12] Additionally, as discussed above, the Joint Applicants have not quantified or estimated yearly monetary benefits or savings due to merger efficiencies and synergies to each of the utilities and potential reductions or offsets to customers' future rates.[13]

UTILITIES' FINANCIAL CONDITIONS

Q. BRIEFLY DESCRIBE THE BUSINESS OPERATIONS OF PAWC AND AQUA PA?

A. Currently, PAWC and Aqua PA (including Aqua PA-WW) are the two largest investor-owned (IOU) water utilities in Pennsylvania, and no other investor-owned water utilities in Pennsylvania are comparable or close in size to these two large water utilities by any metric. PAWC provides water and/or wastewater services to

[12] I&E Exhibit No. 1, pp. 1-2.
[13] I&E Exhibit No. 1, pp. 2-4.

approximately 2.4 million people, approximately 19% of the Commonwealth's population in 418 communities in 37 counties of Pennsylvania and plans to invest approximately $525 million to $625 million annually to upgrade its water and wastewater systems.[14] Aqua PA provides water and/or wastewater services to approximately 1.59 million people (approximately 13% of the Commonwealth's population) in 34 counties of Pennsylvania.[15] Both these utilities are operationally, technically, and financially competent and sound to *independently* provide safe and reliable water and wastewater services to their customers in the Commission's franchised territories.

Q. DO YOU HAVE ANY COMMENTS ON PAWC AND AMERICAN WATER'S CURRENT FINANCIAL POSITION?

A. Yes. A summary of PAWC's financial data evidencing its consistently growing financial strength (funded by ratepayers) due to strong market presence in the water and wastewater businesses is shown in the tables below:

[14] https://www.amwater.com/paaw/about-us/ (accessed on February 5, 2026).
[15] https://www.aquawater.com/about-aqua/states-we-serve/aqua-pennsylvania (accessed on February 5, 2026).

PAWC - Water and Wastewater Operations:[16]

Year ended December 31	Water Operating Revenue	Water Operating Income	Wastewater Operating Revenue	Wastewater Operating Income
2020	$662.03M	$246.82M	$71.03M	$28.18M
2021	$686.62M	$278.70M	$82.95M	$31.44M
2022	$711.79M	$281.10M	$106.61M	$40.54M
2023	$807.90M	$288.35M	$157.33M	$83.00M
2024	$869.05M	$316.47M	$170.09M	$88.06M

The above table shows consistent growth in PAWC's (1) water operating revenue and operating income, which increased by 31.27% and 28.22% respectively from 2020 to 2024; and (2) wastewater operating revenue and operating income, which increased by 139.46% and 212.49% respectively from 2020 to 2024. This growth in revenue and income in PAWC's water and wastewater operations is funded by ratepayers. Notably, the significant growth in wastewater operations is partly attributable to acquisition of municipal wastewater operations under 66 Pa. C.S.A. § 1329.

[16] Document Search | PA PUC (accessed on February 5, 2026).

PAWC Water Operations - Net Utility Plant:

2020	2021	2022	2023	2024
$4,540.38M	$4,739.56M	$5,041.65M	$5,465.88M	$5,923.78M

The above table shows consistent growth in PAWC's net utility plant for water operations, which increased by 30.47% from 2020 to 2024.

PAWC Wastewater Operations - Net Utility Plant:

2020	2021	2022	2023	2024
$786.72M	$850.03M	$1,158.65M	$1,271.73M	$1,556.00M

The above table shows consistent growth in PAWC's net utility plant for wastewater operations, which increased by 97.78% from 2020 to 2024, which as noted above is partly attributable to the acquisition of municipal wastewater operations at fair market value under 66 Pa. C.S.A. § 1329.

PAWC's parent company, American Water provides water and wastewater service to 3.5 million customer connections, or more than 14 million people in fourteen states and its stock is listed on the New York Stock Exchange (NYSE).[17] American Water has improved its diluted earnings per share registering an increase of 37.85% from 2020 to 2024 as shown in the table below:[18]

[17] Joint Application, p. 4.

[18] https://s26.q4cdn.com/750150140/files/doc_financials/2023/ar/american-water-2024-proxy-statement.pdf https://s26.q4cdn.com/750150140/files/doc_financials/2024/ar/American-Water-2025-Proxy-Statement.pdf https://s26.q4cdn.com/750150140/files/doc_financials/2025/ar/American-Water-2026-Proxy-Statement.pdf (accessed on April 21, 2026).

2021	2022	2023	2024	2025
$4.25	$4.51	$4.90	$5.39	$5.64

Q. DO YOU HAVE ANY COMMENTS ON AQUA PA AND AQUA PA-WW'S CURRENT FINANCIAL POSITION?

A. Yes. A summary of financial data for Aqua PA and Aqua PA -WW evidencing its consistently growing financial strength (funded by ratepayers) due to a strong market presence in the water and wastewater businesses is shown in the tables below.

The tables below show the growth of Aqua PA's (1) water operating revenue and operating income, which increased by 24.51% and 17.03% respectively from 2020 to 2024; and (2) wastewater operating revenue and operating income, which increased by 135.01% and 379.79% respectively from 2020 to 2024. This growth is funded by ratepayers. Notably, the significant growth in wastewater operations revenue and operating income is partly attributable to the acquisition of municipal wastewater facilities at fair market value under 66 Pa. C.S.A. § 1329.

Aqua PA - Water and Wastewater Operations:[19]

Year Ended December 31	Water Operating Revenue	Water Operating Income	Wastewater Operating Revenue	Wastewater Operating Income
2020	$476.95M	$256.71M	$31.93M	$3.76M
2021	$493.31M	$258.09M	$36.46M	$2.92M
2022	$544.53M	$271.55M	$60.68M	$19.52M
2023	$564.85M	$291.69M	$73.60M	$20.41M
2024	$593.87M	$300.42M	$75.04M	$18.04M

The table below shows the growth in Aqua PA's net utility plant for water operations, which increased by 20.90% from 2020 to 2024.

Aqua PA Water Operations - Net Utility Plant:

2020	2021	2022	2023	2024
$3,968.44M	$4,188.99M	$4,413.75M	$4,616.81M	$4,797.68M

The table below shows the growth in Aqua PA's net utility plant for wastewater operations, which increased by 51.97% from 2020 to 2024.

Aqua PA Wastewater Operations - Net Utility Plant:

2020	2021	2022	2023	2024
$360.18M	$386.56M	$496.98M	$506.00M	$547.38M

[19] Document Search | PA PUC (accessed on February 5, 2026).

Q. DO YOU HAVE ANY COMMENTS ON PEOPLES GAS AND ESSENTIAL'S CURRENT FINANCIAL POSITION?

A. Yes. Peoples Gas is an indirect subsidiary of Essential and provides natural gas service to approximately 700,000 customers in 18 counties in Western Pennsylvania.[20] A summary of the financial data of Peoples Gas evidences consistently improving financial conditions due to its strong market presence in gas distribution service in western Pennsylvania is shown in the table below:[21]

Year Ended December 31	Operating Revenue	Net Income	Net Utility Plant
2020	$629.32M	$121.76M	$2,265.34M
2021	$688.24M	$163.01M	$2,501.42M
2022	$898.17M	$187.44M	$2,804.28M
2023	$756.00M	$240.52M	$3,527.58M
2024	$762.49M	$249.45M	$3,976.05M

The above table shows growth in Peoples Gas (1) operating revenue and net income by 21.16% and 104.87% respectively from 2020 to 2024; and (2) net utility plant by 75.52% from 2020 to 2024. This growth is funded by ratepayers.

Essential, the parent company of Aqua PA, Aqua PA-WW, and Peoples Gas, operates in nine states and its stock is listed on the NYSE. Essential has

[20] Joint Application, p. 6.
[21] Document Search | PA PUC (accessed on February 5, 2026).

consistently improved its earnings per share registering an increase of 25.15% from 2020 to 2024 as shown in the table below:[22]

2021	2022	2023	2024	2025
$1.67	$1.77	$1.86	$1.97	$2.20

Q. DO YOU HAVE ANY FINAL COMMENTS ON THE CURRENT FINANCIAL STRENGTH OF PAWC, AQUA PA, AQUA PA-WW, AND PEOPLES GAS?

A. Yes. The above financial information indicates that PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas have maintained steady and sustainable growth in business operations and financial results, mitigating business and financial risks despite the increased capital spending and post COVID-19 inflation resulting in higher costs and interest rates. There is no indication that PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas are independently unable to address potential business and financial risks or challenges concerning market conditions, inflation, interest rates, and changes in government policies, or general economic events.

Considering the sound historic financial performance and current credit ratings, these companies (including the parent companies) have comfortable financial profiles that would continue to enable easy access to attract or raise the required funding from the capital market for the planned capital expenditure

[22] https://www.essential.co/static-files/39f07290-b86b-4a5f-8351-2476c649105d (accessed on February 6, 2026).

programs. Furthermore, there is no evidence that these companies face challenges to raise necessary long-term funding for the acquisition of other water and wastewater facilities. PAWC and Aqua PA/Aqua PA-WW have consistently and successfully completed numerous acquisitions of municipal water and wastewater facilities at fair market value under 66 Pa. C.S.A. § 1329 using available funding sources and have continued to expand their business territories and customers served. In short, PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas have strong business and financial positions due to their monopoly structure in the certificated service territories and are managing their business and financial risks independently.

MERGER CONCERNS

Q. WHAT ARE YOUR MAJOR CONCERNS FOR THE PROPOSED MERGER OF AMERICAN WATER AND ESSENTIAL?

A. The proposed merger would create a negative business environment for the water industry violating the affirmative public benefit standard for the following reasons:

(1) The proposed merger of American Water and Essential would allow the companies to gain a commanding control or position and the concentration of economic power in Pennsylvania's water and wastewater industry because it will become the single/sole largest IOU for water and wastewater services in Pennsylvania, monetizing government authorized franchise/monopoly privileges.

(2) Post-merger, by virtue of being the largest and financially strongest IOU, American Water/Essential through PAWC, Aqua PA, and Aqua PA-WW would be in a position to dictate the water and wastewater industry practices given its dominate position in the industry and would become a sole buyer of other investor owned or privately held water and wastewater utilities and municipal owned water and/or wastewater systems (under 66 Pa C.S.A § 1329) in Pennsylvania as there would likely be no viable competitors in a competitive bidding process. This would enable American Water (through its subsidiaries, PAWC, Aqua PA, and Aqua PA-WW) to expand, consolidate, and strengthen its monopoly in service territories, limiting and creating barriers for free market access for other utilities in the Pennsylvania water and wastewater utility market. Thus, this merger transaction would have the effect of boosting an anti-competitive market environment in the Pennsylvania water and wastewater market that would be detrimental to the public interest as without viable competition to control purchase prices, territory expansion costs could increase, which would be fully funded by customers.

(3) The merger would pave the way for the combined entities' extended market power, more potential for anti-competitive behavior, increase in revenues, profits, earnings per share, market capitalization, and stock value appreciation that would ultimately be more benefitting to American Water's investors (shareholders) rather than utility customers.

(4) Ratepayers would not benefit monetarily from the merger because water/wastewater utilities under the umbrella of American Water will continue their ambitious capital expenditure programs and never-ending acquisition of other water/wastewater utilities, which will result in a consistent increase in capital assets or rate base and consequently an increase in customer rates. Similarly, Peoples Gas will continue its capital expenditure programs and will file rate cases for a higher return on investment.

Utilities' efforts to consistently increase annual capital expenditures increases the rate base value, capital costs, and associated operating and maintenance expenses including depreciation, which motivates utilities to file frequent base rate cases to earn a higher return on investment and to recover corresponding increases in operating and maintenance expenses. This has the cascading effect of burdening ratepayers while the utilities' profits continue to grow, and investors earn higher returns on investment and growth in stock value. Briefly, the ratepayers would continue funding capital investments while investors' return and wealth continue to grow.

(5) The Joint Applicants claimed merger benefits relating to business synergy, efficiency, and best practices (that may accrue to ratepayers) are generic and not new or novel, but they are routine and an academic concept presented in every merger or acquisition proposal for seeking merger transaction approval. Adoption of "best practices" and "efficient" utility

operations are a routinely required obligation of every franchised utility, and highly paid executives do not need mergers to improve best management practices.

Q. PLEASE COMMENT ON THE JOINT APPLICANTS' CLAIM FOR ANTICIPATED IMPROVED OR GREATER ACCESS TO CAPITAL.

A. The Joint Applicants' claim that the post-merger Pennsylvania utility subsidiaries will have improved access to capital, coupled with greater overall liquidity, which will allow American Water and its subsidiaries to better manage the timing of and need to access markets during periods of extreme volatility.[23] It is questionable whether there will be any greater access or measurable benefit to Aqua PA, Aqua PA-WW, Peoples Gas, and their ratepayers because the Joint Applicants' merger commitment stipulates that "American Water will provide the Essential utilities in Pennsylvania with no less than the *same access* to short-term debt, commercial paper and other liquidity that Aqua PA and Peoples currently have in place."[24] Currently, Essential's stock is listed on the NYSE similar to American Water's stock and Essential is rated "A-" and "Baa2" by S&P and Moody's respectively while American Water is rated "A" and "Baa1."[25] There is no material difference in both the companies' ratings because the S&P ratings of "A-" and "A" are

[23] Joint Applicant's Statement No. 2, p. 10, lines 13-16.
[24] Joint Application, Exhibit C, p. 2.
[25] Joint Applicants Statement No. 5, p. 7, lines 17-18.

characterized as an upper medium grade rating and Moody's ratings of "Baa2" and "Baa1" are characterized as a lower medium grade rating.

The Joint Applicants have not demonstrated that Essential's current access to capital is in any way insufficient or deficient to support its current business operations. Essential has an investment grade bond rating, which demonstrates that investors look favorably on Essential and its subsidiaries' ability to pay interest and principal on borrowings. Currently, Essential has easy access to the capital market for funding needs of its utility subsidiaries. To the contrary, after the merger announcement on October 27, 2025 neither American Water nor Essential's stock prices have shown any increase. This indicates investors' neutral assessment of the post-merger financial profile of American Water going forward.

Post-merger, bond ratings of American Water may slightly improve most likely due to the merger of two large size utility parent companies (American Water and Essential). However, it is speculative to assume that the merger will provide significant benefits to Essential and its subsidiaries in seeking capital funding because Essential's credit rating indicates that its access to capital is currently adequate. Considering the solid and seemingly ever-increasing financial metrics of Essential and its Pennsylvania utilities, Essential has adequate access to the capital market and liquidity.

Finally, American Water and Essential including their utilities (PAWC, Aqua PA, and Peoples Gas) are independently capable and have been receiving the required capital funding routinely without challenges.

Q. PLEASE COMMENT ON PEOPLES GAS AS IT RELATES TO THE MERGER TRANSACTION.

A. The Joint Applicants claim that the merger will not result in anti-competitive or discriminatory conduct in the retail market for natural gas in Pennsylvania because American Water does not own or operate any companies that directly or indirectly compete with Peoples Gas.[26] Post-merger, Peoples Gas will be the only utility company providing natural gas distribution services under the American Water umbrella. Typically, one of the benefits derived via a merger or acquisition is that consolidation of utilities with *similar* business operations produces efficiencies and cost savings resulting from synergistic opportunities. Regarding Peoples Gas, there is a clear lack of synergies and economies of scale because American Water and Essential's core business focus and engagement is in the water and wastewater industry while Peoples Gas differs in industry type (natural gas distribution). While there may be some commonalities between water and natural gas distribution operations because both are metered utilities and each conveys service through a pipeline system, most notably is the difference in the commodities they transport to customers as each commodity has its own separate safety standards and treatment needs. Each utility type has its own unique risks and requires industry specific expertise to ensure compliance with statutory standards for the utility to provide safe and reliable service to customers.

[26] Joint Application, p. 16.

Q. DO YOU HAVE ANY OTHER CONCERNS RELATED TO PEOPLES GAS IN THE PROPOSED MERGER TRANSACTION?

A. Yes. Merger of Peoples Gas as being a different utility type with water companies would not provide synergies in gas business operations because there are no additional gas operations that could provide benefits as part of the merger. Overall, Peoples Gas merging with water utilities lacks benefits of economy of scale and business synergies, which would not provide any additional benefits to gas customers. Therefore, the merger of Peoples Gas in the grand scheme of a merger between American Water and Essential is unlikely to meet the substantial affirmative public benefits standard required by the Pennsylvania Public Utility Code.

It appears that the American Water and Essential merger proposal is primarily based on a long-term strategy to increase, consolidate, and control the water and wastewater industry across Pennsylvania while Peoples Gas is a secondary business line attached to the merger transaction because it is a subsidiary of Essential. American Water does not show motivation or a specific reason or intention to enter into the natural gas distribution business. Thus, I am concerned that the Peoples Gas ratepayers could suffer unintended consequences if American Water/Essential decides to spin off or sell Peoples Gas at a higher valuation in the future. Most importantly, there is no guarantee that post-merger American Water/Essential would continue to own and operate Peoples Gas for an

extended period regardless of how long it has owned other acquired water/wastewater systems or companies.

IMPACTS ON COMPETITION

Q. SUMMARIZE THE JOINT APPLICANTS' DISCUSSION REGARDING POTENTIAL ANTI-COMPETITIVE OR DISCRIMINATORY CONDUCT IN THE NATURAL GAS RETAIL MARKET AS A RESULT OF THE PROPOSED MERGER.

A. The Joint Applicants suggest that the proposed merger will not result in anti-competitive or discriminatory conduct in the retail market for natural gas in Pennsylvania because (1) American Water does not own or operate any companies that directly or indirectly compete with Peoples Gas; and (2) the merger would not result in any change in rates or changes to the gas operations or customer choice programs of Peoples Gas.[27]

Q. WHAT IS YOUR RESPONSE TO THE JOINT APPLICANTS' CLAIM REGARDING POTENTIAL ANTI-COMPETITIVE OR DISCRIMINATORY CONDUCT IN THE NATURAL GAS RETAIL MARKET AS A RESULT OF THE PROPOSED MERGER?

A. I agree that the proposed merger would not result in anti-competitive or

[27] Joint Application p. 16.

discriminatory conduct in the retail market for natural gas in Pennsylvania because American Water does not own or operate any companies that directly or indirectly compete with Peoples Gas in Pennsylvania. However, I disagree with the Joint Applicants' second reason that the merger would not result in any change in rates of Peoples Gas because it is incorrect to claim the proposed merger would not result in any change in rates for Peoples Gas customers. Post-merger, Peoples Gas will not increase customers' rates until its next rate case is filed after the merger's effective date. Peoples Gas is not committed to putting in place a rate freeze or rate case stay out for a definitive future period. In fact, most recently Peoples Gas filed a base rate case on March 27, 2026 (at Docket No. R-2026-3060855), seeking approval for an approximately $163 million (13.8%) revenue increase with new rates to be effective on December 27, 2026, which is prior to the merger targeted effective date in the first quarter of 2027.

Q. DO THE JOINT APPLICANTS DISCUSS POTENTIAL ANTI-COMPETITIVE OR DISCRIMINATORY CONDUCT IN THE WATER AND WASTEWATER RETAIL MARKET AS A RESULT OF THE PROPOSED MERGER?

A. No. Interestingly, the Joint Applicants have not discussed the post-merger potential anti-competitive or discriminatory conduct in the water and wastewater retail market and its impact on customers in Pennsylvania. I have discussed above

American Water and Essential's potential post-merger anti-competitive or discriminatory conduct in the water and wastewater retail market.

MERGER RELATED SEVERANCE COMPENSATION

Q. PLEASE DESCRIBE ESSENTIAL'S EXECUTIVE OFFICERS' SEVERANCE COMPENSATION PROPOSAL DUE TO A CHANGE IN CONTROL AS A RESULT OF THE MERGER TRANSACTION.

A. Essential's Proxy Statement (Schedule 14A)[28] to shareholders seeking approval of the merger transaction states that executive officers who are party to a change in control or employment agreement with Essential will experience a qualifying termination (i.e., a termination of the executive officer's employment by Essential without cause or by the executive officer under certain enumerated circumstances that would result in a material negative change in the executive officer's relationship with Essential) during the period that is within ninety days (six months in the case of Mr. Franklin) prior to or twenty-four months following a change in control of Essential. In this situation, Essential will be obligated to pay the executive officer a cash lump sum payment equal to a multiple of such executive's base compensation including targeted bonus will be paid to Essential's named executive officers to the extent payable in accordance with the terms of

[28] https://www.sec.gov/Archives/edgar/data/78128/000119312525337599/d77595ddefm14a.htm, pp. 107-111 (accessed on March 19, 2026).

their compensation agreements and other contractual arrangements even if Essential shareholders do not approve the merger-related compensation proposal.

The amounts shown in the table below are estimates of Essential's five key executive officers' severance compensation and benefits payments (on a pre-tax basis) (Golden Parachute Payment), which are based on multiple assumptions:[29]

Name	Cash	Stock Options	Perquisites /Benefits	Other Benefits	Total
Christopher H. Franklin	$7,948,521	$9,704,649	$212,350	$207,702	**$18,073,222**
Daniel J. Schuller	$2,355,295	$2,565,788	$91,556	$56,364	**$5,069,003**
Christopher P. Luning	$1,822,422	$1,789,215	$91,298	$39,704	**$3,742,639**
Colleen M. Arnold	$1,468,849	$1,032,225	$84,498	$22,270	**$2,607,842**
Michael A. Huwar	$1,398,904	$979,943	$84,498	$21,086	**$2,484,431**
Total	**$14,993,991**	**$16,071,820**	**$564,200**	**$347,126**	**$31,977,137**

Q. WHAT ARE YOUR COMMENTS ON ESSENTIAL'S EXECUTIVE OFFICERS' SEVERANCE COMPENSATION PROPOSAL LINKED TO THE CHANGE IN CONTROL OF ESSENTIAL CONSEQUENT TO THE MERGER TRANSACTION?

A. Essential's proposed severance compensation payment is governed by the terms of change in control or employment agreements with its key executive officers.

[29] https://www.sec.gov/Archives/edgar/data/78128/000119312525337599/d77595ddefm14a.htm, p. 110 (accessed on March 19, 2026).

Essential's operating utilities (Aqua PA, Aqua PA-WW, and Peoples Gas) are not involved or parties to commitment to honor severance compensation payment. However, post-merger, Essential as an immediate parent company of Aqua PA, Aqua PA-WW, and Peoples Gas would directly or indirectly charge or allocate and recover a proportionate share of severance compensation costs designated as merger transition costs from these subsidiaries.[30] In turn, these subsidiaries will claim Essential's allocated severance compensation cost/charge for recovery from its ratepayers in rate case proceedings.

Q. DO YOU AGREE WITH ESSENTIAL'S SEVERANCE COMPENSATION COST OR GOLDEN PARACHUTE PAYMENT RECOVERY FROM AQUA PA, AQUA PA-WW, AND PEOPLES GAS RATEPAYERS CONSEQUENT TO THE CHANGE IN CONTROL?

A. No. First, as discussed above, Essential's operating utilities (Aqua PA, Aqua PA-WW, and Peoples Gas) are not parties to any commitment to honor and they are not liable to bear Essential's severance compensation cost of approximately $31,977,137, which is approved by Essential's shareholders. Second, the proposed change in control of Essential is the result of a merger transaction proposed by American Water and Essential with the intention of maximizing shareholders' interest and wealth by taking advantage of an opportunity that

[30] I&E Exhibit No. 1, Schedule 2, pp. 1-4.

results in a concentration of economic power in the Pennsylvania water and wastewater industry. Third, as discussed above, despite the Joint Applicants' claims for synergy and efficiency benefits in operations, ratepayers would not benefit in their rates because the Joint Applicants are not committing to any rate reductions or rate freezes for a future period to pass on merger benefits. In fact, rates of Pennsylvania ratepayers would increase after a merger because American Water and Essential's utilities will continue filing base rate cases primarily to recover capital costs of consistently higher year on year capital expenditure programs.

Q. WHAT IS YOUR RECOMMENDATION REGARDING ESSENTIAL'S POST-MERGER SEVERANCE COMPENSATION COST RECOVERY FROM AQUA PA, AQUA PA-WW, AND PEOPLES GAS RATEPAYERS?

A. For the reasons discussed above, I recommend that Essential's post-merger executive officer's severance compensation cost of approximately $31,977,137 for the change in control should not be allowed or permitted for a recovery as merger transition costs or other costs directly or indirectly as an allocated costs from Aqua PA, Aqua PA-WW and Peoples Gas ratepayers in the future rate cases. Since the merger benefits shareholders, this cost should be covered by those shareholders.

MERGER RECOMMENDATION

Q. IN YOUR OPINION, DO THE JOINT APPLICANTS MEET THE STANDARDS REQUIRED BY THE PUBLIC UTILITY CODE IN ORDER TO GRANT APPROVAL FOR THIS MERGER?

A. No. As discussed above, the Joint Applicants have not identified any significant distinguishable and measurable substantial affirmative benefits of this merger. There are no pressing needs or reasons and distinctive support for this merger application to provide safe and reliable utility services and the Joint Applicants did not prove substantial affirmative public benefits that support the approval of the proposed merger transaction.

Additionally, the Joint Applicants did not quantify and commit to any rate relief (in the form of rate reduction/credit and rate freeze for any period) for Pennsylvania ratepayers. Therefore, it is appropriate to conclude that this merger transaction will not produce substantial affirmative public benefits.

Q. WHAT DO YOU RECOMMEND FOR THE MERGER APPLICATION?

A. I recommend that the Commission reject the proposed merger transaction of the Joint Applicants for the reasons discussed above.

Q. WHAT DO YOU RECOMMEND IF THE COMMISSION DECIDES TO APPROVE THIS MERGER TRANSACTION?

A. Considering the affirmative substantial public benefits standard and relying on

informed judgment, if the Commission decides to approve the proposed merger transaction, I recommend that the merger approval should be subject to the following conditions and such other conditions considered appropriate in the interest of PAWC, Aqua PA, Aqua PA-WW, Peoples Gas ratepayers, and the overall public interest:

(1) Post-merger American Water, Essential, PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would not undertake any transactions that would lead to comingling of Pennsylvania utilities' funds with other affiliated entities without specific prior approval of the Commission.

(2) PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would continue to operate as separate utility subsidiaries with their own executives, officers, and employees and would continue to maintain separate books of accounts and financial statements at each entity level including capital structures, debt and equity costs, rate base, and operating and maintenance expenses with breakdowns by line items for ratemaking purpose on a standalone basis and comply with the Commission mandated financial statements and reports pursuant to the public utility code.

(3) PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would continue to maintain reasonable accounting procedures, policies, and controls to govern any inter-company trade and service transactions with affiliates and comply with all the terms and conditions of the Commission approved affiliated interest agreements. Specifically, this includes maintaining detailed

accounting records sufficient to document all affiliated companies' charges for service transactions with PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas.

(4) American Water would commit that no costs relating to new equity issuances or debt borrowing to finance the merger costs including any acquisition premium or goodwill would be allocated or charged to PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas and these utilities would not be permitted to include or claim any merger costs in future base rate cases.

(5) All merger related costs such as (a) transaction costs including solicitation costs; (b) transition costs; (c) costs to achieve the merger; (d) integration costs; (e) golden parachute payments including retention bonuses and benefits; and (f) any other incremental and incidental costs incurred to facilitate integration and consolidation of business operations of utilities would not be claimed as recoverable or be recovered directly or indirectly (as a cost allocation from the parent or associated companies) as a part of cost of service by PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas in future rate proceedings. All these costs would be funded by shareholders and excluded for ratemaking purposes.

(6) All merger related transaction, consolidation, and transition costs including cost to achieve the merger would be recorded on American Water and Essential's books and shall be made available in sufficient detail to the Commission on demand.

(7) PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would agree to seek the Commission's approval for all new or amended affiliated interest agreements with its parent company and affiliated entities consistent with Chapter 21 of the Public Utility Code. All transactions among the utility subsidiaries and their affiliated entities (including but not limited to American Water and Essential) would not promote any form of cross subsidization and render benefits to the shareholders of the group companies.

(8) No employees or executive officers' severance compensation, retention payments or bonuses, and benefits (by way of cost allocation from the parent or affiliated companies) related to a change in control pursuant to this merger transaction would be claimed or allowed for recovery directly or indirectly (capitalized or expense portions) in any future rate proceedings of PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas.

(9) Aqua PA, Aqua PA-WW, and Peoples Gas would separately identify and quantify in dollars by fiscal year, all merger benefits/cost savings claimed to be realized due to business operation synergies, efficiencies, and best practices and detailed information thereof would be included in future rate case filings. In short, the post-merger new rates of PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would reflect all merger benefits and savings.

(10) All merger benefits/savings would be identified in the merger compliance filing to be filed with the Commission on an annual basis by each Pennsylvania utility.

(11) Since the quantification of future long-term post-merger benefits/savings to be realized is complex and difficult to estimate at this time, the benefits to customers from potential operational synergies and efficiencies to result from the merger transaction would not be deferred to a future period. Therefore, in order to provide an immediate pass through of potential merger savings to all existing utility customers: (a) PAWC would provide a one-time $60 rate credit to its water and wastewater customers as an adjustment equally divided in three monthly customers' bills; (b) Aqua PA and Aqua PA-WW would provide a one-time $60 rate credit to its water and wastewater customers as an adjustment equally divided in three monthly customers' bills; and (c) Peoples Gas would provide a one-time $60 rate credit to its natural gas customers as an adjustment equally divided in three monthly customer bills. The rate credits would be provided in customers' bills following the merger closing date, but before the end of December 31, 2027. PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would file a compliance report summarizing customers' rate credit details with the Commission after completing three monthly one-time rate credits in customers' bills. American Water and Essential would adequately fund or contribute to the respective utilities' Rate Stabilization Fund specifically

created for ensuring the above one-time rate credits of $60 to each customer and these costs should not be charged or allocated to utilities for recovery from customers' rates in any future rate proceedings.

(12) Considering the Joint Applicants' claim for merger efficiencies, synergies, and cost savings that would lead to affordable rates over time and the current base rate proceedings of PAWC and Peoples Gas, these utilities including Aqua PA and Aqua PA-WW should be required to implement a rate case stay out for a period of not less than three years from the closing date of this merger transaction.

(13) Aqua PA, Aqua PA-WW, and Peoples Gas would report and identify the impact resulting from any constraints on their ability to monetize otherwise available tax benefits due to the post-merger affiliation with American Water and participation in a federal consolidated tax return.

(14) American Water will ensure that the merger would not affect accounting and ratemaking treatments of Essential's utility subsidiary companies accumulated deferred income taxes, including excess deferred income taxes, accumulated deferred tax credits, and net operating losses.

(15) Post-merger, the parent and affiliated companies' stand-alone or consolidated capital structure would not produce pressure on the Pennsylvania utility subsidiaries to pay a higher dividend exceeding the ordinary/normal levels.

(16) The holding/parent companies including their associate entities would continue to provide support for the utility subsidiaries' funding (capital) requirements at a just and reasonable cost and other competitive market terms and conditions.

(17) As long as Pennsylvania utility subsidiaries are separate legal entities, American Water and Essential would commit to implementing appropriate ring-fencing protections to the extent necessary for business operations (water including wastewater operations, gas operations, and non-utility operations) and related financial transactions of each business segment, which are no less protective of the ring-fencing protections currently in effect. The ring fencing would include but is not limited to the following:."

a) American Water and Essential utility subsidiaries maintaining their status as corporate subsidiaries with their own corporate officers.

b) each of the utility subsidiaries maintaining and issuing their own sets of financial statements pursuant to the Commission's requirements.

c) all transactions among the utility subsidiaries and their corporate affiliates taking place pursuant to the terms of the Commission-approved affiliated agreement to avoid cross subsidization.

d) each utility subsidiary maintaining the capability to issue its own long-term debt (with such debt issues subject to Commission approval).

e) the maintenance of an optimal capital structure for the utility subsidiaries.

(18) PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would not provide funding on a long-term basis (i.e., for a term exceeding one year) to

American Water and Essential or any other corporate affiliates and shall not provide debt guarantees or pledge utility assets for the parent company or other corporate affiliates' borrowings without prior Commission approval.

(19) PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would maintain a debt ratio measured at an annual level closer to 50% (inclusive of short-term debt).

(20) PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas's plans, policies, and budgets would be controlled by its management team, free of holding or ultimate parent company investors' focused goal or strategies and influence.

(21) Post-merger American Water, Essential, PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would take all prudent actions to operate each utility efficiently and cost-effectively with the objective of realizing claimed merger benefits (e.g., economies of scale, business efficiency and synergies, best practices, cost savings, etc.) and provide safe and reliable services at *affordable* rates to its customers.

(22) Post-merger American Water and Essential including PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would refrain from engaging in any types of unfair trade practices and anti-competitive business conduct or practices directly or indirectly adversely impacting its ratepayers, and other utilities' interests in Pennsylvania.

(23) Post-merger American Water would file a Report of Action within 60 days of closing, which would contain the closing date, the actual total merger consideration, and the actual accounting entry records in American Water and Essential's books that reflect the merger transaction including: (a) all merger related transaction cost and transition cost accounting entries that are recorded in the books of each entity; (b) all merger related fair value, goodwill, and/or acquisition premium accounting entries for American Water and Pennsylvania utilities; (c) all merger-related tax accounting entries for American Water and Pennsylvania utilities; and (d) all merger-related debt and equity financing accounting entries for American Water and Pennsylvania utilities.

(24) American Water and Essential would ensure that any accounting treatment associated with the merger transaction does not affect rates charged to Pennsylvania ratepayers.

(25) All pre-merger and post-merger costs including merger agreement termination fees, if the merger is not consummated for any reasons would be borne by American Water and Essential's shareholders and would not be recoverable from ratepayers.

(26) PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would not increase dividend payments to its shareholders to exceed the average of the last three yearly dividend payments for the next three yearly dividend payments to be made after the effective date of this merger transaction.

(27) PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would continue to maintain its office locations and adequate staff in Pennsylvania to serve its customers in the same manner as it does currently.

(28) PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would honor all obligations to collective bargaining units according to employees' local union agreements and applicable laws and regulations.

Q. ARE ANY OTHER I&E WITNESSES SUBMITTING TESTIMONY THAT ADDRESSES ADDITIONAL CONCERNS?

A. Yes. I&E witness Ethan Cline has submitted testimony addressing additional concerns with this transaction.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

D. C. Patel
Professional and Educational Background

EXPERIENCE:

- Pennsylvania Public Utility Commission, Harrisburg, Pennsylvania
  June 2015 to Present
  Fixed Utility Financial Analyst, Bureau of Investigation and Enforcement
- Pennsylvania Insurance Department, Harrisburg, Pennsylvania
  March 2013 - June 2015
  Insurance Company Financial Analyst, Bureau of Company Licensing & Financial Analysis
- Pennsylvania Department of Revenue, Harrisburg, Pennsylvania
  November 2010 - March 2013
  Accounting Assistant, Bureau of Corporation Taxes (Accounting)
- Hersha Hospitality Management, Harrisburg, Pennsylvania
  June 2007 - November 2010
  Staff Accountant (Taxes), Accounting Department
- Corporate Experience-India
  February 1987 - April 2007
  Worked as Company Secretary for three different companies during this period, which were listed on the Stock Exchanges.

EDUCATION/CERTIFICATION:

- Gujarat State University, Ahmedabad, India:
  Bachelor of Commerce (Major concentration: Accounting)
  June 1980 - April 1983
  Bachelor of Law
  June 1983 - December 1988
- The Institute of Company Secretaries of India, New Delhi, India:
  Post Graduate Professional Degree: Company Secretary
  June 1983 - December 1985

RATE CASE TRAINING:

- Attended SURFA - 54th Financial Forum (ROR) in April 2023
- Attended 37th Western NARUC Utility Rate School in May 2016

WORKED ON THE FOLLOWING CASES (Testimony not required):

- R-2025-3053663 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2024-3049248 et al. - City of Lock Haven - Water Department
- R-2024-3048767 - PECO Energy Co. - Gas Operations (1307(f))
- R-2024-3047014 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2022-3032167 - Columbia Gas of Pennsylvania, Inc. (Green Path Rider)
- R-2022-3031172 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2021-3024349 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2021-3023541 - National Fuel Gas Distribution Corporation (§ 1307(f))
- A-2020-3021460 - PA American Water Co.-Upper Pottsgrove-Wastewater (1329)
- A-2020-3020178 - PA American Water Co.-Valley Township-Wastewater (1329)
- A-2020-3019859 - PA American Water Co.-Valley Township-Water (1329)
- R-2020-3019661 - PECO Energy Co. - Gas Operations (1307(f))
- U-2020-3015258 - Pittsburgh Water and Sewer Authority
- R-2019-3008255 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2018-3001568 - PECO Energy Co. - Gas Operations (1307(f))
- R-2018-3000253 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2017-2631441 - Reynolds Water Co.
- A-2017-2629534 - PPL Electric Utilities (Restructuring Plan)
- R-2017-2602611 - PECO Energy Co. - Gas Operations (1307(f))
- R-2016-2567893 - Andreassi Gas Co.
- R-2016-2525128 - Columbia Water Co. - Marietta Division
- R-2015-2493905 - Sands, Inc.
- R-2015-2479962 - Corner Water Supply and Service Corporation
- R-2015-2479955 - Allied Utility Services, Inc.

SUBMITTED TESTIMONY IN THE FOLLOWING CASES:

- R-2025-3057983 et al. - Pennsylvania-American Water Co.
- R-2025-3057237 - City of Lancaster – Bureau of Water
- R-2025-3055010 et al. - Pittsburgh Water and Sewer Authority
- R-2025-3053499 - Columbia Gas of Pennsylvania, Inc.
- R-2025-3054393 - Valley Energy, Inc.
- R-2025-3053112 - Philadelphia Gas Works
- R-2024-3052359 - Pike County Light and Power Company - Electric
- P-2024-3050549 - Deer Haven, LLC. (529)
- R-2024-3050208 - The Newtown Artesian Water Company
- R-2024-3047068 - First Energy Pennsylvania Electric Company
- R-2024-3046931 - PECO Energy Co. - Electric Operations
- R-2024-3046519 - Columbia Gas of Pennsylvania, Inc.

- R-2024-3045192 et al. - Veolia Water Pennsylvania, Inc.
- R-2023-3042804 et al. - Community Utilities of Pennsylvania , Inc.
- R-2023-3043189 et al. - Pennsylvania-American Water Co.
- R-2023-3038630 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2023-3037933 - Philadelphia Gas Works
- R-2022-3037368 - UGI Electric, Inc. - Electric Division
- A-2022-3034143 - Aqua Pennsylvania, Inc. - Borough of Shenandoah (Water System) (1329)
- R-2022-3031672 and R-2022-3031673 - PA American Water Co.
- R-2022-3031211 - Columbia Gas of Pennsylvania, Inc.
- R-2021-3024773 et al. - Pittsburgh Water and Sewer Authority
- A-2021-3024058- PA American Water Co. - Borough of Brentwood (Wastewater System) - 1329
- A-2021-3024681 - PA American Water Co. - York City Sewer Authority/City of York (Wastewater System) (1329)
- R-2021-3024601 - PECO Energy Co. - Electric Operations
- A-2021-3024267 - Aqua Pennsylvania Wastewater, Inc. - Lower Makefield (WW) (1329)
- A-2020-3019634 - PA American Water Co. - Royersford Wastewater (1329)
- R-2020-3018993 - Columbia Gas Pennsylvania, Inc. (1307(f))
- R-2020-3018929 - PECO Energy Co. - Gas Operations
- R-2020-3017951 et al. - Pittsburgh Water and Sewer Authority
- A-2019-3008491 - Aqua Pennsylvania Wastewater, Inc.
- R-2019-3008212 - Citizens Electric Company of Lewisburg, PA
- R-2019-3008208 - Wellsboro Electric Company
- R-2018-3006814 - UGI Utilities, Inc. (Gas Division)
- R-2018-3002645 and 3002647 - Pittsburgh Water and Sewer Authority
- R-2018-3000834 - Suez Water Pennsylvania, Inc.
- R-2018-2647577 - Columbia Gas of Pennsylvania, Inc.
- M-2018-2640802 and M-2018-2640803 - Pittsburgh Water and Sewer Authority
- (Compliance Plan Stage 2)
- R-2017-2595853 - Pennsylvania American Water Co.
- R-2016-2580030 - UGI Penn Natural Gas, Inc.
- R-2016-2554150 - City of DuBois - Bureau of Water
- R-2016-2529660 - Columbia Gas of Pennsylvania, Inc.
- P-2016-2526627 - PPL Electric Utilities Corp. (DSP IV)

I&E Exhibit No. 1
Witness: D. C. Patel

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 IN CONTROL OF AQUA PENNSYLVANIA, INC., AQUA PENNSYLVANIA WASTEWATER, INC., AND PEOPLES NATURAL GAS COMPANY, LLC

Docket Nos. A-2025-3058927, A-2025-3058928, and A-2025-3058929

Exhibit to Accompany

the

Direct Testimony

of

D. C. Patel

Bureau of Investigation & Enforcement

Concerning:

Approval for Issue Certificate of Public Convenience under Section 1102(a)(3) and to Effect Change in Control Under Section 2210(c) of the Public Utility Code

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-1-62 Efficiencies.

a. Identify, quantify and explain all efficiencies that have been identified to date that are expected to be enabled by the proposed transaction.

b. Identify specifically the period of time over which AWWC will provide those benefits to Pennsylvania regulated utility customers.

c. Identify and explain all commitments that the Joint Applicants are making that there will be efficiencies and cost savings from the optimization of the combined business and that those benefits will accrue, i.e., be provided to, Pennsylvania ratepayers, and over what time period Pennsylvania utility ratepayers would receive those benefits.

Response:

a. The Joint Applicants have only recently started having integration discussions and therefore, the Joint Applicants have not quantified any efficiencies at this point or determined the time period over which they may be achieved. Nevertheless, Joint Applicants have identified the opportunity for efficiencies in the Joint Application and Testimony. These efficiencies include, but are not limited to:
    - Operational efficiencies associated with knowledge sharing and standardization of processes, practices and training
    - Consolidation of highly skilled industry professionals, the costs of which can be spread across a larger customer base
    - Technology based efficiencies that may include efficiencies from being on a full SAP platform
    - Efficiencies from leveraging the size and scale of the combined company to maximize its purchasing power and obtain significant discounts on necessary goods and services including, but not limited to, water treatment chemicals, pipe valves and fittings, meters, engineering services, consulting services, professional services, and employee benefits
    - Financing efficiencies, driven by a stronger combined balance sheet, providing greater liquidity to the combined entity, and more stable cash flows, providing an opportunity for improvement on the cost and availability of necessary financing.

b. See response to subpart a.

c. The Joint Applicants are confident that the Merger will result in efficiencies as described above and otherwise. However, as indicated in subpart a., the Joint Applicants do not yet know the magnitude or impact of those efficiencies.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer
Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
THE JOINT APPLICANTS - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set I

OCA-JA-I-62 Efficiencies.

a. Identify, quantify and explain all efficiencies that have been identified to date that are expected to be enabled by the proposed transaction.

b. Identify specifically the period of time over which AWWC will provide those benefits to Pennsylvania regulated utility customers.

c. Identify and explain all commitments that the Joint Applicants are making that there will be efficiencies and cost savings from the optimization of the combined business and that those benefits will accrue, i.e., be provided to, Pennsylvania ratepayers, and over what time period Pennsylvania utility ratepayers would receive those benefits.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
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AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-10 Avoidance of harm to existing customers.

a. Provide all analyses conducted by or for the Parties that establishes that the proposed acquisition will result in no short-term or long-term harm to (1) existing customers of AWWC, or (2) existing customers of EU.

b. Provide all benefit-cost analyses conducted by or for the Parties that establishes that the proposed acquisition will result in net benefits to (1) existing customers of AWWC, or (2) existing customers of EU.

c. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

A-C. As detailed in the Joint Applicants' direct testimony, Joint Applicants expects the merger to result in benefits to its customers, including the customers of Aqua PA and Peoples, after the merger. The merger integration process is expected to lead to cost efficiencies in various functional areas. While there will be some costs to achieve Merger-related synergies, customers will realize benefits from those synergies as they are recognized in future rate cases in the form of costs that are lower than they would have been absent the Merger.

American Water has not conducted or had conducted for it the requested analyses. Please see Essential response to OCA-JA-I-10 for their response.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
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Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set 1

OCA-JA-1-10 Avoidance of harm to existing customers.

a. Provide all analyses conducted by or for the Parties that establishes that the proposed acquisition will result in no short -term or long -term harm to (1) existing customers of AWWC , or (2) existing customers of EU .

b. Provide all benefit -cost analyses conducted by or for the Parties that establishes that the proposed acquisition will result in net benefits to (1) existing customers of AWWC , or (2) existing customers of EU.

c. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

Essential does not have any documents responsive to this question.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
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Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-13 Synergy savings.

a. Provide all estimates of synergy savings, by year, estimated to occur due to the integration of EU's operations with AWWC's existing utility operations.

b. Provide all estimates, by year, of costs to achieve the integration of EU's and AWWC's existing operations.

c. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

a-c. The Joint Applicants have only recently started having integration discussions and therefore have not yet established estimates for synergy savings or costs to achieve.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
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Joint Applicants Response to OCA Set I

OCA-JA-I-13 Synergy savings.

a. Provide all estimates of synergy savings, by year, estimated to occur due to the integration of EU's operations with AWWC's existing utility operations.

b. Provide all estimates , by year, of costs to achieve the integration of EU's and AWWC's existing operations.

c. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
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Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-15 Synergies. Show in detail how all Synergies anticipated to result from the proposed transaction will be recorded on the books of each entity. Include anticipated journal entries, journal entry descriptions, and amounts.

Response:

As explained in response to OCA-JA-I-13, the Joint Applicants have only recently started having integration discussions and therefore have not yet established estimates for synergies. Further, synergies are not a separate line item that will appear on American Water's books. Synergies will be captured within appropriate line items on financial statements. Accordingly, separate journal entries for synergies are not anticipated.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
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Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set I

OCA-JA-I-15 Synergies. Show in detail how all Synergies anticipated to result from the proposed transaction will be recorded on the books of each entity. Include anticipated journal entries, journal entry descriptions , and amounts.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-38 Incentive compensation.

a. Please describe in detail how all incentive compensation, including but not limited to: restricted stock, stock options, SERP, equity awards, golden parachute benefits, etc. will be affected by the proposed acquisition. Identify, quantify and explain the effect on each form of incentive compensation.

b. How will AWWC and EU account for these costs? Show proposed journal entries illustrating how the changes would be recorded.

c. Will any of these costs be charged or allocated to AWWC's Pennsylvania utility operations? If not, explain fully why not. If so, show the amounts and how the utility will record them.

d. Will any of these costs be charged or allocated to EU's Pennsylvania regulated utilities? If not, explain fully why not. If so, show the amounts and how the utility will record them.

Response:

a. There is no change to the incentive compensation of American Water or any of its subsidiaries. The changes to Essential Utilities' incentive compensation are detailed in the Joint Proxy Statement filed with the Securities and Exchange Commission on December 31, 2025.[1] See pages 105 – 111 and 123. The effect of each of these changes cannot be quantified at this time.
b. These costs will be accounted for in the same manner as the underlying expense.
c. N/A. See response to subsection a.
d. These costs will be accounted for in the same manner as the underlying expense, and therefore, they will be subject to Commission review and approval in the normal course through the ratemaking process.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

[1] Available at https://www.sec.gov/Archives/edgar/data/1410636/000119312525337598/d15683d424b3.htm

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
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THE JOINT APPLICANTS - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set I

OCA-JA-I-38 Incentive compensation.

a. Please describe in detail how all incentive compensation, including but not limited to: restricted stock, stock options, SERP, equity awards, golden parachute benefits, etc. will be affected by the proposed acquisition. Identify, quantify and explain the effect on each form of incentive compensation.

b. How will AWWC and EU account for these costs? Show proposed journal entries illustrating how the changes would be recorded.

c. Will any of these costs be charged or allocated to AWWC 's Pennsylvania utility operations? If not, explain fully why not. If so, show the amounts and how the utility will record them.

d. Will any of these costs be charged or allocated to EU's Pennsylvania regulated utilities? If not, explain fully why not. If so, show the amounts and how the utility will record them.

Response:

Until Closing, Essential will continue to provide incentive compensation as part of its compensation package to employees. Please see the Agreement and Plan of Merger included as Exhibit A to the Joint Application for impacts related to the Merger.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
THE JOINT APPLICANTS - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set I

OCA-JA-I-71 Change in control payments.

a. Will the Joint Applicants incur costs or expenses in 2026 or 2027 for any Change in Control payments for any officers/employees if the proposed merger is approved?

b. If yes, what is the total expense or cost the Joint Applicants anticipate?

c. How do the Joint Applicants intend to account for these costs? (Show accounting entries and identify the entity upon whose books such costs are being recorded. Include any accounting entries to allocate or charge such costs to other entities.)

d. Will any change in control costs be recorded by any of the Pennsylvania regulated utilities? If so, show the estimated amounts for each year and identify and explain what services are being provided associated with such costs.

Response:

a. Yes.

b. Essential anticipates at this time that a Change In Control payment will be made to Essential's CEO and General Counsel. Other Change In Control payments are unknown at this time. Please see the Essential proxy of December 31, 2025 for information on Change In Control payments.

c. To the extent Essential incurs Change In Control payment costs, Joint Applicants consider those transition costs (consistent with the definitions provided in response to OCA-JA-I-18). Essential does not have anticipated accounting entries or amounts associated with Change In Control payments at this time.

d. Please see the response to part c.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

I&E Statement No. 2
Witness: Ethan H. Cline

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 IN CONTROL OF AQUA PENNSYLVANIA, INC., AQUA PENNSYLVANIA WASTEWATER, INC., AND PEOPLES NATURAL GAS COMPANY, LLC

Docket Nos. A-2025-3058927, A-2025-3058928, and A-2025-3058929

Direct Testimony

of

Ethan H. Cline

Bureau of Investigation & Enforcement

Concerning:

Approval for Issue Certificate of Public Convenience under Section 1102(a)(3) and to Effect Change in Control Under Section 2210(c) of the Public Utility Code

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INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Ethan H. Cline, and my business address is Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Public Utility Commission (Commission) in the Bureau of Investigation and Enforcement (I&E) as a Fixed Utility Valuation Engineer.

Q. WHAT IS YOUR EDUCATION AND EMPLOYMENT BACKGROUND?

A. An outline of my education and employment background is attached as Appendix A.

Q. DOES YOUR DIRECT TESTIMONY INCLUDE AN ACCOMPANYING EXHIBIT?

A. Yes. I&E Exhibit No. 2 contains schedules that support my direct testimony.

Q. PLEASE DESCRIBE THE ROLE OF I&E IN PROCEEDINGS BEFORE THE COMMISSION.

A. I&E is responsible for protecting the public interest in proceedings before the Commission. I&E's analysis in this proceeding is based on its responsibility to represent the public interest. This responsibility requires balancing the interests of the ratepayers, the regulated utility, and the regulated community as a whole.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my direct testimony is to address specific concerns regarding the Joint Application filed by American Water Works Company, Inc. (American Water), Essential Utilities, Inc. (Essential), Aqua Pennsylvania, Inc. (Aqua PA), Aqua Pennsylvania Wastewater, Inc. (Aqua PA-WW), Peoples Natural Gas Company, LLC (Peoples Gas) and Alpha Merger Sub, Inc. (Alpha Merger) (collectively Joint Applicants or Companies) seeking the Commission's approval under 66 Pa C.S.A §§ 1102(a)(3) and 2210(c) for the issue of a Certificate of Public Convenience and to effect a Change in Control by way of the merger of Essential and Alpha Merger, a wholly owned subsidiary of American Water. Specifically, I will address concerns regarding the impact of increased rate base levels and potential future rate impacts of the merger.

MERGER PROPOSAL

Q. EXPLAIN WHAT THE JOINT APPLICANTS ARE REQUESTING IN THE APPLICATION.

A. The Joint Applicants are requesting the Commission's approval under 66 Pa. C.S.A §§ 1102(a)(3) and 2210(c) for the issuance of a Certificate of Public Convenience and to effect Change in Control of Aqua PA, Aqua PA-WW, and Peoples Gas via the merger of Essential with Alpha Merger, a wholly owned subsidiary of American Water. Alpha Merger will cease to exist upon completion of the proposed merger transaction and Essential would continue as the surviving corporation and a wholly owned subsidiary of American Water. Post-merger closing, American Water would become the ultimate corporate parent (a new controlling interest) of Essential and its subsidiaries (Aqua PA, Aqua PA-WW, and Peoples Gas Gas).[1] The Joint Application refers to the Agreement and Plan of Merger entered on October 26, 2025 among American Water, Alpha Merger, and Essential.[2] Following the merger, the existing shareholders of American Water will own approximately 69% of the combined company, and the former shareholders of Essential will own approximately 31% of the combined company on a fully diluted basis.[3]

[1] Joint Application, pp. 6-7.
[2] Joint Application, p. 6.
[3] Joint Application, p. 7.

OVERALL POSITION REGARDING THE MERGER

Q. WHAT IS I&E'S OVERALL POSITION REGARDING THE PROPOSED MERGER?

A. For the reasons discussed by I&E witness Patel in I&E Statement No. 1, I&E's overall position is that the Commission should reject the proposed merger.

Q. DO YOU HAVE ANY CONCERNS REGARDING THE PROPOSED MERGER IN ADDITION TO THOSE PRESENTED BY I&E WITNESS PATEL?

A. Yes. In the event that the Commission approved the merger, my concerns specifically relate to the impacts to customers when Aqua PA and Aqua PA-WW are eventually consolidated with American Water.

Q. HAVE THE PARTIES IDENTIFIED A TIME FRAME IN WHICH AQUA PA AND AQUA PA-WW WOULD BE INTEGRATED WITH AMERICAN WATER?

A. No. In response to OCA-JA-I-8, American Water indicated that it has not yet developed any integration plans.[4]

[4] American Water response to OCA-JA-I-8 included as I&E Exhibit No. 2, Schedule 1.

POTENTIAL RATE IMPACTS OF THE MERGER

Q. WHAT ARE THE CURRENT RATES FOR PAWC WATER AND WASTEWATER CUSTOMERS?

A. The following table shows the monthly customer charges and usage rates (per 100 gallons) as proposed by the PAWC in its currently pending base rate case.[5] It should be noted that as of the writing of this testimony a final Commission order has not come out in the PAWC base rate case.

Class	PAWC Water Customer Charge	PAWC Water Usage Charge	PAWC WW Customer Charge	PAWC WW Usage Charge
Residential	$20.00	$2.3069	$20.00	$3.1446
Commercial	$20.00	(First 16k) $2.1713 (Over 16k) $1.6285	$45.50	$2.3417
Municipal	$20.00	(First 16k) $1.6157 (Over 16k) $1.2118	$45.50	$2.3417
Industrial	$28.00	(First 16k) $1.9290 (Next 584k) $1.4583 (Over 600k) $1.1574	$45.50	$2.3417

[5] Docket Nos. R-2025-3057983 and R-2025-3058051 PAWC Exhibit MWM-1, pp. 1-2 and PAWC Exhibit MWM-2, pp. 1-2.

Q. WHAT ARE THE CURRENT RATES FOR AQUA PA AND AQUA PA-WW CUSTOMERS?

A. The following table shows the monthly customer charges and usage rates (per 1,000 gallons) as of February 22, 2025 as shown on the Main Rate Zone comparison schedules for water and wastewater customers from the Aqua PA website.[6]

Class	Aqua PA Customer Charge	Aqua PA Usage Charge	Aqua PA-WW Customer Charge	Aqua PA-WW Usage Charge
Residential	$22.40	(First 2k) $16.246 (Over 2k) $19.233	$49.41	$13.419
Commercial	$22.40	(First 10k) $16.900 (Next 23.3k) $14.848 (Next 300k) $12.318 (Over 333.3k) $11.276	$49.41	$12.468
Public	$22.40	(First 10k) $16.900 (Next 23.3k) $14.848 (Next 300k) $12.652 (Over 333.3k) $11.579	$49.41	$12.468
Industrial	$22.40	(First 10k) $16.900 (Next 23.3k) $14.848 (Next 300k) $12.318 (Next 3M) $11.277 (Next 6.6667M) $10.979 (Over 10 M) $9.066	$49.41	$12.468

[6] Water and Wastewater Main Division Rate Comparison attached as I&E Exhibit No. 2, Schedule 2.

Q. BASED ON THE ABOVE RATES, PROVIDE A COMPARISON OF THE AVERAGE BILL FOR EACH CUSTOMER CLASS.

A. The following table shows a comparison of the average bill for each customer class between the Aqua PA and Aqua PA-WW and PAWC water and wastewater utilities. For this example, I selected 3,500 gallons for the average residential customer usage, 20,000 gallons for the average commercial and public/municipal customer usage, and 600,000 gallons for the average industrial customer usage.

Class	Aqua PA[7]	PAWC Water[8]	Aqua PA-WW[9]	PAWC WW[10]
Residential	$83.74	$100.74	$96.38	$130.06
Commercial	$339.88	$432.55	$298.77	$513.84
Public	$339.88	$432.55	$298.77	$513.84
Industrial	$7,217.93	$9,206.79	$7,480.80	$14,095.70

Q. WHY IS THE DIFFERENCE BETWEEN AQUA PA AND PAWC RATES SIGNIFICANT?

A. The difference between the average bills shown in the chart above is significant, because if the merger is approved and both companies are eventually consolidated under a single rate structure, the Aqua PA customers

7 I&E Exhibit No. 2, Schedule 3, p. 1.
8 Docket Nos. R-2025-3057983 and R-20253058051 PAWC Exhibit 10-A, pp. 78, 87, and 96.
9 I&E Exhibit No. 2, Schedule 3, p. 2.
10 Docket Nos. R-2025-3057983 and R-20253058051 PAWC Exhibit 10-B, pp. 57, 64, and 71.

would likely be expected to increase their rates to match those of PAWC in addition to any base rate increases to cover their own cost of service in the intervening years. However, unlike other acquisitions, this increase in rates would not be commensurate with a similar increase in quality of service or any other such benefit for the customers as described by witness Patel in I&E Statement No. 1. Such an increase in rates with no other benefit than to consolidate customers under one rate structure would not be reasonable.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

ETHAN H. CLINE

PROFESSIONAL EXPERIENCE AND EDUCATION

EXPERIENCE:

03/2009 - Present
Bureau of Investigation and Enforcement, Pennsylvania Public Utility Commission - Harrisburg, Pennsylvania

Fixed Utility Valuation Engineer – Assists in the performance of studies and analyses of the engineering-related areas including valuation, depreciation, cost of service, quality and reliability of service as they apply to fixed utilities. Assists in reviewing, comparing and performing analyses in specific areas of valuation engineering and rate structure including valuation concepts, original cost, rate base, fixed capital costs, inventory processing, excess capacity, cost of service, and rate design.

06/2008 – 09/2008
Akens Engineering, Inc. - Shiremanstown, Pennsylvania

Civil Engineer – Responsible, primarily, for assisting engineers and surveyors in the planning and design of residential development projects

10/2007 – 05/2008
J. Michael Brill and Associates - Mechanicsburg, Pennsylvania

Design Technician – Responsible, primarily, for assisting engineers in the permit application process for commercial development projects.

01/2006 – 10/2007
CABE Associates, Inc. - Dover, Delaware

Civil Engineer – Responsible, primarily, for assisting engineers in performing technical reviews of the sewer and sanitary sewer systems of Sussex County, Delaware residential development projects.

EDUCATION:

Pennsylvania State University, State College, Pennsylvania
Bachelor of Science; Major in Civil Engineering, 2005

- Attended NARUC Rate School, Clearwater, FL
- Attended Society of Depreciation Professionals Annual Conference and Training

TESTIMONY SUBMITTED:

I have testified and/or submitted testimony in the following proceedings:

1. Clean Treatment Sewage Company, Docket No. R-2009-2121928
2. Pennsylvania Utility Company – Water Division, Docket No. R-2009-2103937
3. Pennsylvania Utility Company – Sewer Division, Docket No. R-2009-2103980
4. UGI Central Penn Gas, Inc., 1307(f) proceeding, Docket No. R-2010-2172922
5. PAWC Clarion Wastewater Operations, Docket No. R-2010-2166208
6. PAWC Claysville Wastewater Operations, Docket No. R-2010-2166210
7. Citizens' Electric Company of Lewisburg, Pa, Docket No. R-2010-2172665
8. City of Lancaster – Bureau of Water, Docket No. R-2010-2179103
9. Peoples Natural Gas Company LLC, Docket No. R-2010-2201702
10. UGI Central Penn Gas, Inc., Docket No. R-2010-2214415
11. Pennsylvania-American Water Company, Docket No. R-2011-2232243
12. Pentex Pipeline Company, Docket No. A-2011-2230314
13. Peregrine Keystone Gas Pipeline, LLC, Docket No. A-2010-2200201
14. Philadelphia Gas Works 1307(f), Docket No. R-2012-2286447
15. Peoples Natural Gas Company LLC, Docket No. R-2012-2285985
16. Equitable Gas Company, Docket Nos. R-2012-2312577, G-2012-2312597
17. City of Lancaster – Sewer Fund, Docket No. R-2012-2310366
18. Peoples TWP, LLC 1307(f), Docket No. R-2013-2341604
19. UGI Penn Natural Gas, Inc. 1307(f), Docket No. R-2013-2361763
20. UGI Central Penn Gas, Inc. 1307(f), Docket No. R-2013-2361764
21. Joint Application, Docket Nos. A-2013-2353647, A-2013-2353649, A-2013-2353651
22. City of Dubois – Bureau of Water, Docket No. R-2013-2350509
23. The Columbia Water Company, Docket No. R-2013-2360798
24. Pennsylvania American Water Company, Docket No. R-2013-2355276
25. Generic Investigation Regarding Gas-on-Gas Competition, Docket Nos. P-2011-227868, I-2012-2320323
26. Philadelphia Gas Works 1307(f), Docket No. R-2014-2404355
27. Pike County Light and Power Company (Gas), Docket No. R-2013-2397353
28. Pike County Light and Power Company (Electric), Docket No. R-2013-2397237
29. Peoples Natural Gas Company LLC 1307(f), Docket No. R-2014-2403939
30. UGI Penn Natural Gas, Inc. 1307(f), Docket No. R-2014-2420273
31. UGI Utilities, Inc. – Gas Division 1307(f), Docket No. R-2014-2420276
32. UGI Central Penn Gas, Inc. 1307(f), Docket No. R-2014-2420279
33. Emporium Water Company, Docket No. R-2014-2402324
34. Borough of Hanover – Hanover Municipal Water, Docket No. R-2014-2428304
35. Philadelphia Gas Works 1307(f), Docket No. R-2015-2465656
36. Peoples Natural Gas Company LLC 1307(f), Docket No. R-2015-2465172
37. Peoples Natural Gas Company – Equitable Division 1307(f), Docket No. R-2015-2465181
38. PPL Electric Utilities Corporation, Docket No. R-2015-2469275
39. UGI Penn Natural Gas, Inc. 1307(f), Docket No. R-2015-2480934
40. UGI Central Penn Gas, Inc. 1307(f), Docket No. R-2015-2480937

41. UGI Utilities, Inc. – Gas Division 1307(f), Docket No. R-2015-2480950
42. UGI Utilities, Inc. – Gas Division, Docket No. R-2015-2518438
43. Joint Application of Pennsylvania American Water, et al., Docket No. A-2016-2537209
44. UGI Utilities, Inc. – Gas Division 1307(f), Docket No. R-2016-2543309
45. UGI Central Penn Gas, Inc. 1307(f), Docket No. R-2016-2543311
46. City of Dubois – Company, Docket No. R-2016-2554150
47. UGI Penn Natural Gas, Inc., Docket No. R-2016-2580030
48. UGI Central Penn Gas, Inc. 1307(f), Docket No. R-2017-2602627
49. UGI Penn Natural Gas, Inc. 1307(f), Docket No. R-2017-2602633
50. UGI Utilities, Inc. – Gas Division 1307(f), Docket No. R-2017-2602638
51. Application of Pennsylvania American Water Company Acquisition of the Municipal Authority of the City of McKeesport, Docket No. A-2017-2606103
52. Pennsylvania American Water Company, Docket No. R-2017-2595853
53. Pennsylvania American Water Company Lead Line Petition, Docket No. P-2017-2606100
54. UGI Utilities, Inc. – Electric Division, Docket No. R-2017-2640058
55. Peoples Natural Gas Company, LLC – Peoples and Equitable Division 1307(f), Docket Nos. R-2018-2645278 & R-2018-3000236
56. Peoples Gas Company, LLC 1307(f), Docket No. R-2018-2645296
57. Columbia Gas of Pennsylvania, Inc., Docket No. R-2018-2647577
58. Duquesne Light Company, Docket No. R-2018-3000124
59. Suez Water Pennsylvania, Inc., Docket No. R-2018-3000834
60. Application of Pennsylvania American Water Company Acquisition of the Municipal Authority of the Township of Sadsbury, Docket No. A-2018-3002437
61. The York Water Company, Docket No. R-2018-3000006
62. Application of SUEZ Water Pennsylvania, Inc. Acquisition of the Water and Wastewater Assets of Mahoning Township, Docket Nos. A-2018-3003517 and A-2018-3003519
63. Pittsburgh Water and Sewer Authority, Docket Nos. R-2018-3002645 and R-2018-3002647
64. Joint Application of Aqua America, Inc. et al., Acquisition of Peoples Natural Gas Company LLC, et al., Docket Nos. A-2018-3006061, A-2018-3006062, and A-2018-3006063
65. Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority, Docket Nos. M-2018-2640802 and M-2018-2640803
66. Philadelphia Gas Works 1307(f), Docket No. R-2019-3007636
67. People Natural Gas Company, LLC, Docket No. R-2018-3006818
68. Application of Pennsylvania American Water Company Acquisition of the Steelton Borough Authority, Docket No. A-2019-3006880
69. Application of Aqua America, Inc. et al., Acquisition of the Wastewater System Assets of the Township of Cheltenham, Docket No. A-2019-3006880
70. Philadelphia Gas Works, Docket No. R-2019-3009016
71. Wellsboro Electric Company, Docket No. R-2019-3008208
72. Valley Energy, Inc., Docket No. R-2019-3008209
73. Citizens' Electric Company of Lewisburg, Pa, Docket Non. R-2019-3008212

74. Application of Aqua America, Inc. et al., Acquisition of the Wastewater System Assets of the East Norriton Township, Docket No. A-2019-3009052
75. Peoples Natural Gas Company, LLC 1307(f), Docket No. R-2020-3017850
76. Peoples Gas Company, LLC 1307(f), Docket No. R-2020-3017846
77. Philadelphia Gas Works, Docket No. R-2020-3017206
78. Pittsburgh Water and Sewer Authority, Docket Nos. R-2020-3017951 et al.
79. Columbia Gas of Pennsylvania, Docket No. R-2020-3018835
80. Pennsylvania America Water Company, Docket Nos. R-2020-3019369 and R-2020-3019371
81. PECO Energy Company – Gas Division, Docket No. R-2020-3019829
82. PGW 1307(f), Docket No. R-2021-3023970
83. Peoples Natural Gas Company, LLC 1307(f), Docket No. R-2021-3023965
84. Peoples Gas Company, LLC 1307(f), Docket No. R-2021-3023967
85. UGI Utilities, Inc. – Electric Division, Docket No. R-2021-3023618
86. Columbia Gas of Pennsylvania, Inc., Docket No. R-2021-3024926
87. Duquesne Light Company, Docket No. R-2021-3024750
88. UGI Utilities, Inc. – Gas Division 1307(f), Docket No. R-2021-3025652
89. Pittsburgh Water and Sewer Authority, Docket Nos. R-2021-3024773 et al.
90. Application of Aqua America Wastewater, Inc. et al., Acquisition of the Wastewater System Assets of Lower Makefield Township, Docket No. A-2021-3024267
91. Aqua Pennsylvania Water, Inc. and Aqua Pennsylvania Wastewater, Inc., Docket Nos. R-2021-3027385 and R-2021-3027386
92. Application of Pennsylvania-American Water Company for Acquisition of the Wastewater Collection and Treatment System Assets of the York City Sewer Authority, Docket No. A-2021-3024681
93. City of Lancaster – Bureau of Water, Docket No. R-2021-3026682
94. Application of Aqua America Wastewater, Inc. et al., Acquisition of the Wastewater System Assets of East Whiteland Township, Docket No. A-2021-30246132
95. UGI Utilities, Inc. – Gas Division, Docket No. R-2021-3030218
96. Peoples Natural Gas Company, LLC 1307(f), Docket No. R-2022-3030661
97. Columbia Gas of Pennsylvania, Inc., Docket No. R-2022-3031211
98. UGI Utilities, Inc. – Gas Division 1307(f), Docket No. R-2022-3032242
99. Pennsylvania American Water Company, Docket Nos. R-2022-3031672 and R-2022-3031673
100. The York Water Company, Docket Nos. R-2022-3031340 and R-2022-3032806
101. Columbia Gas of Pennsylvania, Inc., Docket No. R-2022-3032167
102. National Fuel Gas Distribution Corporation, Docket No. R-2022-3035730
103. UGI Utilities, Inc. – Electric Division, Docket No. R-2022-3037368
104. Application of Pennsylvania-American Water Company for Acquisition of the Wastewater Collection and Treatment System Assets of the Butler Area Sewer Authority, Docket No. A-2022-3037047
105. Philadelphia Gas Works, Docket No. R-2023-3037933
106. Pittsburgh Water and Sewer Authority, Docket Nos. R-2023-3039920 et al.
107. Pennsylvania-American Water Company, Docket Nos. R-2023-3043189 and R-2023-3043190
108. Peoples Natural Gas Company, LLC, Docket No. R-2023-3044549

109. Duquesne Light Company, Docket No. R-2024-3046523
110. PECO Energy Company – Gas Division, Docket No. R-2024-3046932
111. Aqua Pennsylvania Water, Inc. and Aqua Pennsylvania Wastewater, Inc., Docket Nos. R-2024-3047822 and R-2024-3047824
112. Application of Aqua America Wastewater, Inc. et al., Acquisition of the Wastewater System Assets of Beaver Falls, Docket No. A-202-3033138
113. Pike County Light and Power Company (Gas), Docket No. R-2024-3052357
114. UGI Utilities, Inc. – Gas Division, Docket No. R-2024-3052716
115. Philadelphia Gas Works, Docket No. R-2025-3053112
116. Citizens' Electric Company of Lewisburg, Pa, Docket No. R-2025-3054394
117. Wellsboro Electric Company, Docket No. R-2025-3054392
118. Pittsburgh Water and Sewer Authority, Docket No. R-2025-3055010, R-2025-3055011, and R-2025-3055012
119. Section 529 Investigation of Rock Spring Water Company, Docket No. P-2024-3051313
120. Energy Center Harrisburg LLC, Docket. No. R-2025-3055959
121. PPL Electric Utilities Corporation, Docket No. R-2025-3057164
122. Pennsylvania-American Water Company, Docket Nos. R-2025-3057983 and R-2025-3058051
123. Section 529 Investigation of Conneaut Lake Park Water Corporation, Inc., Docket Nos. P-2024-3051855 and I-2024-3051857
124. UGI Utilities, Inc. – Gas Division, R-2025-3059523
125. National Fuel Gas Distribution Corporation, R-2026-3059428

I&E Exhibit No. 2
Witness: Ethan H. Cline

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 IN CONTROL OF AQUA PENNSYLVANIA, INC., AQUA PENNSYLVANIA WASTEWATER, INC., AND PEOPLES NATURAL GAS COMPANY, LLC

Docket Nos. A-2025-3058927, A-2025-3058928, and A-2025-3058929

Exhibit to Accompany

the

Direct Testimony

of

Ethan H. Cline

Bureau of Investigation & Enforcement

Concerning:

Approval for Issue Certificate of Public Convenience under Section 1102(a)(3) and to Effect Change in Control Under Section 2210(c) of the Public Utility Code

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-8 Integration plans.

a. Provide all integration plans developed by AWWC regarding the integration of EU if the proposed acquisition is approved.

b. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

American Water has not yet developed any integration plans. Please see response to OCA-JA-I-56 for information regarding the integration committee established by American Water and Essential Utilities.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

AQUA℠
An Essential Utilities Company

WATER RATE ZONE 1

Residential Customers

	PRIOR RATES	NEW RATES Effective 2/22/2025
Service Charge per Month (5/8" meter)	$20.51	$22.40
Usage Rate per 1,000 Gallons	Up to 2,000 Gallons: $13.050 Over 2,000 Gallons: $15.451	Up to 2,000 Gallons: $16.246 Over 2,000 Gallons: $19.233
Flat Rate (Unmetered) Charge	$83.00	$90.86
Distribution System Improvement Charge[1]	7.10%	0.00%
State Tax Adjustment Surcharge[1]	-0.41%	0.00%

Estimated Residential Bill Impact of New Rates (Based on 5/8" Meter)

CONSUMPTION GALLONS	PRIOR RATES[1]	NEW RATES Effective 2/22/2025	INCREASE PER MONTH
500	$28.84	$30.52	$1.68
1,000	$35.81	$38.65	$2.84
1,500	$42.77	$46.77	$4.00
2,000	$49.73	$54.89	$5.16
2,500	$57.97	$64.51	$6.54
3,000	$66.21	$74.13	$7.91
3,500	$74.46	$83.74	$9.29
4,000	$82.70	$93.36	$10.66
4,500	$90.94	$102.97	$12.03
5,000	$99.18	$112.59	$13.41
5,500	$107.42	$122.21	$14.78
6,000	$115.67	$131.82	$16.16
6,500	$123.91	$141.44	$17.53
7,000	$132.15	$151.06	$1.68
Flat Rate (Unmetered)	$88.55	$90.86	$2.31

Commercial Customers

	PRIOR RATES	NEW RATES Effective 2/22/2025
Service Charge per Month (5/8" meter)	$20.51	$22.40
Usage Rate per 1,000 Gallons	Up to 10,000 Gallons: $14.017 Next 23,300 Gallons: $12.315 Next 300,000 Gallons: $10.217 Over 333,300 Gallons: $9.351	Up to 10,000 Gallons: $16.900 Next 23,300 Gallons: $14.848 Next 300,000 Gallons: $12.318 Over 333,300 Gallons: $11.276
Distribution System Improvement Charge[1]	7.10%	0.00%
State Tax Adjustment Surcharge[1]	-0.41%	0.00%

[1]The Distribution System Improvement Charge (DSIC) and the State Tax Adjustment Surcharge (STAS) apply to the total bill.

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An Essential Utilities Company

WATER RATE ZONE 1

Public Customers

	PRIOR RATES	NEW RATES Effective 2/22/2025
Service Charge per Month (5/8" meter)	$20.51	$22.40
Usage Rate per 1,000 Gallons	Up to 10,000 Gallons: $14.017 Next 23,300 Gallons: $12.315 Next 300,000 Gallons: $10.163 Over 333,300 Gallons: $9.301	Up to 10,000 Gallons: $16.900 Next 23,300 Gallons: $14.848 Next 300,000 Gallons: $12.652 Over 333,300 Gallons: $11.579
Distribution System Improvement Charge[1]	7.10%	0.00%
State Tax Adjustment Surcharge[1]	-0.41%	0.00%

Industrial Customers

	PRIOR RATES	NEW RATES Effective 2/22/2025
Service Charge per Month (5/8" meter)	$20.51	$22.40
Usage Rate per 1,000 Gallons	Up to 10,000 Gallons: $14.017 Next 23,300 Gallons: $12.315 Next 300,000 Gallons: $10.217 Next 3,000,000 Gallons: $9.351 Next 6,666,700 Gallons: $9.104 Over 10,000,000 Gallons: $7.283	Up to 10,000 Gallons: $16.900 Next 23,300 Gallons: $14.848 Next 300,000 Gallons: $12.318 Next 3,000,000 Gallons: $11.277 Next 6,666,700 Gallons: $10.979 Over 10,000,000 Gallons: $9.066
Distribution System Improvement Charge[1]	7.10%	0.00%
State Tax Adjustment Surcharge[1]	-0.41%	0.00%

[1] The Distribution System Improvement Charge (DSIC) and the State Tax Adjustment Surcharge (STAS) apply to the total bill.

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An Essential Utilities Company

WASTEWATER RATE ZONE 1

Residential Customers

	PRIOR RATES	NEW RATES Effective 2/22/2025
Service Charge per Month (Per EDU)	$48.20	$49.41
Usage Rate per 1,000 Gallons	$11.817	$13.419
Flat Rate (Unmetered) Charge	$95.47	$101.34
Distribution System Improvement Charge[1]	3.14%	0.00%
State Tax Adjustment Surcharge[1]	-0.12%	0.00%

Estimated Residential Bill Impact of New Rates (Based on 1 EDU)

CONSUMPTION GALLONS	PRIOR RATES[1]	NEW RATES Effective 2/22/2025	INCREASE PER MONTH
500	$55.74	$56.12	$0.38
1,000	$61.83	$62.83	$1.00
1,500	$67.92	$69.54	$1.62
2,000	$74.00	$76.25	$2.24
2,500	$80.09	$82.96	$2.87
3,000	$86.18	$89.67	$3.49
3,500	$92.26	$96.38	$4.11
4,000	$98.35	$103.09	$4.73
4,500	$104.44	$109.80	$5.36
5,000	$110.53	$116.51	$5.98
5,500	$116.61	$123.21	$6.60
6,000	$122.70	$129.92	$7.23
6,500	$128.79	$136.63	$7.85
7,000	$134.87	$143.34	$8.47
Flat Rate (Unmetered)	$98.35	$101.34	$2.99

Non-Residential Customers

	PRIOR RATES	NEW RATES Effective 2/22/2025
Service Charge per Month (Per EDU)	$47.35	$49.41
Usage Rate per 1,000 Gallons	$11.608	$12.468
Flat Rate (Unmetered) Charge	$93.78	$107.51
Distribution System Improvement[1]	3.14%	0.00%
State Tax Adjustment Surcharge[1]	-0.12%	0.00%

[1]The Distribution System Improvement Charge (DSIC) and the State Tax Adjustment Surcharge (STAS) apply to the total bill.

Merger of Essential Utilities and American Water
Docket Nos. A-2025-3058927 et al.
Example of Average Bill for Aqua PA customers

Residential

	Rates	Usage (hundred gallons)	Bill
Customer Charge	22.40		$ 22.40
Up to 2,000 g	1.6246	20	$ 32.49
Over 2,000 g	1.9233	15	$ 28.85
Total:		35	$ 83.74

Commercial

	Rates	Usage (hundred gallons)	Bill
Customer Charge	22.40		$ 22.40
Up to 10,000 g	1.6900	100	$ 169.00
Next 23,300 g	1.4848	100	$ 148.48
Next 300,000 g	1.2318		
Over 333,300 g	1.1276		
Total:		200	$ 339.88

Public

	Rates	Usage (hundred gallons)	Bill
Customer	22.40		$ 22.40
Up to 10,0	1.6900	100	$ 169.00
Next 23,30	1.4848	100	$ 148.48
Next 300,0	1.2652		
Over 333,3	1.1579		
Total:		200	$ 339.88

Industrial

	Rates	Usage (hundred gallons)	Bill
Customer Charge	22.40		$ 22.40
All Usage	1.6900	100	$ 169.00
Next 23,300 g	1.4848	233	$ 345.96
Next 300,000 g	1.2318	3000	$ 3,695.40
Next 3,000,000 g	1.1277	2667	$ 3,007.58
Next 6,666,700 g	1.0979		
Over 10,000,000 g	0.9066		
Total:		6000	$ 7,217.93

Merger of Essential Utilities and American Water
Docket Nos. A-2025-3058927 et al.
Example of Average Bill for Aqua PA WW customers

Residential

	Rates	Usage (hundred gallons)		Bill
Customer Charge	49.41		$	49.41
All Usage	1.3419	35	$	46.97
Total:		35	$	96.38

Non-Residential

	Rates	Usage (hundred gallons)		Bill
Customer Charge	49.41		$	49.41
Up to 10,000 g	1.2468	200	$	249.36
Total:		200	$	298.77

Non-Residential (Industrial)

	Rates	Usage (hundred gallons)		Bill
Customer Charge	49.41		$	49.41
Up to 10,000 g	1.2468	6000	$	7,480.80
Total:		6000	$	7,480.80

I&E Statement No. 3
Witness: Robert N. Gobrecht IV

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 IN CONTROL OF AQUA PENNSYLVANIA, INC., AQUA PENNSYLVANIA WASTEWATER, INC., AND PEOPLES NATURAL GAS COMPANY, LLC

Docket Nos. A-2025-3058927, A-2025-3058928, and A-2025-3058929

Direct Testimony

of

Robert N. Gobrecht IV

Bureau of Investigation and Enforcement

Concerning:

Peoples Commitments and Peoples/American Water Merger Settlement

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INTRODUCTION

Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

A. My name is Robert N. Gobrecht IV. I am a Civil Engineer (General) in the Pipeline Safety Division of the Pennsylvania Public Utility Commission's (Commission) Bureau of Investigation and Enforcement (I&E). My business address is Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA 17120.

Q. WHAT IS YOUR EDUCATION AND EMPLOYMENT EXPERIENCE?

A. I attended University of Pittsburgh at Johnstown and earned a Bachelor of Science Degree in Civil Engineering in 2020. I joined the Commonwealth of Pennsylvania Department of Transportation in May of 2021, designing highway infrastructure until my transition in August of 2022 to the Commission's Pipeline Safety Division. In addition to experience gained while on the job, I have also taken 45 courses required by the United States Pipeline and Hazardous Materials and Safety Administration (PHMSA) for inspector certification.

Q. WHAT ARE YOUR MAJOR DUTIES AS AN ENGINEER IN THE PIPELINE SAFETY DIVISION?

A. My major duties include the inspection of natural gas infrastructure, including pipeline operation, construction, and maintenance, to ensure compliance with

PHMSA federal safety regulations and the Commission's applicable regulations including Title 52, Chapter 59 of the Pennsylvania Code. On average, I conduct over 120 inspections per year.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my direct testimony is to ensure that if the merger is approved, Peoples Natural Gas (Peoples or Company) continues with their commitment to pipeline replacement and the agreements made during recent settlements. In addition, my testimony will highlight the federal and state regulations that Peoples is required to follow.

Q. DOES YOUR TESTIMONY INCLUDE AN EXHIBIT?

A. Yes. I&E Exhibit No. 3 contains schedules that support my direct testimony.

Q. PLEASE DESCRIBE THE ROLE OF I&E IN MERGER PROCEEDINGS.

A. I&E is responsible for protecting the public interest in proceedings before the Commission. The I&E analysis in this proceeding is based on its responsibility to represent the public interest. This responsibility requires the balancing of the interests of ratepayers, the regulated utility, and the regulated community as a whole.

Q. WHY ARE THESE PRIOR COMMITMENTS IMPORTANT IN REGARD TO THE ACQUISITION?

A. The previous commitments are used by I&E to monitor Peoples operations to ensure regulatory safety standards are met. As American Water is generally in the water and wastewater business, I&E believes it is important for all applicable federal and state gas safety standards and prior commitments to continue to be met.

Q. DID ANY COMPANY WITNESSES PROVIDE DIRECT TESTIMONY ON PEOPLES' PIPELINE REPLACEMENT?

A. Yes, Peoples witness Mr. Huwar[1] discusses the Company's plans for Pipeline Replacement and Integrity Management.

DIMP AND LTIIP DISCUSSION

Q. WHAT FEDERAL AND STATE REGULATIONS CONTROL PEOPLES'S PIPELINE REPLACEMENT?

A. Peoples is mandated to implement a Distribution Integrity Management Program (DIMP) under Title 49, Subpart P §192.1001-1015 of the Code of Federal Regulations. Additionally, natural gas distribution companies like Peoples, which seek to continue a previously approved Distribution System Improvement Charge

[1] Peoples Statement No. 4, pp. 5.

(DSIC) mechanism are required to submit a Long-Term Infrastructure Improvement Plan (LTIIP) pursuant to 52 Pa Code §121.1 and §121.3.

Q. WHY MUST A NATURAL GAS DISTRIBUTION COMPANY COMPLY WITH THE DIMP REGULATIONS?

A. PHMSA created DIMP regulations to reduce the number of U.S. Department of Transportation (U.S. DOT) Reportable Incidents.[2] DIMP is a performance based regulatory program required of gas distribution operators and is driven by risk management.

Q. WHAT ARE THE REQUIREMENTS OF A DIMP?

A. DIMP requires gas distribution pipeline operators to:

1. Demonstrate knowledge of the gas distribution system;
2. Identify threats;
3. Evaluate and rank risks;

[2] Under 49 CFR § 191.3, a PHMSA Reportable Incident is defined as any of the following events:
(1) An event that involves a release of gas from a pipeline, gas from an underground natural gas storage facility (UNGSF), liquefied natural gas, liquefied petroleum gas, refrigerant gas, or gas from an LNG facility, and that results in one or more of the following consequences:
(i) A death, or personal injury necessitating in-patient hospitalization;
(ii) Estimated property damage of $122,000 or more, including loss to the operator and others, or both, but excluding the cost of gas lost. For adjustments for inflation observed in calendar year 2021 onwards, changes to the reporting threshold will be posted on PHMSA's website. These changes will be determined in accordance with the procedures in appendix A to part 191.
(iii) Unintentional estimated gas loss of three million cubic feet or more.
(2) An event that results in an emergency shutdown of an LNG facility or a UNGSF. Activation of an emergency shutdown system for reasons other than an actual emergency within the facility does not constitute an incident.
(3) An event that is significant in the judgment of the operator, even though it did not meet the criteria of paragraph (1) or (2) of this definition.

4. Identify and implement measures to address risk;

5. Measure performance, monitor results, and evaluate effectiveness;

6. Evaluate and improve the DIMP; and

7. Report results.[3]

DIMP requirements include the identification of threats to pipeline facilities and the requirement for operators to create plans to mitigate and reduce the risks caused by those threats. Peoples uses a risk-based prioritization process to select replacement pipelines. Peoples conducts annual evaluations of its distribution system to identify and develop risk ratings for each segment of at-risk pipeline and then replaces the pipe based on the highest risk ranking.

Q. WHY MUST A NATURAL GAS DISTRIBUTION COMPANY FILE AN LTIIP?

A. A natural gas distribution company must submit an LTIIP for Commission approval to be eligible to recover the reasonable and prudently incurred costs related to the repair, improvement, and replacement of eligible property through the DSIC. The LTIIP is intended to address the planned acceleration of the replacement of aging infrastructure by the utility and be sufficient to ensure and maintain adequate, efficient, safe, reliable, and reasonable service to customers.[4]

[3] *See* 49 CFR § 192.1007.
[4] *See* 52 Pa. Code § 121.1.

Q. WHAT ARE THE REQUIREMENTS OF AN LTIIP?

A. The LTIIP must include the following elements:

1. Identification of types and age of eligible property owned and operated by the utility for which it is seeking DSIC recovery.
2. An initial schedule for planned repair and replacement of eligible property.
3. A general description of location of eligible property.
4. A reasonable estimate of quantity of eligible property to be improved or repaired.
5. Projected annual expenditures and means to finance the expenditures.
6. A description of the manner in which infrastructure replacement will be accelerated and how repair, improvement, or replacement will ensure and maintain adequate, efficient, safe, reliable, and reasonable service to customers.
7. A workforce management and training program designed to ensure that the utility will have access to a qualified workforce to perform work in a cost-effective, safe, and reliable manner.
8. A description of a utility's outreach and coordination activities with other utilities, Department of Transportation, and local governments regarding the planned maintenance/construction projects and roadways that may be impacted by the LTIIP.[5]

[5] *See* 52 Pa. Code § 121.3.

The LTIIP must address only the specific property eligible for DSIC recovery.[6]

Q. WHAT ARE THE COMMON MITIGATION MEASURES FOR HIGH-RISK PIPELINE SEGMENTS?

A. The industry's common mitigation measure to reduce pipeline risk is to replace the highest risk pipelines first. As a company replaces the pipelines calculated to represent the highest risk, the total system risk should be reduced. If enough pipe is replaced in that asset group annually to overcome the increasing risks on other segments within that group, the overall risk of the asset group will be reduced.

Q. SHOULD PIPELINE REPLACEMENT MITIGATION MEASURES BE BASED ON THE DIMP?

A. Yes. Pipeline replacement, which includes high risk wrought iron and bare steel should be based on the DIMP. The LTIIP, on the other hand, is a forward-looking plan for the replacement of DSIC eligible assets. Overall, pipeline replacement should be risk based and thus driven by the DIMP.

[6] *See* 52 Pa. Code § 121.3.

PIPELINE REPLACEMENT EFFORTS

Q. WHAT IS PEOPLES' STATED TIME FRAME IN THE LTIIP PLAN FOR PIPELINE REPLACEMENT?

A. Peoples stated time frame for the at-risk distribution pipeline replacement is planned to be completed by 2038.[7]

Q. WHAT IS THE METHODOLOGY USED BY PEOPLES TO DETERMINE PIPE RISK AND RISK RANKING?

A. According to Peoples witness Mr. Huwar, in response to I&E-PS-3, Peoples risk model is relative risk-based on more than 25 factors.[8] The model identifies the top 50 miles of risky pipe, then the design teams use these miles to create projects including nearby pipes with elevated risk. Peoples target for replacing the top 50 riskiest miles within a 3-year timeframe from identification. The timeframe is subject to several considerations that include planning, permitting and execution. Peoples reviews its risk reduction annually to ensure the appropriate pipe is being replaced.

Q. WHAT IS PEOPLES PIPELINE REPLACEMENT TREND FROM THE PREVIOUS 5 YEARS?

A. In response to I&E-PS-2, Peoples provided the following table of their planned

[7] Peoples Petition for LTIIP 2026-2030, Docket Number P-2025-3057167, Start p. 29.
[8] Exhibit No. 3 Schedule No. 1.

replacement miles and the actual replacement miles.[9]

		Miles			
LTIIP Program Year	Year	Plan Miles	Actual Miles	Actual Miles	% Actual to Plan Each Year
1	2021	159	165	165	103%
2	2022	159	163	327	102%
3	2023	181	184	511	102%
4	2024	186	189	700	102%
5	2025	186	190	891	102%
		871	891		102%

Q. IN YOUR OPINION, WHAT ARE PEOPLES'S RISKIEST ASSETS THAT SHOULD BE PRIORITIZED FOR REPLACEMENT?

A. In my opinion, Peoples's riskiest assets are bare steel, cast iron, wrought iron and Aldyl A and unknown material pipe. As stated in response to I&E-PS-6, bare steel, cast iron, wrought iron and known Aldyl A pipe were presented as the riskiest assets.[10]

Q. IS PENNSYLVANIA AMERICAN WATER AWARE OF PEOPLES PIPELINE REPLACEMENT PROGRAM?

A. Yes. According to American Water's response to I&E PS-20, American Water is

[9] Exhibit No. 3 Schedule No. 2.
[10] Exhibit No. 3 Schedule No. 3.

aware of Peoples pipeline replacement program.[11] Further, in American Water's response to I&E PS-21 they indicated that Peoples pipeline replacement program goals will not be affected by the Merger and Essential and PNG will remain a regulated utility under the Commission's jurisdiction.[12]

GOODWIN/TOMBAUGH SYSTEM

Q. HOW MANY MILES OF BARE STEEL PIPE REMAIN IN THE GOODWIN/TOMBAUGH SYSTEM?

A. As stated in response to I&E-PS-12, there are 74 miles of bare steel pipeline remaining within the Goodwin/Tombaugh system.[13]

Q. DOES PEOPLES PLAN TO COMPLETE THE PIPE REPLACEMENT IN THE GOODWIN/TOMBAUGH SYSTEM BY THE END OF 2026?

A. As stated in I&E-PS-11, Peoples plans to complete the bare steel pipeline replacement within the Goodwin/Tombaugh system by the end of 2026.[14] Peoples mentioned that right-of-way (ROW) issues on four bare steel section totaling 2.8 miles are unlikely to be replaced by 2026 and there is not a definite time frame for the remaining bare steel to be replaced.

[11] Exhibit No. 3 Schedule No. 4.
[12] Exhibit No. 3 Schedule No. 5.
[13] Exhibit No. 3 Schedule No. 6.
[14] Exhibit No. 3 Schedule No. 7.

Q. DO YOU HAVE ANY RECOMMENDATIONS FOR PEOPLES ON THE GOODWIN/TOMBAUGH SYSTEM?

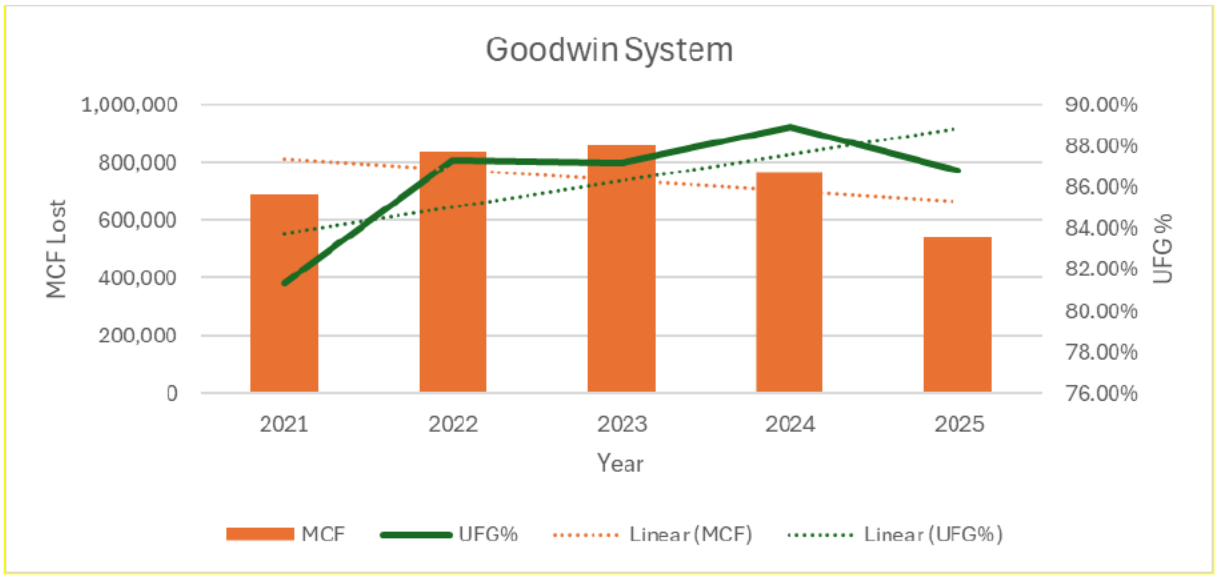
A. I recommend Peoples continue to, at a minimum, adhere to the agreed upon commitments stated in A-2018-3006061, A-2018-3006062 and A-2018-3006063 for the continued replacements in the Goodwin and Tombaugh systems. I also recommend Peoples continue to provide updated information to the Commission on a quarterly basis on the progress of the ROW issues and timeframes of anticipated completion of the remaining 2.8 miles of bare steel pipe within the Goodwin/Tombaugh system.

Q. HAS THE AMOUNT OF UNACCOUNTED FOR GAS (UFG) WITHIN THE GOODWIN/TOMBAUGH SYSTEM SHOWN A DECREASING TREND?

A. According to the response to I&E-PS-13, the data provided by Peoples does not show a decreasing trendline for the percentage of UFG as seen below over the last 5-years.[15]

Goodwin		
Year	MCF	UFG%
2021	690,121	81.32%
2022	836,442	87.29%
2023	860,112	87.17%
2024	764,257	88.93%
2025	545,875	86.83%

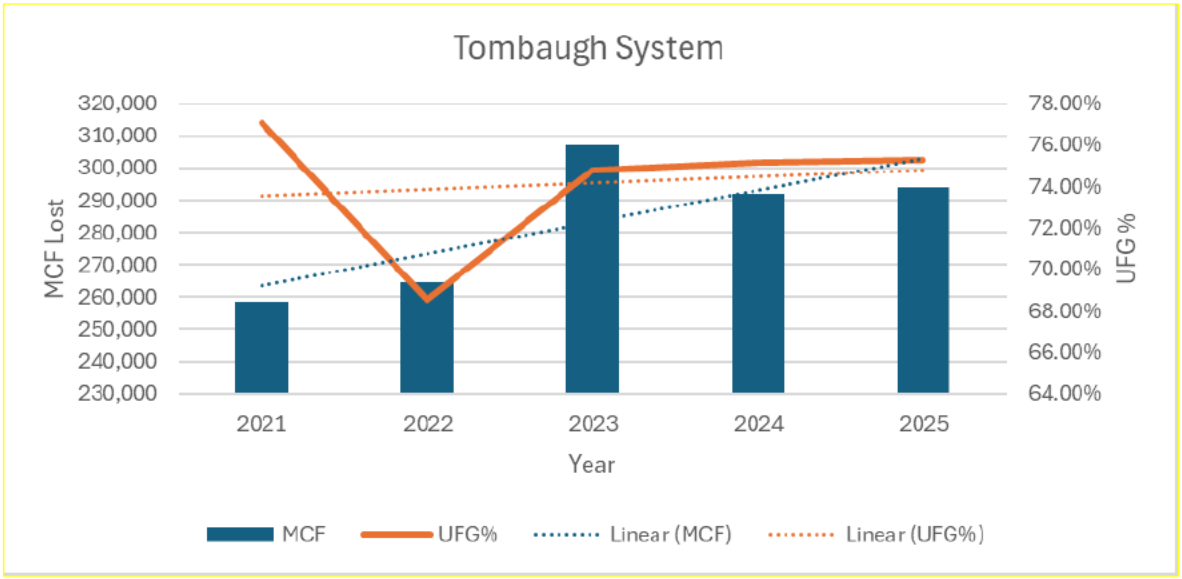
[15] Exhibit No. 3 Schedule No. 8.



1

Tombaugh		
Year	MCF	UFG%
2021	258,530	77.09%
2022	264,354	68.51%
2023	307,301	74.81%
2024	292,007	75.16%
2025	293,946	75.29%

2



3

Q. WHAT IS YOUR RECOMMENDATION FOR RATE OF UNACCOUNTED FOR GAS (UFG) WITHIN THE GOODWIN/TOMBAUGH SYSTEM?

A. In my opinion, the Company should perform an evaluation on the system to see what is causing the high UFG rates. Some of the information that should be looked at includes meter accuracy and leakage rates. High UFG rates should be looked at as this pipe is converted to distribution piping and does not drive up the UFG rates on the distribution system and provides safe and reliable distribution service.

PEOPLES SETTLEMENTS

Q. WHAT PRIOR COMMITMENTS HAS PEOPLES MADE WITH THE BUREAU OF INVESTIGATION AND ENFROCEMENT?

A. Peoples has been involved with the following Dockets and commitments:

- Docket C-2024-3050319 involves the corrective actions towards Peoples incident response and training to react and respond to an incident.
- Docket M-2025-3052089 involves Peoples implementing a Quality Assurance/Quality Control component within their Damage Prevention Program.
- Docket M-2023-3024990 requires Peoples to incorporate regulator stations into their DIMP plan using a risk model. Furthermore, the Pre-Job Briefing and the checklist will include any bypass valve operation.

- Docket M-2022-3028365 requires Peoples to update its design process in regard to temporary meter and regulator stations to ensure that they meet all requirements of federal code.

I recommend that Peoples continue, at a minimum, to follow the commitments that were made during these settlements.

Q. ARE YOUR RECOMMENDATIONS STATED ABOVE COMPLETE AS OF THE WRITING OF YOUR DIRECT TESTIMONY?

A. Yes, if this acquisition is approved, I recommend that American Water and Peoples be required to continue following Peoples' prior commitments. I reserve the right to supplement my discussion and recommendations.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

I&E Exhibit No. 3
Witness: Robert N. Gobrecht IV

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 IN CONTROL OF AQUA PENNSYLVANIA, INC., AQUA PENNSYLVANIA WASTEWATER, INC., AND PEOPLES NATURAL GAS COMPANY, LLC

Docket Nos. A-2025-3058927, A-2025-3058928, and A-2025-3058929

Exhibit to Accompany

the

Direct Testimony

of

Robert N. Gobrecht IV

Bureau of Investigation and Enforcement

Concerning:

Peoples Commitments and Peoples/American Water Merger Settlement

Exhibit No. 3, Schedule No. 1

BUREAU OF INVESTIGATION AND ENFORCEMENT
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
ESSENTIAL UTILITIES/PEOPLES NATURAL GAS COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

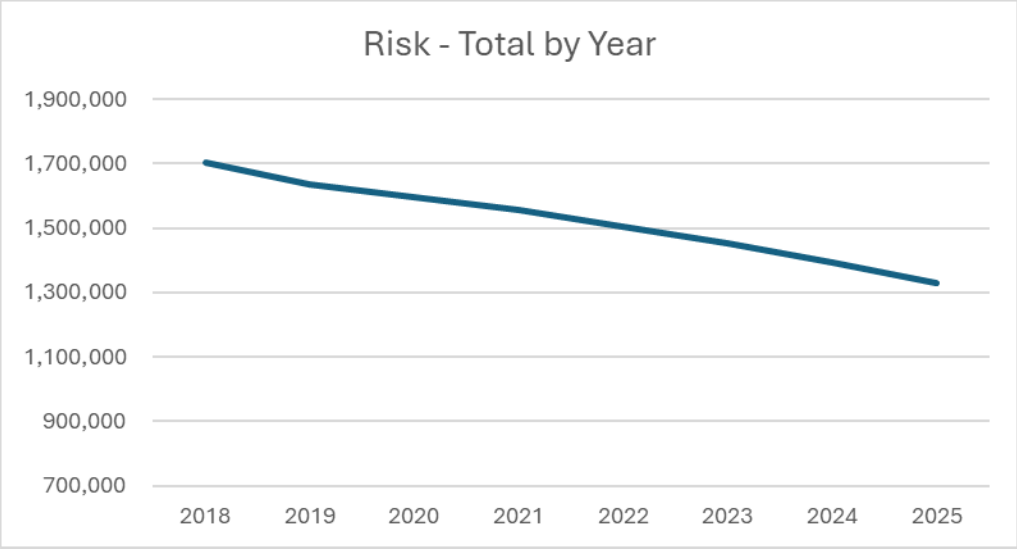
Essential Utilities/Peoples Natural Gas Company Response to I&E Set I

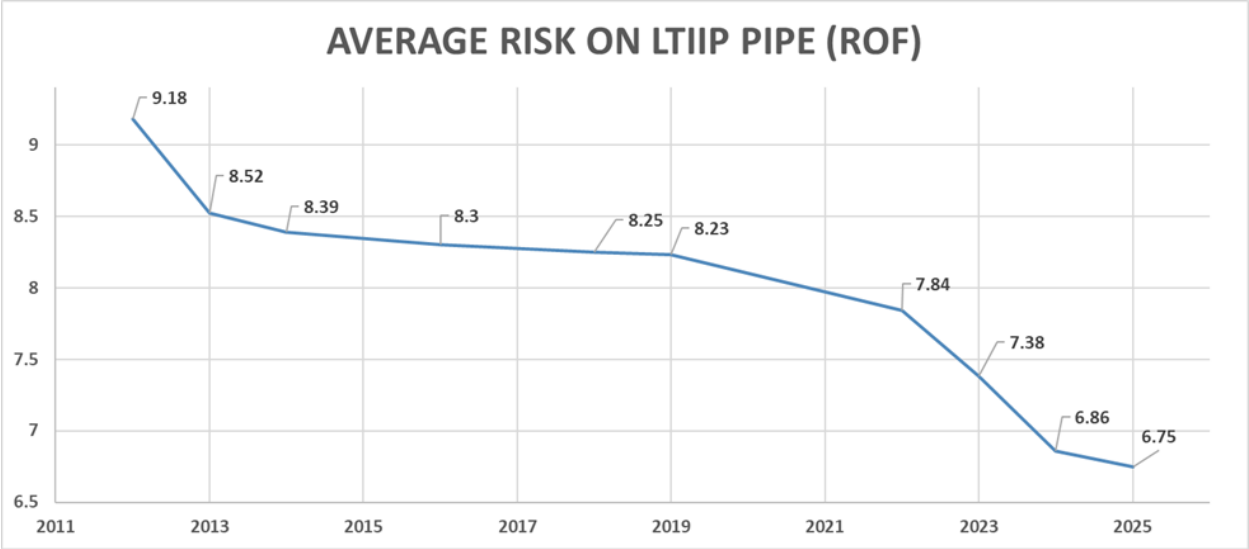
I&E-PS-3 Explain how PNG utilizes a risk model to determine pipe replacement. Provide detailed examples showing how Peoples Natural Gas is reducing risk to its facilities based on the risk model.

Response:

Peoples risk model is relative risk-based on more than 25 factors. Peoples reviews its risk reduction annually to ensure the appropriate mains are being replaced.

The Peoples risk model identifies the top 50 miles of risk pipe. Its design teams use these miles to build projects around these top-risk pipe segments, along with nearby pipes with elevated risk. Peoples targets replacing the top 50 risk miles within approximately three years of identification, subject to planning, permitting, and execution considerations.





Responsible Witness(es):

Michael Huwar

Date: 04/30/2026

Exhibit No. 3, Schedule No. 2

BUREAU OF INVESTIGATION AND ENFORCEMENT
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
ESSENTIAL UTILITIES/PEOPLES NATURAL GAS COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Essential Utilities/Peoples Natural Gas Company Response to I&E Set I

I&E-PS-2 Provide a summary for the last 5 years of Long Term Infrastructure Improvement Plan (LTIIP) filings showing PNG's proposed miles of annual pipeline replacement and the actual miles replaced annually. Provide discussion for all instances when the proposed replacements were not realized.

Response:

LTIIP		Miles			
LTIIP Program year	Year	Plan miles	actual miles	actual PTD miles	% actual to plan each year
1	2021	159	165	165	103%
2	2022	159	163	327	102%
3	2023	181	184	511	102%
4	2024	186	189	700	102%
5	2025	186	190	891	102%
Total		871	891		102%

Proposed miles were realized (and exceeded) every year. It should be noted that these efforts required year-round construction.

Responsible Witness(es):

Michael Huwar

Date: 04/30/2026

Exhibit No. 3, Schedule No. 3

BUREAU OF INVESTIGATION AND ENFORCEMENT
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
ESSENTIAL UTILITIES/PEOPLES NATURAL GAS COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Essential Utilities/Peoples Natural Gas Company Response to I&E Set I

I&E-PS-6 Provide a description of what pipe types PNG considers as "risky" pipe in their system.

Response:

In general, the following types of pipes are considered relatively higher risk: Bare Steel, Cast Iron, Wrought Iron, and Known Aldyl A.

Also see LTIIP Docket P-2025-3057167 for more information.

Responsible Witness(es):

Michael Huwar

Date: 04/30/2026

Exhibit No. 3, Schedule No. 4

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY, INC - SET VII
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to I&E Set 1

I&E-PS-20 State whether American Water is aware of the responsibility and requirements regarding the PNG pipeline replacement program over the next decade.

Response:

Yes, American Water is aware of the responsibility and requirements regarding the PNG pipeline replacement program.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: April 30, 2026

Exhibit No. 3, Schedule No. 5

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY, INC - SET VII
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to I&E Set 1

I&E-PS-21 State whether American Water is assuming all responsibilities to meet PNG's stated goals for pipeline replacement over the next decade.

Response:

American Water does not expect PNG's stated goals for pipeline replacement for the next decade to be affected by the Merger. Upon closing of the Merger, American Water will be the parent company of Essential and PNG will remain a regulated utility under the jurisdiction of the Commission.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: April 30, 2026

Exhibit No. 3, Schedule No. 6

BUREAU OF INVESTIGATION AND ENFORCEMENT
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
ESSENTIAL UTILITIES/PEOPLES NATURAL GAS COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Essential Utilities/Peoples Natural Gas Company Response to I&E Set I

I&E-PS-12 How many miles remain and timeframe of replacing those said miles within the Goodwin/Tombaugh Gathering System.

Response:

As of 1/1/2026 there were 74 miles of bare steel pipeline remaining in the Goodwin Tombaugh System. The timeframe for replacing these miles is by the end of calendar year 2026. Also see the response to I&E-PS-11_EU.

Responsible Witness(es):

Michael Huwar

Date: 04/30/2026

Exhibit No. 3, Schedule No. 7

BUREAU OF INVESTIGATION AND ENFORCEMENT
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
ESSENTIAL UTILITIES/PEOPLES NATURAL GAS COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Essential Utilities/Peoples Natural Gas Company Response to I&E Set I

I&E-PS-11 Will PNG still be addressing the replacement of gathering pipe representing remediation of the bare steel within the Goodwin/Tombaugh Gathering System?

Response:

PNG anticipates completing (see note) the bare steel pipeline replacement within the Goodwin Tombaugh system by the end of calendar year 2026.

Note: At this time, PNG expects there to be four bare steel sections (2.8 miles), which, due to ROW issues, are unlikely to be replaced by the end of 2026. These sections will be replaced if and when the ROW issues are resolved.

Responsible Witness(es):

Michael Huwar

Date: 04/30/2026

Exhibit No. 3, Schedule No. 8

BUREAU OF INVESTIGATION AND ENFORCEMENT
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
ESSENTIAL UTILITIES/PEOPLES NATURAL GAS COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Essential Utilities/Peoples Natural Gas Company Response to I&E Set I

I&E-PS-13 Provide a list of the following operating metrics for the Goodwin/Tombaugh Gathering System:

A. Pipeline age; by miles of material

B. Pipeline material by miles;

C. Leak history per mile by material;

D. Pipeline pressures;

E. Installation year;

F. Pipeline diameter by material and age;

G. Pipeline mileage (distribution and services);

H. Additions/retirements of plants;

I. Leak repair history summary;

J. Pipeline damage Summary from excavation; 1st, 2nd, and 3rd party damages (last 5 years);

K. Lost and unaccounted for gas; (provide the last 5 years to show trends);

L. Average Cost per mile for replacement costs for last 5 years;

M. Any other pipeline metrics that would benefit the operator and the regulator in evaluating the operational viability and safety of the gas systems.

Response:

A, B.

Material	Unknown	Pre-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	2010+	Grand Total
Bare Steel	6.57	58.32	12.01	14.98	10.65	1.24	0.83	0.03	0.31	0.06	105.00
Coated Steel	0.24	0.40	-	-	0.20	1.54	3.19	1.69	0.02	0.00	7.29
Plastic PE	9.93	1.10	0.00	0.13	0.09	4.70	15.56	4.03	3.09	4.91	43.54
Grand Total	16.74	59.81	12.01	15.11	10.95	7.48	19.58	5.76	3.42	4.97	155.83

C.

Leaks/Mile	2021	2022	2023	2024	2025
Bare Steel	0.829	1.073	0.842	0.926	0.609
Coated Steel	0.000	0.402	0.111	0.255	0.137
Plastic	0.068	0.059	0.022	0.090	0.023

D.

Peoples maintains pressure systems with a maximum allowable operating pressure (MAOP) ranging from 40 to 80 psig.

E.

Provided in response A.

F.

	Bare Steel			Coated Steel			Plastic			Grand Total
Decade	Less than or equal to 4"	Greater than 4" and less than 8"	8" and greater	Less than or equal to 4"	Greater than 4" and less than 8"	8" and greater	Less than or equal to 4"	Greater than 4" and less than 8"	8" and greater	
Pre-1940	13.2	29.1	22.6	0.2	0.4	-	6.5	0.1	4.4	76.6
1940-1949	5.8	1.6	4.6	-	-	-	0.0	-	-	12.0
1950-1959	9.6	3.4	2.0	-	-	-	0.1	-	-	15.1
1960-1969	6.8	1.6	2.2	0.2	-	-	0.1	-	-	10.9
1970-1979	1.0	0.0	0.2	0.4	0.8	0.3	3.7	1.0	-	7.5
1980-1989	0.1	0.2	0.5	0.0	0.0	3.2	10.8	4.2	0.6	19.6
1990-1999	0.0	-	-	0.0	-	1.7	3.4	0.6	0.1	5.8
2000-2009	0.3	-	0.0	0.0	-	0.0	2.0	0.1	1.0	3.4
2010-2019	0.1	-	-	0.0	-	-	4.6	0.3	0.0	5.0
Grand Total	**36.8**	**35.9**	**32.3**	**0.9**	**1.2**	**5.1**	**31.2**	**6.2**	**6.1**	**155.8**

G.

Pipeline milage provided in response A.

H.

Peoples retired 42.3 miles of pipeline from the Goodwin and Tombaugh systems in 2025. All new mainline installed would be accounted for in response to I&E-PS-09_EU part H. No new mainline was installed under the Peoples Gathering Company.

I.

Year	Leaks Repaired w/in 450'	Leaks Repaired outside 450'	Total
2021	394	279	673
2022	215	153	368
2023	148	243	391
2024	172	264	436
2025	67	234	301

J.

13(J) **G/T Gathering**

Year	1st Party	2nd Party	3rd Party
2025	0	0	1
2024	0	3	1
2023	0	1	0
2022	0	3	0
2021	0	0	0

K.

Goodwin		
Year	**MCF**	**UFG%**
2021	690,121	81.32%
2022	836,442	87.29%
2023	860,112	87.17%
2024	764,257	88.93%
2025	545,875	86.83%
Tombaugh		
Year	**MCF**	**UFG%**
2021	258,530	77.09%
2022	264,354	68.51%
2023	307,301	74.81%
2024	292,007	75.16%
2025	293,946	75.29%

L.

calendar year	project year	actual cost per mile based on pipe replaced
2020	1	$508,254
2021	2	$810,541
2022	3	$563,225
2023	4	$338,743
2024	5	$289,220
2025	6	$346,116

Responsible Witness(es):

Michael Huwar

Date: 04/30/2026

I&E Statement No. 1-SR
Witness: D. C. Patel

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 IN CONTROL OF AQUA PENNSYLVANIA, INC., AQUA PENNSYLVANIA WASTEWATER, INC., AND PEOPLES NATURAL GAS COMPANY, LLC

Docket Nos. A-2025-3058927, A-2025-3058928, and A-2025-3058929

Surrebuttal Testimony

of

D. C. Patel

Bureau of Investigation and Enforcement

Concerning:

Approval for Issue of Certificate of Public Convenience under Section 1102(a)(3) and to Effect Change in Control Under Section 2210(c) of the Public Utility Code

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INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is D. C. Patel, and my business address is Pennsylvania Public Utility Commission (Commission), Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120.

Q. ARE YOU THE SAME D. C. PATEL WHO SUBMITTED DIRECT TESTIMONY IN I&E STATEMENT NO. 1 AND I&E EXHIBIT NO. 1?

A. Yes.

Q. DOES YOUR SURREBUTTAL TESTIMONY INCLUDE AN EXHIBIT?

A. No. However, I will refer to my direct testimony and schedules contained in the corresponding exhibit where necessary.[1]

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to address responses and statements made in the rebuttal testimony of the Joint Applicants' witnesses Cheryl Norton,[2] David Bowler,[3] Colleen Arnold,[4] and Michael Huwar[5] regarding the merger application of the Joint Applicants' requesting that the Commission issue a

---

1 I&E Statement No. 1 and I&E Exhibit No. 1.
2 Joint Applicants Statement No. 1-R.
3 Joint Applicants Statement No. 2-R.
4 Joint Applicants Statement No. 3-R.
5 Joint Applicants Statement No. 4-R.

Certificate of Public Convenience under Section 1102(a)(3) and approval to effect Change in Control under Section 2210(c) of the Public Utility Code due to the proposed merger.

Generally, the Joint Applicants' witnesses did not present any new or novel information supporting the merger proposal in response to my direct testimony. However, it should be noted that I do not intend for my surrebuttal testimony to address every topic or issue raised or otherwise discussed by the Joint Applicants' witnesses in rebuttal testimony because I discussed all the topics of concern at length in my direct testimony. My lack of response to any specific statement, assertion, or position of any witness in this surrebuttal testimony does not necessarily indicate my acceptance or agreement with statements, assertions, or positions expressed in rebuttal testimony.

Q. EXPLAIN WHAT THE JOINT APPLICANTS ARE REQUESTING IN THE MERGER APPLICATION.

A. The Joint Applicants are requesting the Commission's approval under 66 Pa. C.S.A §§ 1102(a)(3) and 2210(c) for the issuance of a Certificate of Public Convenience and to effect Change in Control of Aqua Pennsylvania, Inc. (Aqua PA), Aqua Pennsylvania Wastewater, Inc. (Aqua PA-WW), and Peoples Natural Gas Company, LLC (Peoples) via the merger of Essential Utilities, Inc. (Essential) with Alpha Merger Sub, Inc. (Alpha Merger) a wholly owned subsidiary of American Water Works Company, Inc. (American Water). Alpha Merger will

cease to exist upon completion of the proposed merger transaction and Essential would continue as the surviving corporation as a wholly owned subsidiary of American Water. Post-merger closing, American Water would become the ultimate corporate parent (a new controlling interest) of Essential and its subsidiaries (Aqua PA, Aqua PA-WW, and Peoples)[6] in addition to Pennsylvania-American Water Co. (PAWC).

Q. WHAT DOES THE PUBLIC UTILITY CODE REQUIRE IN ORDER TO GRANT APPROVAL FOR THE ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AND CHANGE IN CONTROL?

A. The Public Utility Code requires that Commission approval must be obtained in order to effectuate the proposed merger.[7] To obtain an approval, it must be shown that the merger is "necessary or proper for the service accommodation, convenience, or safety of the public."[8] The Pennsylvania Supreme Court explained this standard in the City of York case,[9] which requires the merger should produce *substantial* affirmative benefit to the public rather than merely leaving it unharmed and there must be direct and traceable financial benefits to ratepayers.

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6 Joint Application, pp. 6-7.
7 66 Pa. C.S. § 1102(a).
8 66 Pa. C.S. § 1103(a).
9 *City of York v. Pennsylvania Public Utility Commission*, 449 Pa. 136, 141, 295 A.2d 825, 828 (1972).

Q. IN YOUR OPINION, HAVE THE JOINT APPLICANTS SATISFIED THE ABOVE STANDARD?

A. No. As discussed in my direct testimony,[10] the Joint Applicants have not shown that the proposed merger would produce substantial affirmative benefit to the public as the Joint Applicants failed to provide supporting financial information indicating direct and traceable financial benefits to ratepayers.

Q. WHAT WAS YOUR PRIMARY RECOMMENDATION IN DIRECT TESTIMONY?

A. In direct testimony, I recommended that the Commission reject the proposed merger transaction of the Joint Applicants.[11]

Q. WHAT WAS YOUR ALTERNATIVE RECOMMENDATION IN DIRECT TESTIMONY?

A. I recommended that if the Commission decides to approve the proposed merger transaction, the merger approval should be subject to all the conditions described in my direct testimony[12] and such other conditions considered appropriate in the interest of PAWC, Aqua PA, Aqua PA-WW, Peoples ratepayers, and the overall public interest.

[10] I&E Statement No. 1.
[11] I&E Statement No. 1, p. 35.
[12] I&E Statement No. 1, pp. 35-44.

SUMMARY OF MS. NORTON'S REBUTTAL TESTIMONY

Q. SUMMARIZE MS. NORTON'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING YOUR RECOMMENDATION FOR THE MERGER APPLICATION.

A. American Water witness Ms. Norton primarily reiterates that the proposed merger of American Water and Essential will serve the public interest and produce substantial affirmative public benefits as discussed in the initial filing, and she discusses the Joint Applicants' commitments, addressing some of my recommended conditions for the merger approval in her rebuttal testimony.[13]

AFFIRMATIVE PUBLIC BENEFITS

Q. SUMMARIZE MS. NORTON'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING HER CLAIM THAT A SUBSTANTIAL AFFIRMATIVE PUBLIC BENEFITS WILL BE PRODUCED DUE TO THE MERGER.

A. Ms. Norton refers to her discussion in direct testimony and opines that the public will be better off if the proposed merger is approved. Additionally, in general, she states that the merger will enhance overall utility operations and strengthen American Water and Essential's ability to provide clean, safe, reliable, and affordable service to their Pennsylvania customers by increasing the scale of the combined company, facilitating the sharing of best practices, unlocking synergies

[13] Joint Applicants Statement No. 1-R, p. 1, line 18 through p. 2, line 19.

and cost savings, and providing employees with more opportunities.[14] Further, she asserts that the Joint Applicants have demonstrated that American Water's greater scale, financial strength, liquidity, and access to capital will result in financial benefits to Aqua PA, Peoples, and their customers, and that Aqua PA and Peoples' access to American Water's broader operational resources, including its centralized laboratory and engineering, safety, water quality, environmental compliance, training, procurement, technology, and research and development capabilities, will strengthen Aqua PA and Peoples' ability to provide vital utility services in the Commonwealth. Finally, she lists the Joint Applicants' merger commitments and opines that these would constitute real improvements for Aqua PA, Peoples, and their customers, which would not be realized absent the merger.[15]

Q. WHAT IS YOUR RESPONSE TO MS. NORTON'S REBUTTAL TESTIMONY CONCERNING SUBSTANTIAL AFFIRMATIVE PUBLIC BENEFITS TO BE PRODUCED DUE TO THE MERGER?

A. Ms. Norton reiterates standard academic merger benefits and the post-merger commitments routinely claimed in most merger applications. As discussed in my direct testimony,[16] I consider the claimed benefits to be speculative and insufficient to meet the standards necessary to approve this transaction. The Joint

[14] Joint Applicants Statement No. 1-R, p. 4, lines 8-13.
[15] Joint Applicants Statement No. 1-R, p. 6, line 5 through p. 8, line 29.
[16] I&E Statement No. 1, p. 7, line 18 through p. 8, line 12.

Applicants claim that approval of the merger would result in financial and rate benefits to Pennsylvania's ratepayers, yet they make no definitive commitment and provide no supporting information to flow any measurable merger savings into rates. The ultimate real test of affirmative substantial public benefits of the proposed merger transaction can be evaluated or measured only after assessing the true post-merger impact or benefits to accrue to water, wastewater, and natural gas customers in distribution service rates in the foreseeable future. The joint applicants have not produced any information including financial data related to the approximate measurable cost savings and resultant rate benefits to Pennsylvania customers as a result of the merger-related claims in business operation and financial synergies, best practices, administrative efficiencies, economies of scale, expertise, optimization of combined resources, cost savings, etc.

It appears plain and simple that the post-merger utility subsidiaries of American Water and Essential would routinely continue to file base rate cases to raise customers' rates despite the claimed merger benefits under the pretext of increase in the cost of service, more particularly, for the increase in the cost of capital due to ongoing significant and ambitious (investors favored) capital expenditures or investment programs, which would ultimately be more beneficial to shareholders.

As discussed in my direct testimony,[17] the important financial matrices (operating revenue, operating income, and net utility plant (rate base)) of PAWC, Aqua PA (including Aqua PA-WW), and Peoples have steadily continued to increase between Fiscal Year (FY) 2020 and FY 2024. As a result, the utilities' parent companies', American Water and Essential's, earnings per share have increased year to year (from FY 2021 to FY 2025). The joint applicants have not offered any comments on the historic and current strong financial condition of the utility companies on a stand-alone basis and for the parent companies.

RATE AFFORDABILITY

Q. SUMMARIZE MS. NORTON'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING CUSTOMERS' RATE AFFORDABILITY.

A. Ms. Norton states that American Water operates and manages its investments, pursues operational efficiencies, and provides assistance to customers through its low-income and affordability programs.[18] She asserts that Aqua PA, Peoples, and PAWC will need to continue investing in their respective systems, but this merger will help ensure that Essential's utilities and their customers benefit from the financial strength and operational expertise of American Water.[19] Finally, she

[17] I&E Statement No. 1, p. 14, line 13 through p. 20, line 3.
[18] Joint Applicants Statement No. 1-R, p. 9, lines 6-8.
[19] Joint Applicants Statement No. 1-R, p. 9, lines 15-18.

opines that the Joint Applicants are committed to ensuring merger benefits are passed through to customers as they are identified and quantified.[20]

Q. WHAT IS YOUR RESPONSE TO MS. NORTON'S REBUTTAL TESTIMONY CONCERNING CUSTOMERS RATE AFFORDABILITY?

A. I agree with Ms. Norton that investment in the distribution system maintains operational efficiency and American Water has the financial strength and operational expertise, however, there is no guardrail or checks and balances about the prudency and necessity of all investments and the timeline of investment. Every dollar spent on capital expenditures impacts customers' rates while the same money spent on these projects earns a return for shareholders. I agree that Aqua PA, Peoples, and PAWC provide assistance to low-income customers through their low-income programs. However, customers who are not identified as low-income customers, more particularly, moderate income level customers continue to struggle with increasing utility rates concurrently with the inflation in the cost of living.

Regarding the rate affordability concern, I refer to CAUSE-PA witness Patrick M. Cicero's direct testimony, where he presented a table showing significant increases in PAWC, Aqua PA, Aqua PA-WW and Peoples' customers' monthly bills from 2021 to 2026, which is reproduced below:[21]

[20] Joint Applicants Statement No. 1-R, p. 10, lines 4-5.
[21] CAUSE-PA Statement No. 1, p. 47, lines 1-2, Table 9 as amended.

	2021	2026	Percentage Increase
PAWC – Water (3,000 GL/month)	$55.97	$75.12	34.20%
PAWC – Wastewater (3,000 GL/month)	$60.40	$103.62	71.60%
Aqua PA – Water (3,000 GL/month)	$51.91	$74.13	42.80%
Aqua PA – Wastewater (3,000 GL/month)	$53.80	$89.67	66.70%
Peoples (86 MCF/month)	$42.90	$55.19	28.65%

The above table indicates the severity of customers' rate affordability concerns, which supports the need for a rate case stay-out and one-time rate credit as discussed later in this surrebuttal testimony.

It is speculative for Ms. Norton to argue that customers would benefit from the financial strength and operational expertise of American Water because the Joint Applicants have not quantified future cost savings and real rate benefits from the merger transaction. The Joint Applicants acknowledge that they are not at a point where definitive decisions have been made, while merger integration planning has begun, and therefore, the Joint Applicants have not yet quantified projected cost savings or efficiencies that will be reflected in base rates in the future.[22]

[22] Joint Applicants Statement No. 1-R, p. 11, lines 10-14.

ADVERSE IMPACT ON COMPETITION

Q. SUMMARIZE MS. NORTON'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING THE PROPOSED MERGER'S IMPACT ON THE PENNSYLVANIA WATER AND WASTEWATER MARKET.

A. Ms. Norton states that the Pennsylvania water and wastewater industry is highly fragmented, with many municipal water and wastewater providers and public utilities providing water and wastewater services throughout the Commonwealth.[23] She opines that concerns regarding the merger's ability to dampen competition for the acquisition of municipal-owned systems is purely speculative because there are several companies, in addition to American Water and Essential, that either operate in and/or have recently participated in sales of municipal systems in Pennsylvania.[24]

Q. WHAT IS YOUR RESPONSE TO MS. NORTON'S REBUTTAL TESTIMONY CONCERNING THE PROPOSED MERGER'S IMPACT ON THE PENNSYLVANIA WATER AND WASTEWATER MARKET?

A. As discussed in my direct testimony,[25] I agree that the merger would not result in anti-competitive or discriminatory conduct in the retail market for natural gas distribution service in Pennsylvania because American Water does not own or operate any companies that directly or indirectly compete with Peoples in

[23] Joint Applicants Statement No. 1-R, p. 16, lines 15-18.
[24] Joint Applicants Statement No. 1-R, p. 16, line 19 through p. 17, line 1.
[25] I&E Statement No. 1, pp. 28-29.

Pennsylvania and there are other competitive investor-owned gas distribution companies operating in Pennsylvania. However, with regard to the water and wastewater market, I disagree with Ms. Norton's opinion that the merger may not dampen competition for the acquisition of municipal-owned systems because with the merger of Aqua PA, Aqua PA-WW, and PAWC under the umbrella of American Water, American Water would be the single largest investor-owned utility company in Pennsylvania and operationally, technically, and financially so strong and capable that it could outbid other small bidders (if any) in the acquisition process of small municipal and other investor-owned water and wastewater utilities. Since the passage of 66 Pa C.S.A. § 1329 in 2016, PAWC and Aqua PA/Aqua PA-WW are the only two investor-owned utilities that have succeeded in acquiring several municipal water/wastewater systems (except Suez Water Co. which acquired one municipal system, Mahoning Township - Water and Wastewater, in 2018). The merger would pave the way for American Water to concentrate economic power and consolidate and control the Pennsylvania water and wastewater retail market in the future by acquiring most of the small privately owned systems or municipal systems, dictating its own terms and conditions for each acquisition, which could ultimately lead to anti-competitive and discriminatory practices.

Q. WHAT IS YOUR RESPONSE TO MS. NORTON'S ASSERTION THAT PEOPLES WOULD BENEFIT FROM SYNERGIES AND ECONOMIES OF SCALE THROUGH TECHNOLOGY ADAPTATION, CENTRALIZED SERVICES OF AMERICAN WATER AND COLLABORATION ON LOW-INCOME PROGRAMS?[26]

A. As discussed in my direct testimony,[27] I reiterate that the merger of Peoples as being a different utility type with water companies would not provide synergies in gas business operations because American Water does not own or provide gas distribution services that could provide benefits as part of the merger. It appears that the proposed American Water and Essential merger is primarily based on a long-term strategy to increase, consolidate, and control the water and wastewater industry across Pennsylvania while Peoples Gas is a secondary business line attached to the merger transaction because it is a subsidiary of Essential. Additionally, the differences in commodity type and geographic location are outside of Aqua's historical investment profile, which may make synergies difficult going forward. Therefore, I continue to have concerns that the Peoples' ratepayers could suffer unintended consequences if American Water/Essential decides to spin off or sell Peoples at a higher valuation in the future, though the Joint Applicants commit to having the required staff on hand and making the

[26] Joint Applicant Statement No. 1-R, p. 17 line 13 through p. 18, line 12.
[27] I&E Statement No. 1, p. 27, lines 1-20.

necessary investments in Peoples' distribution system, including pipeline replacement.

Q. HAVE YOUR CONCERNS REGARDING SUBSTANTIAL AFFIRMATIVE PUBLIC BENEFITS CHANGED?

A. No. Although Ms. Norton continues to assert blanket claims regarding potential merger benefits, I continue to contend that they do not constitute substantial affirmative public benefits that qualify for the proposed merger approval sought by the Joint Applicants.

Q. DO YOU HAVE ANY CHANGES TO YOUR PRIMARY RECOMMENDATION REJECTING THE JOINT APPLICANTS' MERGER PROPOSAL?

A. No. I continue to recommend that the Commission reject the merger transaction of the Joint Applicants for all the reasons discussed in my direct testimony[28] and herein.

[28] I&E Statement No. 1, p. 34, lines 1-14.

MERGER APPROVAL CONDITIONS

Q. SUMMARIZE MS. NORTON'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING YOUR RECOMMENDED CONDITIONS IF THE COMMISSION DECIDES TO APPROVE THE PROPOSED MERGER TRANSACTION CONSIDERING THE AFFIRMATIVE SUBSTANTIAL PUBLIC BENEFITS STANDARD AND RELYING ON INFORMED JUDGEMENT.[29]

A. Ms. Norton opines that several of the proposed conditions or commitments are not reasonable for the reasons described in the Joint Applicants' rebuttal testimony. She updated some of the commitments, which the Joint Applicants assert are reasonable and included them in her Exhibit CN-1R attached to her rebuttal testimony.[30] Further, she opines that certain conditions proposed by the parties may provide benefits in addition to those the Joint Applicants have demonstrated would result from the proposed merger, however, she believes that none of those conditions are necessary to establish that the merger will deliver substantial affirmative public benefits to Aqua PA and Peoples customers.[31]

[29] I&E Statement No. 1, p. 34, line 20 through p. 43, line 6.
[30] Joint Applicants Statement No. 1-R, p. 18, line 21 through p. 19, line 2.
[31] Joint Applicants Statement No. 1-R, p. 19, lines 6-9.

Q. DID YOU REVIEW MS. NORTON'S EXHIBITS CN-1R AND CN-2R CONTAINING THE JOINT APPLICANTS' UPDATED MERGER COMMITMENTS AND THE TABLE SHOWING YOUR RECOMMENDED CONDITIONS WITH MODIFIED LANGUAGE?[32]

A. Yes.

Q. WHAT IS YOUR RESPONSE TO THE JOINT APPLICANTS' UPDATED MERGER COMMITMENTS AS CONTAINED IN EXHIBITS CN-1R AND CN-2R?

A. I disagree with all commitments that are modified commitments or conditions (nos. 1 through 27)[33] as compared to my recommended merger conditions. I continue to recommend all the merger conditions (nos. 1 through 28) as contained in my direct testimony[34] with modified language for condition no. 19 as described below, where it says:

> PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would maintain a debt ratio measured at an annual level of 50% (inclusive of short-term debt).

It should be modified to say:

> PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would maintain a debt ratio (inclusive of short-term debt) measured at an annual minimum level of 50% or higher in the capital structure for ratemaking purposes.

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[32] Joint Applicant Exhibit CN-1R, pp. 1-10.
[33] Joint Applicant Exhibit CN-1R, pp. 1-10.
[34] I&E Statement No. 1, p. 34, line 22 through p. 43, line 6.

This modification considers utility ratepayers' interest in rate affordability, and to be more specific, I updated the above condition rather than accepting Ms. Norton's modified commitment no. 18.[35] In view of the updated condition, PAWC, Aqua PA, Aqua PA-WW, and Peoples should maintain a *minimum* debt ratio of 50% in the ratemaking capital structure, which in actuality, can exceed 50%.

SUMMARY OF MR. BOWLER'S REBUTTAL TESTIMONY

Q. SUMMARIZE MR. BOWLER'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING YOUR RECOMMENDATION FOR THE MERGER APPLICATION.

A. American Water witness Mr. Bowler discusses the financial benefits of the proposed merger of American Water and Essential and explains why he believes certain proposed conditions related to the rate credits, rate case stay-out, merger costs and savings, capital structure, and financing and accounting are unreasonable.[36]

[35] Joint Applicant Exhibit CN-1R, pp. 7-8.
[36] Joint Applicants Statement No. 2-R, p. 2, lines 2-6.

MERGER - FINANCIAL BENEFITS

Q. SUMMARIZE MR. BOWLER'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING THE FINANCIAL BENEFITS TO BE REALIZED WITH THE PROPOSED MERGER FOR CUSTOMERS.

A. Mr. Bowler refers to his discussion in direct testimony and reiterates that the combined company will have a stronger balance sheet, more stable operating cash flows, and greater scale supported by broader geographic and regulatory diversity. Additionally, he states that the increase in scale and financial strength will improve the combined company's access to capital markets on favorable terms, including both debt and equity financing, which would benefit utility customers by lowering the cost of funding necessary for infrastructure investments.[37] He disagrees that American Water and Essential have similar credit ratings and are both financially strong companies.[38] He then states that the post-merger credit ratings are expected to be stronger and the credit spread of the combined company is expected to be lower than Essential's current independent credit spread, that should result in lower financing costs for Aqua PA and Peoples, which in turn should result in overall lower costs for customers than they would have been without the merger.[39]

[37] Joint Applicants Statement No. 2-R, p. 2, lines 14-21.
[38] Joint Applicants Statement No. 2-R, p. 4, lines 12-16.
[39] Joint Applicants Statement No. 2-R, p. 5, lines 10-15.

Q. WHAT IS YOUR RESPONSE TO MR. BOWLER'S ASSERTION CONCERNING FINANCIAL BENEFITS TO CUSTOMERS TO BE REALIZED WITH THE MERGER?

A. As discussed at length in my direct testimony,[40] I reiterate that there is no material difference in Essential and American Water's ratings because the S&P ratings of "A-" and "A," respectively, are characterized as an upper medium grade rating and Moody's ratings of "Baa2" and "Baa1," respectively, are characterized as a lower medium grade rating. Essential's current access to capital is not in any way insufficient to support its current business operations. Essential has an investment grade bond rating, which demonstrates that investors look favorably on Essential and its subsidiaries' ability to pay interest and principal on borrowings. I agree that post-merger bond ratings of American Water and Essential may slightly improve most likely due to the merger of two large size utility parent companies. However, it is speculative to assume that the merger will provide significant benefits to Essential and its subsidiaries in seeking capital funding as Essential will continue to operate as a separate entity.

It is important to note that despite the slightly lower credit rating of Essential, Aqua PA and Peoples have claimed lower average long-term debt cost rates of 4.25% and 4.40% respectively in the rate cases since 2018 while PAWC

[40] I&E Statement No. 2, p. 24, line 7 through p. 25, line 22.

with American Water's higher credit rating claimed a higher average long-term debt cost rate of 4.56% in the rate cases since 2020 as shown in the table below:

Filing Year	Aqua PA	Peoples	PAWC	Docket Number
2018	4.43%	4.22%	-	Peoples: R-2018-3006818 / Aqua: R-2018-3003558 et al.
2020	-	-	4.47%	PAWC: R-2020-3019369 et al.
2021	4.00%	-	-	Aqua: R-2021-3027385 et al.
2022	-	-	4.31%	PAWC: R-2022-3031672 et al.
2023	-	4.37%	4.76%	Peoples: R-2023-3044549 / PAWC: R-2023-3043189 et al.
2024	4.32%	-	-	Aqua: R-2024-3047822 et al.
2025	-	-	4.71%	PAWC: R-2025-3057983 et al.
2026	-	4.61%	-	Peoples: R-2026-3060855
Average Rate	**4.25%**	**4.40%**	**4.56%**	

Therefore, it is speculative to assume that the post-merger expected lower credit spread for Essential as compared to the current independent credit spread would result in lower financing costs for Aqua PA and Peoples customers.

CUSTOMERS RATE CREDIT

Q. WHAT WAS YOUR RECOMMENDATION FOR A ONE-TIME CUSTOMER RATE CREDIT AS ONE OF THE CONDITIONS FOR THE MERGER APPROVAL?

A. In order to provide an immediate pass through of potential merger savings to all existing utility customers, I recommended that: (a) PAWC should be required to provide a one-time $60 rate credit to its water and wastewater customers as an adjustment equally divided in three monthly customer bills; (b) Aqua PA and

Aqua PA-WW should be required to provide a one-time $60 rate credit to its water and wastewater customers as an adjustment equally divided in three monthly customer bills; and (c) Peoples Gas should be required to provide a one-time $60 rate credit to its natural gas customers as an adjustment equally divided in three monthly customer bills. The rate credits would be provided in customers' bills following the merger closing date, but before the end of December 31, 2027. Additionally, American Water and Essential would adequately fund or contribute to the respective utilities' Rate Stabilization Fund specifically created for ensuring the above one-time rate credit of $60 to each customer and these costs should not be charged or allocated to utilities for recovery from customers' rates in any future rate proceedings.[41]

Q. SUMMARIZE MR. BOWLER'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING YOUR RECOMMENDATION FOR THE CUSTOMER RATE CREDITS.

A. Mr. Bowler disagrees with my recommendation for the one-time rate credit and opines that the Joint Applicants have demonstrated that the merger will generate substantial affirmative public benefits without the need for shareholder-funded rate credits.[42] He then states that if the merger is consummated, synergies that would be realized through lower or avoided actual costs to provide service will be

[41] I&E Statement No. 1, p. 38, line 4 through p. 39, line 3.
[42] Joint applicants Statement No. 2-R, p. 12, lines 21-23.

reflected in proposed rates when the operating utilities of the combined company file future base rate cases with the Commission. Thus, if future cost savings are reflected in immediate rate credits, customers would recover those savings before they are realized.[43]

Q. WHAT IS YOUR RESPONSE TO MR. BOWLER'S REBUTTAL TESTIMONY CONCERNING CUSTOMER RATE CREDITS?

A. As discussed in my direct testimony[44] and as discussed above, the Joint Applicants are unable to quantify the post-merger benefits or savings to be realized at this time and consequential benefits to utility customers from potential operational synergies and efficiencies that will result from the merger transaction. Therefore, to provide an immediate pass through of a small portion of merger savings without deferring to a future period, I recommended one-time rate credit to all existing utility customers to be funded by the parent companies without recovery from utility ratepayers. In this context, Mr. Bowler's concerns regarding recovery of savings before they are realized are inappropriate because the rate credit is a portion of savings that it is proposed to be funded by the parent company and not the utility companies. It is equally important to note that the Joint Applicants are seeking merger approval absent quantification of the claimed merger benefits.

[43] Joint applicants Statement No. 2-R, p. 13, lines 1-5.
[44] I&E Statement No. 1, p. 38, lines 4-7.

Furthermore, there is no guarantee that the merger will provide rate relief to customers in the future beyond what they are currently paying in rates.

RATE CASE STAY-OUT

Q. WHAT WAS YOUR RECOMMENDATION FOR THE RATE CASE STAY-OUT AS ONE OF THE CONDITIONS FOR THE MERGER APPROVAL?

A. Considering the Joint Applicants' blanket claims for merger efficiencies, synergies, and cost savings that may lead to affordable rates over time and the currently pending base rate proceedings of PAWC and Peoples, I recommended that PAWC, Peoples, Aqua PA, and Aqua PA-WW be required to implement a rate case stay-out (not filing a rate case) for a period of not less than three years from the closing date of this merger transaction.[45]

Q. SUMMARIZE MR. BOWLER'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING YOUR RECOMMENDATION FOR THE RATE CASE STAY-OUT.

A. Mr. Bowler disagrees with the recommended condition that a rate case stay-out period be required for merger approval.[46] He argues that the stay-out provision of any duration is not consistent with sound regulatory principles and is not required

[45] I&E Statement No. 2, p. 39, lines 4-9.
[46] Joint Applicants Statement No. 2-R, p. 14, line 17.

because it defers recovery of incremental investment and rising costs, creates a disconnect between revenue and the cost of service, and increases rate volatility.[47]

Q. WHAT IS YOUR RESPONSE TO MR. BOWLER'S REBUTTAL TESTIMONY CONCERNING YOUR RECOMMENDED RATE CASE STAY-OUT?

A. As discussed in the Rate Credit section above, the Joint Applicants have not quantified post-merger benefits or savings to be realized and consequential benefits to utility customers from the potential operational synergies and efficiencies that will result from the merger transaction. The rate case stay-out as recommended would provide rate relief in the current inflationary cost environment for a short period of three years from the closing of the merger and ease rate affordability concerns while the joint applicants expect that the merger will provide operating and financial cost savings to PAWC, Aqua PA, Aqua PA-WW, and Peoples after closing of the merger transaction. Mr. Bowler ignores the customer rate affordability issue while expressing the utilities' concern regarding deferring recovery of incremental investment and rising costs, particularly, when PAWC and Peoples' rate cases are currently pending with the Commission, which will increase customers rates in 2026.

[47] Joint Applicant Statement No. 2-R, p. 14, line 18 through p. 15, line 23.

MERGER RELATED COSTS

Q. WHAT WAS YOUR RECOMMENDATION FOR THE MERGER RELATED COSTS AS ONE OF THE CONDITIONS FOR THE MERGER APPROVAL?

A. I recommended that all merger related costs such as: (a) transaction costs including solicitation costs; (b) transition costs; (c) costs to achieve the merger; (d) integration costs; (e) golden parachute payments including retention bonuses and benefits; and (f) any other incremental and incidental costs incurred to facilitate integration and consolidation of business operations of utilities not be claimed as recoverable or be recovered directly or indirectly (as a cost allocation from the parent or associated companies) as a part of cost of service by PAWC, Aqua PA, Aqua PA-WW, and Peoples in future rate proceedings. All these costs would be funded by shareholders and excluded for ratemaking purposes.[48]

Q. SUMMARIZE MR. BOWLER'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING YOUR RECOMMENDATION.

A. Mr. Bowler states that the Joint Applicants will not pass along the merger transaction costs in connection with consummation of the merger to the customers.[49] The Joint Applicants agree to my recommendations with respect to

[48] I&E Statement No. 1, p. 36, lines 9-18.
[49] Joint Applicants Statement No. 2-R, p. 17, lines 8-9.

accounting for acquisition premiums, goodwill, and transaction costs, as reflected in Exhibits CN-1R and CN-2R.[50]

However, Mr. Bowler disagrees that not all merger-related costs should be excluded from rates as they are cost to combine the companies to achieve merger benefits, and he opines that such costs should be determined within the context of a rate case similar to how other costs of doing business are evaluated and recovered.[51] Mr. Bowler states that each of the parties expresses concerns regarding the recovery of merger related (a) transition costs; (b) costs to achieve, and (c) integration costs in customer rates.[52] He then discusses why he believes these costs are recoverable stating that the transition costs are often incurred upfront to enable system integration, operational continuity, and risk mitigation, while efficiencies or savings may emerge gradually over multiple years and in future rate periods. Additionally, many transition costs produce benefits that are real and material to customers but are not readily quantified as dollar savings.[53] Finally, he states that American Water is not requesting deferred accounting treatment but simply asking that the Commission allow the companies to present costs in future rate cases for review and consideration, with no preemptive determinations.[54]

[50] Joint Applicants Statement No. 2-R, p. 17, lines 11-13.
[51] Joint Applicants Statement No. 2-R, p. 17, lines 18-22.
[52] Joint Applicants Statement No. 2-R, p. 16, lines 11-12.
[53] Joint Applicants Statement No. 2-R, p. 21, lines 17-21.
[54] Joint Applicants Statement No. 2-R, p. 22, lines 7-11.

Q. WHAT IS YOUR RESPONSE TO MR. BOWLER'S REBUTTAL TESTIMONY CONCERNING (A) TRANSITION COSTS; (B) COSTS TO ACHIEVE THE MERGER, AND (C) INTEGRATION COSTS?

A. The transition costs, costs to achieve, and integration costs are tied and caused due to the proposed merger or combination of the parent companies (Essential with American Water), while its utility subsidiaries are not parties to the Agreement and Plan of Merger dated October 26, 2025.[55] As such the merger would primarily, provide benefits to the shareholders of these two parent companies and that is why its Board of Directors and shareholders at their discretion have approved the merger. Therefore, in my opinion all merger related transition costs, cost to achieve, and integration costs relating to Pennsylvania utilities' business operations including management, administration, employees, and finances should be the responsibility of the parent companies and should not be recoverable from utility ratepayers in future rates cases, similar to the merger transaction costs including solicitation costs, acquisition adjustments, or goodwill charges agreed by American Water to be the responsibility of the parent companies, and the utility companies will not seek recovery of these costs from customers.[56]

[55] Joint Application, Exhibit A, Merger Agreement, pp. 1, 6, and 113-114.
[56] Joint Applicant Statement No. 2-R, p. 27, lines 18-20.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDED CONDITION NO. 5 RELATING TO THE PRE- AND POST-MERGER FACILITATION COSTS?

A. No. I continue to recommend that the approval of the merger should be conditioned for all pre- and post-merger facilitation costs as discussed in my direct testimony.[57]

Q. WHAT IS MR. BOWLER'S COMMENT TO YOUR RECOMMENDED CONDITION NO. 19 REGARDING PAWC, AQUA PA, AQUA PA-WW, AND PEOPLES TO MAINTAIN A DEBT RATIO MEASURED AT AN ANNUAL LEVEL CLOSER TO 50% (INCLUSIVE OF SHORT-TERM DEBT)?[58]

A. Mr. Bowler states he understands that my recommendation is intended to prevent the companies from being over-leveraged as a result of this transaction. He opines that maintaining a balanced capital structure supports a strong financial position, which will allow American Water to continue to attract capital at a reasonable cost. Further, he states that American Water expects that Aqua PA, Peoples, and PAWC will each maintain an annual debt ratio of not more than approximately 50% in order to maintain a strong financial position.

[57] I&E Statement No. 1, p. 36, lines 9-18.
[58] I&E Statement No. 1, p. 41, lines 4-6.

Q. PLEASE RESPOND TO MR. BOWLER'S COMMENT ON MAINTAINING A DEBT RATIO NOT EXCEEDING 50% LEVEL.

A. I generally agree with Mr. Bowler's understanding that maintaining a balanced capital structure supports a strong financial position. However, as discussed above and considering utility ratepayers' interest and rate affordability, PAWC, Aqua PA, Aqua PA-WW, and Peoples should maintain a *minimum* debt ratio of 50% or higher in the ratemaking capital structure, which can, in actuality, exceed 50% as opposed to Ms. Norton's modified commitment no. 18 as discussed above.

POST-MERGER ACQUISITIONS

Q. SUMMARIZE MR. BOWLER'S RESPONSE IN REBUTTAL TESTIMONY REGARDING YOUR CONCERNS FOR THE POST-MERGER ACQUISITIONS OF SMALL WATER AND WASTEWATER SYSTEMS.[59]

A. First, Mr. Bowler states that merging parent companies does create common ownership of PAWC and Aqua PA, which are natural monopoly utilities, but that is not a detriment because the Commission regulates public utilities under its jurisdiction regardless of the utility's size.[60] Second, he states that I concluded having more bidders for a utility decreases sales price. He then opines that if a

[59] I&E Statement No. 2, p. 22, lines 1-17.
[60] Joint Applicants Statement No. 2-R, p. 31, lines 4-7.

water or wastewater system wishes to sell to the highest bidder, having more competition could increase the sales price, not decrease it.[61]

Q. PLEASE RESPOND TO MR. BOWLER'S COMMENT REGARDING YOUR CONCERNS FOR POST-MERGER ACQUISITIONS OF SMALL WATER AND WASTEWATER SYSTEMS.

A. First, I have adequately responded above to Ms. Norton's similar comments concerning the post-merger acquisitions of water and wastewater utilities and the impact on competition. Second, Mr. Bowler conveniently misinterpreted my statement that this merger transaction would have the effect of boosting an anti-competitive market environment in the Pennsylvania water and wastewater market that would be detrimental to the public interest as without viable competition to control purchase prices, territory expansion costs could increase, which would be fully funded by customers.[62] I have not stated or concluded that having more bidders for a utility decreases sales price. In fact, there would be no other financially strong and competent bidder (except American Water utilities - PAWC or Aqua PA) to bid for the acquisition of other utility systems. In reality, post-merger, all utilities that are planning to sell or exit water or wastewater service would be at the mercy of American Water and that would strengthen or empower

[61] Joint Applicants Statement No. 2-R, p. 31, lines 8-10.
[62] I&E Statement No. 1, p. 22, line 12-17.

American Water to control and consolidate the Pennsylvania water and wastewater industry over the long term.

I am advised by counsel that not every acquisition of a municipal water/wastewater system must occur under Section 1329 of the Public Utility Code. Given that, as counsel advises me, post-merger, American Water could still acquire these municipal systems without utilizing Section 1329, it is my recommendation that if American Water, including its subsidiaries, dominates or becomes a sole bidder in the municipal water/wastewater system acquisition process, I would recommend that American Water's subsidiary utilities limit their claim for the ratemaking rate base value of the acquired system at the depreciated/book value or including up to a 10% premium adder on the book value of the seller's utility assets proposed to be acquired/transferred .

SUMMARY OF MS. ARNOLD'S REBUTTAL TESTIMONY

Q. SUMMARIZE MS. ARNOLD'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING YOUR RECOMMENDED REJECTION OF THE JOINT APPLICANTS' CLAIMED SUBSTANTIAL AFFIRMATIVE PUBLIC BENEFITS AND SYNERGIES TO BE REALIZED FROM THE PROPOSED MERGER TRANSACTION.

A. Ms. Arnold of Aqua PA states that American Water has more robust safety, water quality, and training programs at its service company level, which would provide operating training to Aqua PA for ensuring safe, compliant, and reliable service.

She explains that Aqua PA does not currently have access to a research and development program, nor does it have the deeper bench of American Water's center-lead engineering department.[63] Second, in response to my assertion that the merger will lead to the consolidation of administrative and duplicative functions, resulting in job eliminations and layoffs and limiting new job openings,[64] she states that over time duplicative functions may be identified, and the combined company will manage the business with the best interests of customers, employees, and shareholders in mind.[65]

Q. WHAT IS YOUR RESPONSE TO MS. ARNOLD'S REBUTTAL TESTIMONY?

A. First, I agree that Aqua PA may benefit from American Water's research and development and operating training programs, which would improve operational efficiency to some extent. However, these benefits should not be categorized as a source of substantial public benefits absent integration of business operations and information about measured true benefits to be realized by Aqua PA. Additionally, every utility in Pennsylvania is required to provide adequate, efficient, safe, reliable, and reasonable utility services under 66 Pa C.S. § 1501, and hence, all utilities are required to implement necessary efficiency measures with or without the merger to provide safe and reliable services. Aqua PA has not

[63] Joint Applicants Statement No. 3-R, p. 2, lines 8-13.
[64] Joint Applicants Statement No. 3-R, p. 2, lines 20-22.
[65] Joint Applicants Statement No. 3-R, p. 3, lines 2-6.

demonstrated that it is lacking or deficient in providing safe and reliable services to its customers and needs improvements in safety, water quality, and training programs.

Second, I reiterate that the consolidation of administrative and duplicative functions would result in job eliminations and layoffs and would limit new job openings.[66] Currently, there is no indication that American Water and Essential or its utility subsidiaries in Pennsylvania are facing challenges to hire and retain skilled and experienced employees. Generally, merger proposals of healthy companies are considered with primary objectives to eliminate or reduce competition, consolidate and control market position, and produce cost savings that would strengthen the combined company's financials and enhances its shareholders wealth, while customer interests are not at the forefront because in the regulated monopoly environment, water and wastewater customers have no choice or other viable option to switch utility services in the franchised territory and instead must continue to pay for the higher utility bills.

[66] I&E Statement No. 1, pp. 9-10.

SUMMARY OF MR. HUWAR'S REBUTTAL TESTIMONY

Q. SUMMARIZE MR. HUWAR'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING YOUR ASSERTION THAT THERE IS A CLEAR LACK OF SYNERGIES AND ECONOMIES OF SCALE BETWEEN PEOPLES AND AMERICAN WATER DUE TO A DIFFERENCE IN INDUSTRY TYPE.

A. First, Mr. Huwar of Peoples agrees that natural gas is a different industry than water/wastewater. He then states that Peoples, as an operating subsidiary of Essential, and if this merger is approved, as an operating subsidiary of American Water, will continue to have the resources and expertise necessary to carry out its core mission to provide safe, reliable, and sustainable natural gas distribution service to its customers.[67] Second, he states that American Water is aware of Peoples' responsibilities and requirements as a natural gas utility and it does not expect Peoples' stated goals for pipeline replacement work to be impacted by the merger.[68]

Q. WHAT IS YOUR RESPONSE TO MR. HUWAR'S REBUTTAL TESTIMONY?

A. First, as discussed in my direct testimony,[69] I reiterate that one of the benefits derived via a merger or acquisition is that consolidation of utilities with *similar*

[67] Joint Applicants Statement No. 4, p. 2, lines 17-18 and p. 2, line 22 through p. 3, line 2.
[68] Joint Applicants Statement No. 4, p. 3, lines 4-7.
[69] I&E Statement No. 4, pp. 26-27.

business operations produces efficiencies and cost savings resulting from synergistic opportunities. I do not deny that post-merger Peoples will continue to receive the required resources and expertise necessary to carry out its gas distribution services. However, the merger, with Peoples being a different utility type than the water/wastewater companies, would not provide synergies and economies of scale in gas business operations and resulting cost savings to customers because there are no additional gas distribution operations owned and operated by American Water that could provide benefits as part of the merger. Therefore, Peoples Gas as a utility impacted by this proposed merger between American Water and Essential is unlikely to meet the substantial affirmative public benefits standard required by the Pennsylvania Public Utility Code.

I&E RECOMMENDATION

Q. DO YOU HAVE ANY FINAL COMMENTS ABOUT THE MERGER PROPOSAL?

A. Yes. The Joint Applicants have presented arguments for why they believe Essential utilities' ratepayers will benefit from the approval of this merger transaction. However, I am not aware of arguments made demonstrating any significant benefits that would be experienced by American Water's Pennsylvania jurisdictional ratepayers at PAWC. My understanding is that all parties should receive benefits to meet the requirements for substantial affirmative public benefits standard in the merger transaction.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION THAT THE PROPOSED MERGER TRANSACTION BE REJECTED?

A. No. I continue to recommend that the Commission reject the proposed merger transaction of the Joint Applicants for the reasons stated in my direct testimony[70] and as explained above. However, if the Commission decides to approve the transaction, I recommend that the Commission require the Joint Applicants to meet my list of conditions as presented in direct testimony,[71] but with the amendment to condition no. 19 modified as follows (as explained in detail above):

> PAWC, Aqua PA, Aqua PA-WW, and Peoples Gas would maintain a debt ratio (inclusive of short-term debt) measured at an annual minimum level of 50% or higher in the capital structure for ratemaking purposes.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

[70] I&E Statement No. 1, p. 35.
[71] I&E Statement No. 1, pp. 35-43.

I&E Statement No. 2-SR
Witness: Ethan H. Cline

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 IN CONTROL OF AQUA PENNSYLVANIA, INC., AQUA PENNSYLVANIA WASTEWATER, INC., AND PEOPLES NATURAL GAS COMPANY, LLC

Docket Nos. A-2025-3058927, A-2025-3058928, and A-2025-3058929

Surrebuttal Testimony

of

Ethan H. Cline

Bureau of Investigation & Enforcement

Concerning:

Approval for Issue Certificate of Public Convenience under Section 1102(a)(3) and to Effect Change in Control Under Section 2210(c) of the Public Utility Code

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INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Ethan H. Cline. My business address is Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Public Utility Commission (Commission) in the Bureau of Investigation and Enforcement (I&E) as a Fixed Utility Valuation Engineer Supervisor.

Q. ARE YOU THE SAME ETHAN H. CLINE THAT SUBMITTED I&E STATEMENT NO. 2 AND I&E EXHIBIT NO. 2?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to address the rebuttal testimony from the Joint Application filed by American Water Works Company, Inc. (American Water), Essential Utilities, Inc. (Essential), Aqua Pennsylvania, Inc. (Aqua PA), Aqua Pennsylvania Wastewater, Inc. (Aqua PA-WW), Peoples Natural Gas Company, LLC (Peoples Gas) and Alpha Merger Sub, Inc. (Alpha Merger) (collectively Joint Applicants or Companies) witness David Bowler (Joint Applicants Statement No. 2-R).

Q. DOES YOUR SURREBUTTAL TESTIMONY INCLUDE AN ACCOMPANYING EXHIBIT?

A. No.

POTENTIAL RATE IMPACTS OF THE MERGER

Q. DID YOU ADDRESS ANY CONCERNS REGARDING THE POTENTIAL RATE IMPACTS OF THE MERGER?

A. Yes. I provided a comparison of the difference between the existing average rates for the water and wastewater services of Aqua PA and PAWC, as shown in the table below. I further stated that if the merger is approved and both companies are eventually consolidated under a single rate structure, the Aqua PA customers would likely be expected to increase their rates to match those of PAWC in addition to any base rate increases to cover their own cost of service in the intervening years. I additionally stated that unlike other acquisitions, this increase in rates would not be commensurate with a similar increase in quality of service or any other such benefit for the customers.[1] I&E witness D.C. Patel also discussed this issue in his direct testimony.[2] Such an increase in rates with no other benefit than to consolidate customers under one rate structure would not be reasonable[3] nor would it provide substantial affirmative public benefits.[4]

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1 I&E St. No. 2, pp. 7-8.
2 *See* I&E St. No. 1, pp. 8-35 for further discussion.
3 I&E Statement No. 2, pp. 7-8.
4 *See* I&E St. No. 1, pp. 8-35.

Class	Aqua PA[5]	PAWC Water[6]	Aqua PA-WW[7]	PAWC WW[8]
Residential	$83.74	$100.74	$96.38	$130.06
Commercial	$339.88	$432.55	$298.77	$513.84
Public	$339.88	$432.55	$298.77	$513.84
Industrial	$7,217.93	$9,206.79	$7,480.80	$14,095.70

Q. DID THE COMPANY RESPOND TO YOUR CONCERNS?

A. Yes. Joint Applicant witness Bowler responded to my concerns by stating that "Aqua PA and PAWC will not be consolidated as a result of the Merger and their consolidation is not required for benefits from the Merger to flow to Aqua PA and its customers." Mr. Bowler further stated that any proposed rate change for Aqua PA or PAWC will be subject to Commission review and approval in a base rate proceeding in which parties could participate, as would any future reorganization or potential consolidation of Aqua PA and PAWC.[9]

[5] I&E Exhibit No. 2, Schedule 3, p. 1.
[6] Docket Nos. R-2025-3057983 and R-2025-3058051 PAWC Exhibit 10-A, pp. 78, 87, and 96.
[7] I&E Exhibit No. 2, Schedule 3, p. 2.
[8] Docket Nos. R-2025-3057983 and R-2025-3058051 PAWC Exhibit 10-B, pp. 57, 64, and 71.
[9] Joint Applicants Statement No. 2, pp. 11-12.

Q. IS MR. BOWLER'S STATEMENT THAT AQUA PA AND PAWC RATES WILL NOT BE CONSOLIDATED A CONSISTENTLY HELD POSITION?

A. No. The Joint Applicants responded in discovery that American Water has not yet developed any integration plans[10] with the implication being that integration plans will be developed in the future. Furthermore, in the same paragraph in which Mr. Bowler stated that Aqua PA and PAWC rates will not be consolidated, he also stated that any future reorganization or potential consolidation of Aqua PA and PAWC would be subject to Commission review and approval.[11] These statements clearly show that while the Joint Applicants are not currently planning to consolidate the Aqua PA and PAWC rates, the possibility does exist in the future. Therefore, my concerns regarding the rate impacts of the consolidation are valid.

Q. IS MR. BOWLER CORRECT THAT ANY CONSOLIDATION OR RESULTING RATE IMPACTS WOULD BE SUBJECT TO FUTURE COMMISSION REVIEW AND APPROVAL?

A. Yes. That any rate impacts of future possible consolidation would be subject to future Commission review and approval is why I did not include any specific rate recommendations in my direct testimony. However, it is reasonable for the Commission to consider potential future rate impacts, even if they are not

[10] I&E Exhibit No. 2, Schedule 1.
[11] Joint Applicants Statement No. 2-R, pp. 11-12.

definitively planned, when determining whether the proposed merger should be approved.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

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	:	Docket Nos. A-2025-3058927; A-2025-3058928; A-2025-3058929

WITNESS VERIFICATION
THE BUREAU OF INVESTIGATION AND ENFORCEMENT

I, D. C. Patel, on behalf of the Bureau of Investigation and Enforcement, hereby verify that the documents preliminarily identified as:

- I&E Statement No. 1;
- I&E Exhibit No. 1; and
- I&E Statement No. 1-SR;

were prepared by me or under my direct supervision and control. Furthermore, the facts contained therein are true and correct to the best of my knowledge, information and belief and I expect to be able to prove the same at an Evidentiary Hearing in this matter. This Verification is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

/s/ DCPatel
D. C. Patel
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Dated: July 29, 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	:	Docket Nos. A-2025-3058927; A-2025-3058928; A-2025-3058929

WITNESS VERIFICATION
THE BUREAU OF INVESTIGATION AND ENFORCEMENT

I, Ethan H. Cline, on behalf of the Bureau of Investigation and Enforcement, hereby verify that the documents preliminarily identified as:

- I&E Statement No.2;
- I&E Exhibit No. 2, and
- I&E Statement No. 2-SR.

were prepared by me or under my direct supervision and control. Furthermore, the facts contained therein are true and correct to the best of my knowledge, information and belief and I expect to be able to prove the same at an Evidentiary Hearing in this matter. This Verification is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

/s/Ethan H. Cline
Ethan H. Cline
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Dated: July 29, 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	:	Docket Nos. A-2025-3058927; A-2025-3058928; A-2025-3058929

WITNESS VERIFICATION
THE BUREAU OF INVESTIGATION AND ENFORCEMENT

I, Robert N Gobrecht IV, on behalf of the Bureau of Investigation and Enforcement, hereby verify that the documents preliminarily identified as:

- I&E Statement No. 3;
- I&E Exhibit No. 3,

were prepared by me or under my direct supervision and control. Furthermore, the facts contained therein are true and correct to the best of my knowledge, information and belief and I expect to be able to prove the same at an Evidentiary Hearing in this matter. This Verification is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

/s/ Robert N Gobrecht IV
Robert N. Gobrecht IV
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Dated: August 3, 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	Docket Nos.	A-2025-3058927 A-2025-3058928 A-2025-3058929

PREPARED HEARING EXHIBIT LIST OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA

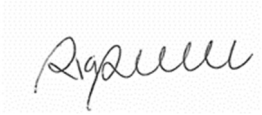
The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) intends to move for admission of the following evidence at the August 4-6, 2026, evidentiary hearings in the above-captioned matter:

- Direct Testimony of Patrick M. Cicero on Behalf of The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), CAUSE-PA Statement 1 (As Corrected by Errata).
    - 88 pages of written testimony
    - Appendix A: Resume of Patrick Cicero
    - Appendix B: Cited Discovery Responses
    - Appendix C: Letter from Governor Josh Shapiro dated April 29, 2026
    - Appendix D:
        - Exhibit 1, a-d: PAWC Water/Wastewater Burden Tables
        - Exhibit 2: Aqua Water/Wastewater Burden Tables

- Surrebuttal Testimony of Patrick M. Cicero on Behalf of The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), CAUSE-PA Statement 1-SR
    - 47 pages of written testimony

- Verification of Patrick M. Cicero to CAUSE-PA Statement 1 and CAUSE-PA Statement 1-SR

Respectfully Submitted,
PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



118 Locust Street
Harrisburg, PA 17101
pulp@pautilitylawproject.org

Dated: July 28, 2026

BEFORE THE PENNSYLVANIA PUBLIC UTILTY 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	:	Docket Nos.	A-2025-3058927 A-2025-3058928 A-2025-3058929

DIRECT TESTIMONY OF PATRICK M. CICERO

ON BEHALF OF

THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA ("CAUSE-PA")

Original Service Date: May 21, 2026

As Corrected by Errata: May 28, 2026

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Appendix C: Letter from Governor Josh Shapiro dated April 29, 2026

Appendix D: Exhibit 1, a-d: PA American Water Company (PAWC) Water/Wastewater Burden Tables (Errata)*

Exhibit 2: Aqua Water/Wastewater Burden Tables

PREPARED DIRECT TESTIMONY OF PATRICK M. CICERO

I. Introduction and Background

Q: Please state your name, occupation, and business address?

A: My name is Patrick Cicero. I serve as Of Counsel to the Pennsylvania Utility Law Project (PULP). In this role, I have a broad range of responsibilities to PULP and its clients. Among other things, I provide analysis and testimony on utility matters for clients who are represented by members of the statewide legal aid network, including clients of PULP and other legal aid offices. PULP's business address is 118 Locust Street, Harrisburg, PA 17101. I also maintain an office at my home.

Q: For whom are you testifying in this proceeding?

A: I am testifying on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA).

Q: What is the purpose of your testimony?

A: CAUSE-PA intervened in this proceeding to ensure that the proposed Merger of between American Water Works Company, Inc. (American Water) and Essential Utilities, Inc. f/k/a Aqua America, Inc. (Essential), Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc. (Collectively Aqua), and Peoples Natural Gas Company, LLC (Peoples) is in the public interest. Collectively, I refer to all the above as Joint Applicants. I refer to the proceeding at this docket as the Merger. American Water's affiliate Pennsylvania companies – Pennsylvania American Water Company water and wastewater divisions (collectively PAWC) – are not parties to the Joint Application. However, their status as the main public utility affiliate of American Water, and only real competitor of Aqua in the

state, makes them a relevant entity for inquiry in this proceeding along with all of the other operating companies that comprise the Joint Applicants' request for merger.

Specifically, it is CAUSE-PA's position that the merger should not be approved as the Joint Applicants have failed to show that there will be an affirmative public benefit that results from the Merger. While the Joint Applicants have gone to great lengths to demonstrate how they will maintain the status quo, the record does not support that this will occur – let alone that the standard for approval of this merger has been met. Counsel for CAUSE-PA will fully brief the fact that the Joint Applicants' case is simply insufficient to meet the required legal standard in Pennsylvania. Notwithstanding CAUSE-PA's assertion that the Joint Applicants have failed to meet their evidentiary burden, CAUSE-PA seeks to ensure that, if the Pennsylvania Public Utility Commission ("Commission") approves the Merger that it exercises its discretion under the Public Utility Code to impose appropriate conditions that create affirmative public benefits.[1] Specifically, CAUSE-PA seeks to ensure that the low income customers of the Joint Applicants and PAWC will be materially better off as a result of the Merger.

Q: Have you provided testimony before the Pennsylvania Public Utility Commission in any prior cases?

A: Yes. A full list of proceedings in which I previously testified is included with my resume which is attached hereto as Appendix A. In addition to those proceedings in which I have provided testimony, I have significant prior experience before the Commission, including in my role as the statutory representative of consumers while serving as

[1] 66 Pa. C.S. § 1103(a) ("The commission, in granting [a certificate of public convenience], may impose such conditions as it may deem to be just and reasonable.").

Pennsylvania's Consumer Advocate leading the Pennsylvania Office of Consumer Advocate.

Q: What are your qualifications to provide testimony in this case?

A: I have more than 23 years of experience as an attorney, 20 years of which have been in the practice of legal aid or consumer advocacy. After 2 years clerking for a federal district court judge, I spent approximately 5 years as a staff attorney at MidPenn Legal Services in Harrisburg where I represented clients facing eviction, foreclosure, bankruptcy, and utility termination. After returning briefly to clerk at the federal district court, in early 2011, I began working at PULP – first as a staff attorney and ultimately as its Executive Director. In 2020, I was hired to lead the statewide legal aid network when I became the Executive Director of the Pennsylvania Legal Aid Network where I coordinated the work of the legal aid system in Pennsylvania that provides civil legal aid to Pennsylvania households. On December 13, 2021, I was appointed as the Commonwealth's Consumer Advocate leading the Office of Consumer Advocate (OCA) and was confirmed by the Pennsylvania Senate in June 2022. I served as Consumer Advocate until January 31, 2025. In February 2025, I began to work with PULP again as Of Counsel.

Throughout my tenure in each of these roles, I have had the opportunity to see firsthand the extraordinary efforts that low income customers take to remain stably housed and connected to essential utility service. Day in and day out, low income families – almost all of whom struggle to survive at income levels that are at or below 150% of the

federal poverty level (FPL)[2] – are forced to make difficult decisions about which bills to pay and which they must forgo. I have relevant experience helping low income consumers understand their utility bills and rates, why their charges are what they are, and what assistance, if any, is available to them to help pay their bills.

Furthermore, for more than 15 years at PULP and the OCA, I was instrumentally involved in the litigation of hundreds of cases before the PUC including rate cases, default service cases, universal service and energy conservation proceedings, Act 129 cases, and numerous other proceedings that require working knowledge and expertise in the issues about which I will be testifying in this proceeding. Simply put, throughout my career both in legal aid and as the Consumer Advocate, I developed specialized expertise in the needs of low income customers, the regulation of public utilities, the nuanced design and policy considerations of utility rates, programs, and services.

Q: Have you prepared Exhibits or Appendices to accompany your testimony?

A: Yes. Appendix A is my resume. Appendix B are the interrogatory responses that I have relied on in my testimony. Appendix C is a letter from Governor Josh Shapiro dated April 29, 2026, to utility CEOs. Finally, Appendix D contains two exhibits: Exhibit 1, a-d, and Exhibit 2.

[2] To put this in context, the 2026 federal poverty guidelines for a family of 4 require that a household not have more than $33,000 in annual income to be considered poor (100% FPL) which translates to $49,500 at 150% FPL. The complete guidelines are available here: Office of the Assistant Secretary for Planning and Evaluation (ASPE), Poverty Guidelines, available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines (last visited May 11, 2026).

Q: Please summarize the standard that the Commission must use to approve the Joint Applicant's request and your overall position.

A: While Counsel for CAUSE-PA will fully address the legal standard for approval of the proposed Merger through briefing, I note – as a matter of public policy – that Pennsylvania law requires a "utility merger is not to be approved unless the Commission is able to find that the merger will affirmatively benefit the public[.]"[3] In addition, the Commission, when granting a certificate of public convenience necessary for the acquisition, "may impose such conditions as it may deem to be just and reasonable."[4] In making this determination, "the balancing test under Section 1102 . . . [is] to weigh all the factors for and against the transaction, including the impact on rates, to determine if there is a substantial public benefit[.]"[5]

As outlined more fully throughout my testimony, there is no public benefit from this Merger. The purported advantages that the Joint Applicants set forth are precatory hopes that are not grounded in tangible commitments towards the public benefit. While setting forth vague purported benefits, the Joint Applicants also fail to set forth critical protections for Pennsylvania's consumers against potential harms from the Merger. The Joint Applicants have failed to consider important protections for the Companies' low income customers who are struggling under the weight of unaffordable water, wastewater, and gas bills.

Thus, I recommend that the Commission deny the Merger application in its entirety as there are no affirmative benefits and there is nothing gained by creating a Godzilla-like

[3] City of York v. Pa. PUC, 295 A.2d 825, 828 (Pa 1972) (City of York). See also, Popowsky v. Pa. PUC, 937 A.2d, 1040, 549 Pa. 583 (Pa. 2007).
[4] 66 Pa. C.S. § 1103(a).
[5] McCloskey v. Pa. PUC, 195 A.3d 1055, 1067 (Pa. Cmmw. Ct. 2018) (McCloskey).

water and wastewater conglomerate as is the proposed outcome. If the Commission nevertheless approves the application, it is imperative that it exercise its discretion to ensure that the proposed Merger will confer concrete, tangible, and substantial benefits to the public – including, importantly, the many low income customers of the Companies' who continue to struggle to afford basic services. I make specific recommendations within my testimony about what such conditions may be appropriate.

Q: Please describe the proposed transaction.

A: On November 26, 2025, the Joint Applicants[6] filed their Joint Application to obtain the Commission's approval under Chapters 11 and 22 of the Public Utility Code for a change of control of Aqua and Peoples to be affected by the merger of Essential and Merger Sub, a wholly owned subsidiary of American Water. In essence, after the transaction is completed, Essential Utilities will be a wholly owned subsidiary of American Water with Aqua and Peoples both subsidiaries of Essential.

American Water is a public utility holding company that maintains corporate headquarters in Camden, New Jersey.[7] American Water is comprised of approximately 6,700 employees and has 3.5 million customer connections and serves approximately 14 million people across the United States. [8] American Water is the ultimate corporate parent of PAWC, its Pennsylvania subsidiary.[9]

[6] In addition to all of the Joint Applicants mentioned earlier in my testimony, a newly created special purpose entity – Alpha Merger Sub, Inc. was created to absorb the asserts of Essential Utilities and will then cease to exist after closing. Joint Application at ¶ 13.
[7] Joint Application at ¶ 6.
[8] Id.
[9] Answer 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. to the Petition to Intervene of Manchester Township, Jan. 20, 2026.

Essential is a publicly-traded public utility holding company with headquarters in Bryn Mawr, Pennsylvania.[10] Essential provides water, wastewater and natural gas services across nine states, including Pennsylvania, and serves approximately 5.5 million people throughout these states.[11] Essential is the holding company for Aqua, Peoples, and their affiliates.[12] Aqua PA and Aqua PA WW are headquartered in Bryn Mawr, Pennsylvania, and has approximately 459,000 water customers and 68,000 wastewater customers across 33 counties in the Commonwealth.[13] Peoples is headquartered in Pittsburgh, Pennsylvania and has approximately 700,000 customers across 18 Pennsylvania counties.[14]

If the Merger is approved, American Water would provide utility services to approximately 4.7 million water and wastewater customers across 17 states and 800,000 customers across Pennsylvania and Kentucky.[15] The combined Company would have a rate base of $33.6 billion as of December 31, 2024.[16]

The proposed Merger would create significant financial benefits for the Joint Applicants. The Joint Applicants estimated that, based on data as of October 24, 2025, the resulting merged Company is expected to have nearly $6.5 billion in annual operating revenues from its regulated business, as well as a combined market value of about $40 billion, and a combined enterprise value of approximately $63 billion which would allow the new entity to rank in the top 250 in the S&P 500.[17] In addition, the Merger is expected

[10] Joint Application at ¶ 10.
[11] Id.
[12] Joint Applicants (JA) St. 5 at 4.
[13] Joint Application at ¶ 11.
[14] Joint Application at ¶ 12.
[15] JA St. 2 at 4.
[16] Id.
[17] JA St. 2 at 8.

to be accretive to American Water's earnings per share (EPS) in the first year after the Merger's competition, and the combined Company is expected to maintain American Water's current 7-9% EPS and dividend growth targets immediately following the Merger.[18]

The resulting company, if approved, would be headquartered in Camden, New Jersey, but the Joint Applicants allege that Essential's offices in Bryn Mawr and Pittsburgh will continue to maintain a strong operational presence.[19] The merging Companies indicate that they have established an integration task force to determine how to integrate Essential and American Water operations.[20] However, this task force is in its early stages.[21] Based on allegations that benefits may be derived by enabling AWCC and the named Service Company to provide services to Aqua and Peoples, the Joint Applicants have requested several approvals related to new affiliated interest agreements.[22] However, as discussed in detail below, I am concerned that the benefits purported by the Joint Applicants are illusory and unlikely to materialize without as yet quantified additional cost to consumers. As further detailed below, I am also concerned that the any realized benefits from the Merger will not be equitably available across the Companies, as it is unclear whether American Water will take subsequent steps to divest itself of Peoples, once acquired.

[18] JA Response to OCA 1-63(e), AW (Supplemental), attached hereto at Appendix B.
[19] Joint Application at ¶ 16.
[20] Joint Application at ¶ 30.
[21] Id.
[22] Id.

II. Purported Benefits of the Proposed Merger

Q: What do the Joint Applicants assert are public benefits from the proposed Merger?

A: The Joint Applicants assert public benefits of the proposed Merger that amount to nothing more than promising to maintain the status quo and/or to insulate ratepayers from harms that would be *caused* by the Merger.

Related to purported affirmative benefits, the Joint Applicants first argue that the Merger would create a "larger platform" to enhance water/ wastewater best practices and innovation related to customer experiences.[23] They similarly argue that the Merger would create opportunities to share best practices, including related to safety, water quality, and reliability of services. [24]

Second, the Joint Applicants allege that the Merger would "generate synergies" related to their operations, policies, and procedures.[25] For example, Joint Applicants' witness, Colleen Arnold, argues that the Merger would create a number of operational synergies, including allowing American Water access to Aqua's local certified laboratories for water/wastewater testing.[26] Joint Applicants' witness, Cheryl Norton, similarly argues that operational efficiencies and knowledge sharing would be created related to research and development (R&D), environmental compliance, operational training programs, geographic information systems (GIS), and engineering departments.[27] Ms. Norton further argues that the Merger would create a "deeper bench" of highly trained professionals to allow for enhanced "knowledge sharing, standardization of processes

[23] JA St. 3 at 8: 19-23. JA St. 1 at 7-8.
[24] Id.at 9.
[25] Id. at 8-9. JA St. 1 at 8: 1-13.
[26] JA St. 3 at 10: 5-9.
[27] JA St. 1 at 9-10.

and practices, training, and operational efficiencies".[28] As discussed below, the Joint Applicants purport to also make several commitments to maintain the status quo related to the quality of service.[29]

Third, the Joint Applicants, through Ms. Arnold's testimony, tout alleged employee benefits, including additional paths for career and professional development.[30] Similarly, they argue that the proposed Merger would allow for a centralized operations training team.[31] In addition, the Joint Applicants are purporting to maintain the status quo related to local presence and workforce in Pennsylvania, which I will discuss below.[32]

Fourth, Ms. Arnold claims that the proposed Merger would benefit American Water and Aqua's customer information systems – and that the Companies will "build a roadmap" to migrate customer information during a future integration.[33]

Fifth, the Joint Applicants argue that the Merger would create a series of financial benefits which they purport to constitute public benefits. The Joint Applicants, through the testimony of several of their witnesses, claim that the proposed Merger would:

- "[R]esult in cost savings opportunities over the long term"; [34]
- Provide for the continuation of Essential community support and charitable contributions;[35]
- Provide support for needed infrastructure investment, which would in turn benefit customers as a result of being part of a larger corporate organization;[36]

[28] Id. at 9: 1-16. JA St. 3 at 10.
[29] Joint Application, Exhibit C.
[30] JA St. 3 at 10: 10-21. JA St. 1 at 17. JA St. 5 at 6-7.
[31] JA St. 3 at 9.
[32] Joint Application, Exhibit C.
[33] JA St. 3 at 10-11.
[34] Id. at 8-9. JA St. 1 at 8.
[35] JA St. 3 at 8-9. JA St. 1 at 8. Joint Application at Exhibit C.
[36] JA St. 1 at 7-8.

- Maximize the purchasing power of the Companies related to operational goods and services;[37]
- Creating stronger balance sheets, more stable cash flow, and enhanced access to capital at competitive rates.[38]

Importantly, the Joint Applicants appear to be arguing that the financial benefits of the proposed Merger would trickle down to customers – without any specific commitments that would ensure the transfer of any such benefits to customers. The Joint Applicants' witness Daniel Schuller argues that the combined Company will maintain American Water's stronger credit rating; allow for better access to debt and equity capital; increase the Joint Applicants' purchasing scale for materials, supplies, and services for capital and operating activities.[39] The Joint Applicants' witness, David Bowler, claims that these financial benefits will result in benefits to the larger revenue base, and translate to more affordable rates – as well as shield customers from higher costs.[40] The Joint Applicants also purport to make a series of financial commitments to maintain the status quo if the Merger is approved, which I will discuss in further detail below – including that certain transaction costs will not be passed to ratepayers, to maintain in the short-term American Water's charitable contribution levels, and to maintain certain aspects related to the Companies' organizational and financial integrity.[41]

I will address each of these purported benefits below. However, taken as a whole, the public benefits which the Joint Applicants allege in support of the Merger are illusory,

[37] Id. at 8: 16-23.
[38] JA St. 2 at 7-8.
[39] JA St. 5 at 8.
[40] JA St. 2 at 8, 10.
[41] Joint Application Exhibit C. See also JA St. 3 at 11. JA St. 4 at 10-11.

and unmoored to tangible commitments or measurable outcomes that would necessarily benefit the Joint Applicant's customers or the public. As to the one specific claim that they make that could benefit consumers – lower rates – it simply strains credulity to suggest the merged company will attract cheaper debt that when blended within PAWC's, Aqua's, or Peoples' capital structure will result in meaningful or tangible savings. Even this commitment is hedged in a way that is impossible to measure – as it is framed as access to cheaper capital than what otherwise would have been available in the absence of the Merger.[42] It is thus a promise about the future that is neither measurable nor certain. The Joint Applicants have made no commitment or guarantee that they will demand less expensive equity returns from the combined customer base or that they commit to a ratemaking capital structure of the subsidiary utilities that would result in a lower rate of return due to access to cheaper debt. Without a specific and enforceable commitment, any benefits derived from the Merger are likely to accrue solely to the benefit of the Joint Applicants' shareholders.

For all the reasons I outline more fully below, I disagree that the Joint Applicants' commitments constitute substantial or affirmative public benefits. They are either commitments to maintain the status quo ante or unenforceable statements about what the future may bring. In either case, they are insufficient to allow the Commission to approve the proposed Merger.

[42] JA St. 2 at 9-10.

Q: What is your response to the Joint Applicants' claim that the Merger would create a larger platform to enhance best practices related to customers?[43]

A: Based on my review of the information provided, the Joint Applicants state this as a fact but provide no evidence that it will occur.

As discussed, the Joint Applicants broadly claim that the Merger, if approved, would create a "larger platform" to enhance water/ wastewater best practices.[44] In response to discovery, American Water clarifies that "best practices" refer to the "methods, processes, or techniques recognized as the most effective and efficient way to achieve a desired outcome" and may include "operational, customer service, and technology related processes that are effective in improving reliability, efficiency, safety, or customer experience."[45] American Water generally claims that a combined organization structure created by the Merger would provide higher quality service, including related to billing issues, service requests, communication, reliability, and issue resolution.[46]

While the Joint Applicants generally purport that these are benefits of the Merger, they do not assert that any of the operating companies – Aqua, Peoples, or PAWC – is deficient in any of these areas or why "enhancement" of these "best practices" will provide value or benefit. This so-called benefit is nothing more than ephemeral corporate-speak that can neither be measured nor substantiated. The Joint Applicants have set forth no

[43] JA St. 3 at 8: 19-23. JA St. 1 at 7-8.
[44] JA St. 3 at 8: 19-23. JA St. 1 at 7-8. JA St. 3 at 9.
[45] JA Response to OCA 5-1, AW, attached hereto at Appendix B. The discovery responses provided by the Joint Applicants to the discovery requests of CAUSE-PA, OCA, and OSBA which are cited throughout my testimony were served inconsistently in Arabic and Roman numerations. Herein, I consistently use Arabic numeration to identify these responses of the Joint Applicants.
[46] JA Response to OCA 5-1, AW, attached hereto at Appendix B. JA Response to OCA 2-16, AW, attached hereto at Appendix B.

concrete, measurable, or verifiable goalposts to determine whether and how they will improve these best practices and have made no specific commitment that ensures they will result in customer benefit.

As a threshold matter, it is unclear what the specific "best practice" benefits would be if the Merger was approved. In response to discovery related to customer benefits, American Water indicates that the Joint Applicants have only recently started having integration discussions[47] – and instead point generally that benefits "could be evidenced" through various means, including various call center and operational metrics, outage management performance, customer satisfaction surveys, and adherence to standardized processes."[48]

Similarly, when asked to specifically identify what performance levels or other indicia of improvements related to reflecting "best practices" would ensure current levels of customer service, service quality, and program design to address affordability, Essential indicates that "[a]t this time, incremental customer service and/or service quality commitments have not yet been identified. At a minimum, Peoples will *continue to meet its current levels of performance metrics* if this merger is approved."[49] Similarly, related to best practices impacting low income customers, Essential indicates generally only that it will "continue to review and make adjustments" to its programs impacting low income customers where appropriate.[50] In addition to not having any firm plans related to enhancements to best practice impacting the Companies' customers, it also appears that the Joint Applicants have not analyzed utility best practices related to these purported

[47] JA Response to OCA 5-1, AW, attached hereto at Appendix B.
[48] Id.
[49] JA Response to OCA 2-21, EU, attached hereto at Appendix B (emphasis added).
[50] JA Response to OCA 2-10, EU, attached hereto at Appendix B.

benefits, with American Water indicating that they expect "to identify best practices of both utilities beginning with the integration process. The Joint Applicants have only recently started having integration discussions and therefore, the requested information is not available at this time."[51]

Thus, it appears that the Joint Applicants are setting forth their *hope* that certain best practice and customer-focused enhancements will occur, the specifics or timing of which are unclear, have not been defined, and are neither measurable nor enforceable. There has been no demonstration that Peoples or Aqua are in any way in need of these so-called operational improvements. All the operating companies at issue in this Merger are all technically, financially, and operationally proficient. Without defined, specific, and timebound commitments related to these enhancements – or even a clear articulation of what the best practices or enhancements would be – the Joint Applicants statements should be disregarded as nothing more than corporate speak. Vague, undefined and purported improvements do not constitute affirmative benefits to either the Joint Applicants' customers or the public generally.

[51] JA Response to OCA 1-54, AW, attached hereto at Appendix B.

Q: What is your response to the Joint Applicants arguments that the Merger should be approved because it would create several operational synergies, including expanded opportunities for R&D environmental compliance, operational training programs, geographic information systems (GIS), and engineering departments[52] – as well as a deeper bench of professional to enhance these aspects and other operational efficiencies[53]?

A: These purported synergistic benefits are illusory and have not been adequately explained or quantified. When asked whether the Joint Applicants project, or have had projected on their behalf, potential synergies as a result of the proposed Merger, Essential points generally to the direct testimony submitted in this matter, which provide no additional detail.[54] It is as if the Joint Applicants' believe that the mere incantation of the words "synergies", "efficiencies", "leveraging" or "improvement" is some kind of spell that will manifest them into reality, but unfortunately for Joint Applicants their magic is powerless. There is simply nothing there, despite their best attempt at rhetorical flourish. I have discussed above the Joint Applicants' general allegations related to certain synergies. Similarly, American Water indicates that they have not projected potential synergies resulting from the Merger, but state that "[c]ertain assumptions regarding potential synergies (or efficiencies) were made by Bank of America, based on similar historical merger proceedings, when providing a financial analysis of the transaction."[55] Specifically, American Water points to a slide deck that is marked as "Highly Confidential" that was prepared for the Board of Directors or American Water about the proposal for

[52] JA St. 1 at 9-10.
[53] JA St. 3 at 10. JA St. 1 at 9.
[54] JA Response to OCA 1-14, EU, attached hereto at Appendix B.
[55] JA Response to OCA 1-14, AW, attached hereto at Appendix B.

this merger.[56] It is clear to me from my review of the information provided that all of the so called synergies that Bank of America projected as benefits would inure to American Water shareholders based on its evaluation of the financial analysis of the deal. These private financial benefits, which are not broadly shared, should not be taken seriously as public benefits.

The simple fact of the matter is the Joint Applicants have not set forth concrete assurances that the Companies' customers or other members of the public will realize any benefits, even if synergies actually occur as a result of the proposed Merger. When asked to quantify the savings related to these purported synergies, including related to alleged opportunities for integration, American Water indicates that the Joint Applicants have "only recently started having integration discussions and therefore have not yet established estimates for synergy savings or costs to achieve."[57] This amounts to a confession that the Joint Applicants may have done their due diligence about whether this is a good business deal, but not whether it is a good deal for customers or the public.

Q: What is your response to the Joint Applicants allegations that the proposed Merger would result certain employee benefits, including additional paths for career and progressional development, [58] and centralized training teams[59]?

A: This too is inchoate at best. As a threshold matter, it is unclear what specific enhancements to training and employee professional development will occur because of the Merger. The Joint Applicants, through American Water's discovery responses, state

[56] JA Response to OCA 1-05, AW (Highly Confidential). I am not attaching this document and do not disclose specifics of the contents in my testimony.
[57] JA Response to OCA 1-13, AW, attached hereto at Appendix B.
[58] JA St. 3 at 10. JA St. 1 at 17. JA St. 5 at 6-7.
[59] JA St. 3 at 9.

merely that "[o]perational efficiencies associated with knowledge sharing and standardization of processes, practices and training."[60] They also retreat to their common refrain that they "have only recently started having integration discussions and therefore, the Joint Applicants have not quantified any efficiencies at this point or determined the time period over which they may be achieved."[61] Like other purported benefits, there is nothing here to speak of other than the wishes, hopes, and prayers of the Joint Applicants.

Even if the Joint Applicants had set forth more specific employee and professional development benefits, it is unclear – and the Joint Applicants have not articulated – how these enhancements would translate to tangible and broader benefits to the public to justify approval of the Merger. It is simply impossible to determine that any such public benefits will or are even likely to occur without more specifics and without tangible information and commitments related to how customers and the broader public will realize downstream benefits from standardization or other changes to the Companies' internal policies and procedures. As such, in my view, these alleged employee and workforce benefits do not constitute tangible or substantial benefits to ratepayers or the public from the Merger.

Q: What is your response to the Joint Applicants' claim that the proposed Merger would create certain technological benefits, including benefits to Aqua's customer information system for future integration? [62]

A: As with the other purported benefits set forth by the Joint Applicants in support of the Merger, the alleged technological and system benefits are ill-defined, unspecific, and

[60] JA Response to OCA 1-62, AW, attached hereto at Appendix B.
[61] Id.
[62] JA St. 3 at 10-11.

do not constitute anything that any reasonable fact finder would find to be benefits. Initial testimony submitted by Joint Applicants witness Ms. Arnold explain that any information system benefits as a result of the Merger will occur at some point in the future.[63] Ms. Arnold indicates that integration discussions and efforts will evaluate the potential future integration of billing systems and moving to the same SAP-based platform.[64] Similarly, in response to discovery, American Water indicates that the Joint Applicants have "only recently" started having integration discussions, including discussions related to the potential costs associated with what they classify as "potential system integration, or any other post-closing system changes" if the Merger is approved.[65] Essential indicates that it is committed to complying with Commission regulations related to billing practices for information systems.[66] To say that one of the Joint Applicants is willing to follow the law – as they assert they are doing currently – is not public benefit. It is the bare minimum requirement of a regulated public utility. There is simply no indication what, if any, enhancements will occur and when they will occur because of the Merger to the operating companies' information systems – or whether customers or other members of the public will derive benefits because of any such enhancements which do occur.

Q: What is your response to the purported financial benefits that the Joint Applicants set forth would occur if the Merger is approved?

A: As discussed, the Joint Applicants purport that the Merger, if approved, would generate certain cost saving opportunities over the long term.[67] Similarly, the Joint

[63] JA St. 3 10-11.
[64] Id.
[65] JA Response to OSBA I-5, AW, attached hereto at Appendix B.
[66] JA Response to OCA 2-18, EU, attached hereto at Appendix B.
[67] JA St. 3 at 8-9. JA St. 1 at 8.

Applicants tout that the Merger would provide a range of financial benefits in the short term to the Joint Applicants, including through maximizing the Companies' purchasing power related to operational goods/ services; [68] creating stronger credit ratings[69] and strong balance sheets for the Companies; [70] creating more stable cash flows for the Joint Applicants; [71] and enhancing access to capital at competitive rates.[72]

The Joint Applicants' witness, Mr. Bowler, generally alleges that these financial benefits to the Joint Applicants would result in a larger revenue base and shield customers from higher costs.[73] Similarly, Joint Applicants' witness, Daniel Schuller, alleges that better access to strong debt and equity capital – as well as increased purchasing scale – from the Merger will translate to more affordable rates as rate cases will supposedly be mitigated.[74] The Joint Applicants, of course, do not say how this will materialize and make no commitments to ensure that better access to debt and equity by the operating companies will actually matter to consumer bills.

The Joint Applicants also claim that the Merger will improve the Companies' charitable contributions yet make no commitments to improve or increase these commitments. American Water claims in its commitments contained in Exhibit C to its initial filings that it will continue to make charitable contributions at levels consistent with those historically provided by Aqua PA and Peoples in their service areas for the next two years after completion of the Merger and, thereafter, at levels consistent with American

[68] JA St. 1 at 8.
[69] JA St. 5 at 8. JA St. 2 at 9.
[70] JA St. 2 at 7.
[71] Id.
[72] Id.
[73] JA St. 2 at 8, 10.
[74] JA St. 5 at 8.

Water's contributions in the areas it serves.[75] Thus, the Joint Applicants' only explicit commitment is to maintain the status quo ante.

The Joint Applicants give their favorite Groundhog Day responses when asked when and how customers or the public will ultimately realize any actual costs savings associated with the Merger:

- Through American Water's response to discovery, indicate that they "have not yet quantified potential savings as a result of the Merger."[76]
- When asked to explain how it will track or quantify productivity gains or costs savings associated with best practices, American Water indicates that it "expects to identify best practices of both utilities beginning with the integration process. The Joint Applicants have only recently started having integration discussions and therefore, the requested information is not available at this time."[77]
- Similarly, when asked to explain efficiencies and costs savings from business optimization and efficiencies that will accrue benefits to Pennsylvania ratepayers, the Joint Applicants respond that they are "are confident that the Merger will result in efficiencies as described above and otherwise" but do not yet know the magnitude of such efficiencies.[78]

Like every other area the Joint Applicants tout as a benefit their response is tantamount to a response that is "trust us, we cannot be specific now, but we believe it to be true so it must be the case." The Commission should not accede to blind faith in the Joint Applicants without firm and tangible commitments. The only reasonable conclusion to be drawn from the record as presented is that the costs savings to the Joint Applicants' ratepayers due to the proposed Merger are illusory. The Joint Applicants have provided insufficient evidence to qualify the magnitude of the costs savings they purport. As explained, the Joint Applicants have also failed to detail a clear method by which any

[75] Joint Application, Exhibit C, at 2.
[76] JA Response to OCA 6-3, AW, attached hereto at Appendix B.
[77] JA Response to OCA 1-54, AW, attached hereto at Appendix B. See also JA Response to OCA 1-54, EU, attached hereto at Appendix B. Essential indicates that metrics and key performance indicators (KPIs) will continue to be tracked and later determined how to be integrated together. It is not clear how this integration processes would occur based on this response.
[78] JA Response to OCA 1-62, AW, attached hereto at Appendix B.

realized costs savings will be tracked, and to what extent any cost savings realized on the part of the Joint Applicants will result in cost savings of the Companies' customers. As discussed in detail below, I am extremely concerned the Merger will ultimately result in a diminution of benefits to consumers rather than an expansion of benefits to the public with the diffuse commitments that the Joint Applicants set forth in support of the proposed Merger.

Even the Joint Applicants claimed assurances that it will maintain current charitable contributions is dubious, as their existing commitments are short-lived, and will not ultimately provide substantial benefits to the communities that the Companies' serve. The following Table compares the value of charitable contributions in the last three calendar years between Essential and American Water, including American Water contribution in Pennsylvania:

Table 1: Charitable Contributions, Essential/ American Water (2023-2025)[79]

	2023	2024	2025
Essential (PA Contributions)	$4,809,578.50	$4,997,573.72	$6,670,422.39
AWWC & Subsidiaries	$2,613,976	$2,128,283	$3,703,237
AW PA	$793,855	$639,208	$734,648

Essential currently commits more funding for charitable contributions, despite its smaller size. The Joint Applicants assert that they will maintain charitable contributions at Essentials' (Aqua and Peoples) levels based on historic levels for two years,[80] after which these contributions will be at levels consistent with American Water's far less generous contribution levels in the areas it serves. Thus, after two years following the Merger,

[79] JA Response to OCA 1-55, Attachment 1, EU, attached hereto at Appendix B; JA Response to OCA 1-55, AW, attached hereto at Appendix B.
[80] Joint Application at Exhibit C at p. 2.

charitable contribution levels will decrease substantially. Assurances to maintain the status quo ante do not constitute an affirmative benefit, it merely is a promise for a short period of time not to undermine the commitments that would exist in the absence of the Merger.

Q: What is your overall view of these asserted public benefits from the proposed Merger?

A: There is no certainty, commitment, or assurance that any of these purported benefits will ever materialize. Even if they do, they are short lived, illusory, and will not result in affirmative benefits to the customers of Aqua, PAWC, Peoples or the public at large. The commitments that the Joint Applicants espouse either already exist absent approval of the Merger – that is, they are not in any way contingent on the Merger – or are vague commitments without any real assurances that they will result in public benefits.

III. Harms from the Proposed Merger

Q: Do the Joint Applicants set forth any alleged protections that they claim would shield against negative impacts of the proposed Merger?

A: Yes. The Joint Applicants set forth several alleged protections in the initial filings that they claim will protect Pennsylvania consumers from potentially negative aspects of the Merger as they maintain certain status quos related to the Companies.

First, the Joint Applicants allege certain financial protections for Pennsylvania utility subsidiaries and utility consumers, including related to the Merger's impacts on rates.[81] The Joint Applicants allege that they will shield Pennsylvania operating utilities and consumers from financial risks by:

[81] Joint Application at Exhibit C.

- Not seeking recovery in rates of Merger transaction costs and any acquisition adjustment or "goodwill" associated with the Merger; [82]

- Maintaining Aqua and Peoples' PUC-approved rates and tariffs at the time of Merger closing;[83]

- Providing that no individual operating company will assume liability for debts issued by the holding company;[84]

- Providing that each operating company will maintain separate financial statements and capital structures, and that American Water will maintain Essential's access to liquidity;[85] and

- That Aqua and Peoples will not assume liability for debts issued by American Water or its financing subsidiary, and that these Companies' assets will not be used to secure debts for out of state entities.[86]

Second, the Joint Applicants claim that they will maintain the Companies' quality of service by continuing to (1) maintain current service quality; and (2) invest in infrastructure related to services.

Third, the Joint Applicants allege that they have set forth certain protections to shield workforce and operational presence in Pennsylvania. The Joint Applicants allege that they will maintain significant presence in Pennsylvania, and that the Merger will not impact the accountability of management, as American Water has a "straightforward" management structure which allows it to respond to local conditions and priorities.[87]

Finally, the Joint Applicants claim that the Merger, if approved, would not impact gas competition or gas customer choice.[88] The Joint Applicants further claim that Pennsylvania's water/wastewater system is fragmented, which will result in them owing

[82] Id.
[83] Joint Application at Exhibit C, p. 1.
[84] Joint Application at Exhibit C, p. 2; JA St. 2 at 10-11.
[85] Joint Application at Exhibit C, p. 3; JA St. 2 at 10-11.
[86] Joint Application at Exhibit C, p. 1; JA St. 2 at 10-11.
[87] Joint Application at Exhibit C, p. 2; JA St. 1 at 18: 1-13.
[88] JA St. 1 at 18: 14-19.

approximately 31% of the water/wastewater market in Pennsylvania – which they allege is smaller than other large Companies that operate outside of Pennsylvania. [89] They also claim that competition will continue to exist with other Pennsylvania water utilities, like Veolia, pursuing acquisition opportunities.[90]

Q: Do you have any initial observations about these asserted protective measures?

A: Yes. They are not affirmative benefits of the transaction. I again note that the standard in this proceeding for approval of the proposed Merger is not simply that it 'do no harm', but rather that the Merger provide an affirmative public benefit. All the "protections" from the risks associated with the Merger would not be necessary if the Merger did not exist and so, rather than viewing them as benefits, the Commission should rightly view these "protections" as the minimum needed to maintain the status quo ante. This is insufficient to meet the standard needed for approval. Nevertheless, I address each of them below.

Q: What is your response that the Merger is protective to the Companies' customers because it sets forth certain financial protections for operating Companies in Pennsylvania and customers of these Companies?

A: When examining the Joint Applicants' promises to maintain certain financial status quo related to the Companies, I am concerned that these alleged assurances do not provide meaningful protection for Pennsylvania's consumers. Despite the Companies allegations that consumers will not bear acquisition or transaction costs from the Merger,

[89] JA St. 5 at 9-10.
[90] Joint Application at ¶ 35; JA St. 5 at 9-10.

and that the Merger is not proposing to increase customer rates, I am concerned that the Merger will lead to increases in customer costs, including cost to residential ratepayers.

As a threshold matter, I am concerned that many aspects of the Joint Applicants' transition planning, and the costs related to implementation and transition following the Merger, remain undefined.[91] It appears that the Joint Applicants are differentiating transaction costs and transition costs. Where transaction costs are those "[d]irect costs associated with executing a transaction, such as legal fees, investment banking fees, due diligence expenses, and regulatory filing costs", transition costs are those costs to achieve (i.e. "Expenses incurred to realize anticipated benefits from a transaction or strategic initiative, such as cost savings or synergies.") and Merger integration costs.[92]

As noted, the Joint Applicants allegedly commit to not seeking recovery for transaction costs of the Merger from Pennsylvania ratepayers. However, the Joint Applicants indicate that they have "only recently started integration discussions and therefore, total estimated transition and implementation costs are not available at this time."[93] Similarly, the Joint Applicants indicate that "there will be some costs to achieve Merger-related synergies" and that their request for recovery of costs associated with rebranding of the Companies from ratepayers will depend on the timing and process associated with rebranding.[94] Without an accounting of these costs or when they will occur, I am concerned about how such costs may ultimately be as well as when and how they will be passed through to customers, including through rates.

[91] JA Response to OCA 1-34, AW, attached hereto at Appendix B.
[92] JA Response to OCA 1-18, AW, attached hereto at Appendix B. (revised)
[93] JA Response to OCA 1-34, AW, attached hereto at Appendix B.
[94] JA Response to OCA 1-10, AW, attached hereto at Appendix B. JA Response to OCA 1-12, AW, attached hereto at Appendix B.

I am also particularly concerned that a newly combined company's strategic growth strategy will ultimately lead to increases in customers' rates and monthly bills. In Exhibit E to the Joint Application, the Joint Applicants note that a "fundamental aspect of the Company's growth strategy is to pursue acquisitions of water and/or wastewater systems in geographic proximity" to where they operate.[95] The Joint Applicants' filings indicate that the Company "intends to continue to expand its regulated footprint geographically by acquiring water and wastewater systems" – as well as pursuing opportunities for wastewater growth and consolidation.[96] These filings, in turn, acknowledge that these potential acquisitions and integration of acquired systems or businesses with existing operations could "incur significant costs" and could result in a slew of operational impacts, including failure to realize perceived benefits and synergies and cost savings.[97]

I am concerned that these acquisition costs driven by the newly combined Company as a strategy for its future growth will result in ratepayer impacts, including increased rates to residential ratepayers of the Aqua, Peoples, and PAWC. I am all too familiar with the peril of these acquisitions for utility ratepayers – particularly those sought pursuant to Section 1329 of the Public Utility Code – which have raised rates for consumers across the Commonwealth by at least $100 million a year over the past 10 years.[98] Furthermore, Exhibit F indicates that the Company's revenue growth over the past five years has been primarily driven by increases in water and wastewater rates, as

[95] Joint Application at Exhibit E Page 10 of 141.
[96] Joint Application at Exhibit E Page 10 of 141.
[97] Joint Application at Exhibit E Page 29 of 141.
[98] See Testimony of Patrick M. Cicero, Consumer Advocate, Before the Pennsylvania House of Representatives, Committee on Consumer Protection, Technology and Utilities, Regarding House Bills 1862, 1863, 1864, and 1865 amending Sections 1327 and 1329 of the Public Utility Code, December 12, 2023. Available at: https://www.palegis.us/house/committees/committee-archives/archive-file?file=2023_0471_0004_tstmny.pdf (Last visited May 7, 2026).

well as increases in the cost of natural gas in recent years, customer growth, and the 2020 Peoples Natural Gas acquisition.[99] In 2024, the Joint Applicants report that American Water acquired water/ wastewater systems totaling $417 million and about 69,500 and has binding commitments to add another $600 million in acquisitions representing approximately 107,000 customer connections.[100]

Importantly, the alleged financial assurances set forth by the Joint Applicants in Exhibit C and throughout its filings do not set forth any concrete commitments to stay out of a rate case for any definitive period – only that immediate approval of the Merger will not increase customer's rates. This of course, is axiomatic. A merger does not increase rates in and of itself, but time and time again rate increases follow. Similarly, while the Companies' assurances indicate that the operating Companies will remain separate – both in terms of operations and financials – there is no commitment that consolidation of these Companies will not occur in the future. The Joint Applicants indicate that they have not established integration plans which would drive these important decisions.[101]

Q: What is your response to the Joint Applicants' assurances that the Companies will maintain their quality of services, including through infrastructure investments?

A: As noted, I do not believe that the Joint Applicants' allegations related to maintaining the status quo, including related to service quality, rise to the level of constituting affirmative public benefits from the transaction. As discussed more fully below, many of the Companies' customers cannot access robust or quality services

[99] Joint Application at Exhibit F, Page 6.
[100] JA St. 1 at 7.
[101] JA Response to OCA 1-9, AW, attached hereto at Appendix B.

because they are struggling under the weight of unaffordability of their monthly bills – and the Companies have not proposed tangible measures to relieve these issues.

Q: What is your response to the Companies' alleged protections against consolidation of workforce, operations, and rates?

A: I am concerned that, while the Companies are not proposing consolidation within the context of this proceeding, the Merger may result in consolidation, including consolidation of rates, for the Companies' customers in Pennsylvania. As discussed, the Joint Applicants allege that they are not proposing consolidation of the Pennsylvania Companies within the context of this proceeding and indicate that they have not made any determination regarding consolidation of existing Pennsylvania operations.[102] The Joint Applicants do not indicate when such consolidation may occur, or provide any assurances related to the possible impact of consolidation of rates and/or operations if the Merger is approved. They also do not commit that rates will not increase due to future consolidation.

As also discussed, the Joint Applicants claim that they will maintain significant operational presence in Pennsylvania and allege that they have set forth certain protections to shield workforce and operational presence in Pennsylvania. Similarly, the Joint Applicants' allege that day-to-day operations will continue to be locally managed through physical locations in Pennsylvania, and cite to a range of operations including routine system operations and maintenance, meter reading and field service activities, system improvements/ rehabilitations, and compliance activities.[103] The Joint Applicants'

[102] JA Response to OCA 1-16, AW, attached hereto at Appendix B.
[103] JA St. 1 at 7-8. JA Response to CAUSE-PA 5-1, AW, attached hereto at Appendix B. JA Response to CAUSE-PA 2-16, AW, attached hereto at Appendix B.

witness, Ms. Norton, also alleges that the Merger will not impact the accountability of management, as American Water has a "straightforward" management structure which allows it to respond to local conditions and priorities.[104]

Despite these assertions, I am concerned that consolidation efforts may result in certain work force changes and job risks which move operations outside of Pennsylvania. With the shift to remote work at onset of the COVID-19 pandemic in 2020, American Water explains that its call centers have begun to operate remotely – rather than having a physical location in Pennsylvania.[105] American Water reports that 270 remote agents are certified to assist Pennsylvania customers.[106] American Water also reports that 1,349 of its employees are located on worksites in Pennsylvania locations.[107] Essential maintains customer service departments in Bryn Mawr and Pittsburgh, PA.[108] Essential reports 56 customer service employees, including management, in the Bryn Mawr location and 160 customer service employees, including management, at the Pittsburgh location.[109] Essential also reports 2,352 total full time employees located in Pennsylvania.[110]

Exhibit C to the Joint Application indicates that American Water commits to "maintaining sufficient workforce, operational facilities, and offices to continue to provide clean, safe, reliable and affordable essential utility services to customers." Similarly, Section 5.20 of the Exhibit A to the Joint Application indicates that "substantial operations" will remain in Pennsylvania. Specifically, the Joint Applicants indicate that they will

[104] JA St. 1 at 18.
[105] JA Response to OCA 2-13, AW, attached hereto at Appendix B.
[106] Id.
[107] JA Response to OCA 1-42, AW, attached hereto at Appendix B.
[108] JA Response to OCA 2-13, EU, attached hereto at Appendix B.
[109] Id.
[110] JA Response to OCA 1-42, Attachment 1, EU, attached hereto at Appendix B.

maintain offices in Bryn Mawr, Pennsylvania for 5 years immediately following the Merger effective date, as well as headquarters and principal corporate offices for the Company's gas business in Pittsburgh, Pennsylvania through 2029, in accordance with the previous Peoples Gas acquisition settlement.[111]

However, when delving into what "sufficient" and "significant" presence in the Commonwealth means, it appears that firm commitments related to workforce in Pennsylvania have not been made. Essential indicates in response to discovery that, as part of the integration planning process, the Joint Applicants are "very early" in the integration process and have made no decisions beyond executive team leadership at this time.[112] Essential also indicates that future integration planning processes will include a review of ongoing personnel needs.[113] American Water similarly indicates that it will evaluate all positions to determine organizational structure of the combined company, but haven't identified positions which are at risk of being eliminated or transferred.[114] Based on these indications, it is clear that the Joint Applicants have taken care of everyone at the top of the organization chart – the executive leadership team – but the rest of staff will simply have to wait and see whether and to what extent operational presence in the Commonwealth will be maintained.

[111] Joint Application, Exhibit A, p. 87, at Section 5.20. See also JA Response to CAUSE-PA 1-2, AW, attached hereto at Appendix B and Joint Applicants St. 4 at 10:15-17 ("Peoples' headquarters will remain in Pittsburgh through at least January 31, 2029 consistent with the commitments made in the Aqua-Peoples Acquisition.").
[112] JA Response to OCA 1-6, Attachment 16, EU, attached hereto at Appendix B. See also JA Response to OCA 1-9, AW, attached hereto at Appendix B.
[113] JA Response to OCA 1-6, Attachment 33, EU at 1, attached hereto at Appendix B.
[114] JA Response to OCA I-67, AW, attached hereto at Appendix B.

IV. Likely Impacts of the Merger to Low Income Customers

Q: Please summarize this Section of your testimony.

A: In this Section, I will analyze the likely impacts of the proposed Merger on the Companies' low income customers. As I will describe in detail below, the Companies' low income customers are struggling profoundly to make ends meet and the stay connected to water, wastewater, and gas serves necessary to staying safe and healthy in their homes. These customers must be taken into consideration when examining the harms and purported benefits of the Merger. In my view, the proposed Merger cannot confer substantial public benefits without ensuring that these low income customers can derive meaningful improvements and reforms to address their continued struggles to afford and stay connected to services.

Q: How much income must a household earn each month to be considered low income?

A: The Commission considers "low income" customers to be those whose income is at or below 150% of the federal poverty level (FPL). As shown in Table 2, below, the FPL is a measure of poverty based exclusively on household income and size. It does not take into consideration the composition of the household (i.e. whether the household consists of adults or children) or household's geography.

Table 2: 2026 Annual Income by FPL and Household Size[115]

Household/ Family Size	50%	100%	150%	200%	250%
1	$7,980	$15,960	$23,940	$31,920	$39,900
2	$10,820	$21,640	$32,460	$43,280	$54,100
3	$13,660	$27,320	$40,980	$54,640	$68,300
4	$16,500	$33,000	$49,500	$66,000	$82,500
5	$19,340	$38,680	$58,020	$77,360	$96,700

For comparison, a full time (40 hours/week) worker making $10 per hour has a gross annual income of $20,800, assuming no time off (52 weeks/year). As discussed below, the maximum income for a significant number of the Companies' low income assistance programs is 200% FPL. A family of four with household income at or below 200% FPL has a maximum gross annual income of $66,000 – or $5,500 per month – while a family of four with income at or below 50% FPL has a maximum gross annual income of just $16,500 – or $1,375 per month.[116]

While FPL is the measure used most often for utility assistance programs, a more accurate benchmark meant to assess whether households struggle to be able to afford their bills each month without assistance is the Self-Sufficiency Standard. This standard measures the income that a family must earn to meet their basic needs and consists of the combined cost of six (6) basic needs – housing, child care, food, health care, transportation, and taxes – without the help of public subsidies.[117] Unlike the federal poverty level, which does not change based on geographic location or family composition,

[115] US Dept. of Health & Human Services, HHS Poverty Guidelines for 2026, available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines. (last visited May 13, 2026)
[116] See US Dept. of Health & Human Services, HHS Poverty Guidelines for 2025, available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines. (last visited May 13, 2026)
[117] See PathWays PA, Overlooked and Undercounted 2019 Brief: Struggling to Make Ends Meet in Pennsylvania, available at: http://www.selfsufficiencystandard.org/Pennsylvania. (last visited May 13, 2026)

the Self Sufficiency Standard accounts for the varied costs of the six basic needs in different geographic areas and for differently aged household members.[118] For reference, the ***average*** Self Sufficiency Standard across of Pennsylvania counties for a family of four with two adults and two school aged children is approximately $81,275 a year, this is $31,775 more than a 4-person household with income at 150% FPL makes in a given year.[119]

Q: Why is it necessary for the Commission to look at whether there is benefit to the Joint Applicants' low income customers in determining whether the Merger should be approved?

A: These are the customers who can least afford for the Joint Applicants' to be wrong about any of their alleged benefits and are in the clearest need for binding and firm affirmative benefits that will result from the Merger. For these customers, even the status quo is untenable. The Companies' low income customers make up a significant portion of their residential customer base. Pennsylvania's large gas and electric utilities track and classify their low income customer populations in two ways – estimated low income customers (ELI) and confirmed low income (CLI).[120] Per the Commission's definition of low income customers required for electric and gas jurisdictional utilities, a household must have income at or below 150% of FPL to be considered low income.

Peoples and Aqua both classify confirmed low income customers as those customers who have self-identified or otherwise confirmed low income status (at or below

[118] Id.
[119] See PathWays PA, 2024 Self Sufficiency Standard Table, by County, available at: http://www.selfsufficiencystandard.org/pennsylvania. (last visited May 13, 2026)
[120] See Pa. PUC, BCS, 2024 Report on Universal Service Programs & Collections Performance, at 5, available at: https://www.puc.pa.gov/media/3771/2024-universal-service-report-final.pdf. (last visited May 13, 2026)

150% FPL).[121] By comparison, PAWC defines confirmed low income as those customers for which the Company has received income information indicating that the customer has an annual income at or below 250% of the Federal Poverty guidelines, regardless of whether the customer is enrolled in one of PAWC's low-income programs.[122] In addition to its confirmed low income customer count, each of the Companies also maintains estimated low income customer counts.[123] The following Table compares the confirmed and estimated low income customer counts for each of the Companies as of 2025:

Table 3: Confirmed and Estimated Low Income Customers (2025)

	Confirmed Low Income	Confirmed Low Income as % of Residential Customers	Estimated Low Income	Estimated Low Income as % of Residential Customers
PAWC[124]	65,898	9%	184,399	25%
Peoples[125]	121,350	18%	144,472	22%
Aqua[126]	27,050	6%	73,504	16%

By any measure, all the Companies serve a substantial number of low income customers that are economically vulnerable to changes to the provision of service, and this vulnerability should be accounted for in the Commission's determination of whether this proposed Merger is in the public interest. The Companies' low income customers do not have income that is close to that which is necessary to be financially self-sufficient:

[121] JA Response to CAUSE-PA 2-1, EU, attached hereto at Appendix B.
[122] JA Response to CAUSE-PA 2-1, AW, attached hereto at Appendix B.
[123] Id. JA Response to CAUSE-PA 2-1, EU, attached hereto at Appendix B.
[124] JA Response to CAUSE-PA 2-3, AW, attached hereto at Appendix B, citing PAWC 2025 Proceeding, PAWC Response to CAUSE-PA 1-7, attached hereto at Appendix B, citing PAWC St. 9, Exhibits DFA-1, DFA-2. JA Response to CAUSE-PA 2-16, AW, attached hereto at Appendix B; JA Response to CAUSE-PA 2-17, Attachment, AW, attached hereto at Appendix B. As of Nov. 2025.
[125] JA Response to CAUSE-PA 2-3, Attachment 1, EU, attached hereto at Appendix B (as of Nov. 2025). JA Response CAUSE-PA 2-16, Attachment 1, EU, attached hereto at Appendix B; JA Response to CAUSE-PA 2-17, EU, attached hereto at Appendix B.
[126] JA Response to CAUSE-PA 2-3, EU (ELI as of Dec. 2025), attached hereto at Appendix B. JA Response to CAUSE-PA 2-16, Attachment 1, EU, attached hereto at Appendix B; JA Response to CAUSE-PA 2-17, EU, attached hereto at Appendix B.

Table 4: Average annual income of CLI customers

Utility	Income
Peoples	$18,811[127]
Aqua	$18,377[128]
PAWC	$11,387[129]

Given these income levels, it is no surprise that the Companies' low income customers experience particularly pronounced levels of unaffordability and carry significant utility burdens. A utility "burden" is defined as the percentage of income a household pays utility costs. To be affordable, a household's total housing costs – *including utility costs* – should account for no more than 30% of a household's total income.[130] The Companies' customer regularly exceed the recommended maximum burden levels based on existing and proposed rates. Table 5, below, shows the burden levels carried by a family of 2[131] at the income levels shown in Table 4, above for each Company, assuming the average residential usage levels set forth by each of the Companies in their most recent rate proceedings. Notably, both Peoples[132] and PAWC[133] are currently requesting substantial rate increases to their base rates from the

[127] JA Response to CAUSE-PA 2-21, EU, attached hereto at Appendix B.
[128] Id.
[129] JA Response to CAUSE-PA 2-21, AW, attached hereto at Appendix B.
[130] U.S. Census Bureau, Nearly Half of Renter Households Are Cost-Burdened, Proportions Differ by Race, available at: https://www.census.gov/newsroom/press-releases/2024/renter-households-cost-burdened-race.html (last visited May 13, 2026); Nina Lakhani and Juweek Adolphe, Key findings: the Guardian's water poverty investigation in 12 US cities, the Guardian (June 26, 2020), available at: https://www.theguardian.com/us-news/2020/jun/26/running-drinking-water-poverty-us-cities (last visited May 13, 2026); Roger Colton, The Affordability of Water and Wastewater Service in Twelve US Cities, The Guardian (May 2020), available at: https://www.theguardian.com/environment/2020/jun/23/full-report-read-in-depth-water-poverty-investigation. (last visited May 13, 2026)
[131] Household size of two is based on the Commission's determination that the average household size of CAP households for gas and electric utilities is two persons. See 2024 Universal Service Programs & Collections Performance Report at 51, available at: https://www.puc.pa.gov/media/3771/2024-universal-service-report-final.pdf. (last visited May 13, 2026)
[132] Pa. PUC v. Peoples, Docket No. R-2026-3060855 et al (2026 Peoples BRC). If the entirety of the increase sought is approved, the monthly bill of a Peoples residential customer will increase from $122.20 to $138.23 per month, or from $ 1,466.40 to $1,658.76.
[133] Pennsylvania Public Utility Commission v. Pennsylvania-American Water Company Docket No. R-2025-3057983, Volume I, Statement of Specific Reasons.

Commission, and – as such – the below Table also reflects the resulting burden levels if these requests are granted in their entirety:

Table 5: Utility Burdens, by Company, Current v. Proposed, at Average CLI Income

	Current $ Bill	Current EB	Proposed $ Bill	Proposed EB
Peoples[134]	$122.20	7.80%	$138.23	8.82%
Aqua Water[135]	$90.91	5.94%	N/A	N/A
Aqua WW[136]	$101.19	6.61%	N/A	N/A
PAWC Water[137]	$81.55	8.59%	$95.27	10.04%
PAWC WW[138]	$109.50	11.54%	$119.50	12.59%

As Table 5 illustrates, low income customers already carry significant burden levels across the Companies. These burden levels will only increase if PAWC and Peoples are permitted by the Commission to further increase their base rates. The simple fact of the matter is that at least 25% of the residential customer base of the combined Companies have profound and dire affordability concerns. While the immediate impact of the Merger may not worsen these outcomes, I have significant concerns that the Joint Applicants have made no proposals to assist their most economically vulnerable customers. As I discuss more fully below, I am particularly concerned about the impact the proposed

[134] Pa. PUC v. Peoples, Docket No. R-2026-3060855 et al (2026 Peoples BRC), Letter, March 27, 2026, available at: https://www.puc.pa.gov/pcdocs/1920714.pdf. (At 86 Mcf) (last visited May 18, 2026).
[135] Pa. PUC v. Aqua, Docket Nos. Docket Nos. R-2024-3047822, et al, Joint Pet. For Settlement, Nov. 7, 2024, App. H-1, Rate Zone 1, as stated average Residential consumption of 3870 gallons/ month, available at: https://www.puc.pa.gov/pcdocs/1855672.pdf. (last visited May 18, 2026).
[136] Pa. PUC v. Aqua, Docket Nos. Docket Nos. R-2024-3047822, et al, Joint Pet. For Settlement, Nov. 7, 2024, App. H-2, Rate Zone 1, as stated average Residential consumption of 3870 gallons/ month, available at: https://www.puc.pa.gov/pcdocs/1855672.pdf. (last visited May 18, 2026).
[137] Pa. PUC v. PAWC, Docket No. R-2025- 3057983, et al (hereafter 2025 PAWC BRC), Notice of Proposed Water/ Wastewater Rate Changes, Customer Notices, Volume I, based on Residential stated average usage levels for water of 3,263, available at: https://www.puc.pa.gov/pcdocs/1902573.pdf. (last visited May 18, 2026).
[138] 2025 PAWC BRC, Notice of Proposed Water/ Wastewater Rate Changes, Customer Notices, Volume I, based on Residential stated average usage levels for WW of 3,164, available at: https://www.puc.pa.gov/pcdocs/1902573.pdf. (last visited May 18, 2026).
On November 14, 2025, PAWC a base rate increase request with the Commission to become effective January 13, 2026, in which is sought a general rate increase of approximately $168.7 million, or 14.6%.

Merger would have – without binding commitments to the contrary – on the assistance available to low income customers.

Q: Is there other evidence that the Companies' low income customers are struggling to afford and stay connected to service?

A: Yes. There are several indicators which show that the Companies' low income customers are already struggling to afford and remain connected to services. As the Table below shows, the Companies' low income customers have carried substantial arrearage levels compared to residential customers overall:

Table 6: Average Arrearages (2025)

2025	Residential Customers	Confirmed Low Income Customers
PAWC[139]	$225	$341
Peoples[140]	$287	$493
Aqua [141]	$45	$345

In addition to the higher arrearage levels faced by the Companies' low income customers compared to residential customers as a whole, the Companies' low income customers also face correspondingly higher service termination rates compared to residential customers as a whole:

[139] JA Response to CAUSE-PA 2-23, Attachment, AW, attached hereto at Appendix B. (as of Nov. 2025)
[140] JA Response to CAUSE-PA 2-23, Attachment 1, EU, attached hereto at Appendix B.
[141] Id.

Table 7: Service Termination Rates for Non-Payment:

	2024	2024	2025	2025
	Residential	**Confirmed Low Income**	**Residential**	**Confirmed Low Income**
PAWC[142]	1.77%	11.47%	2.30%	15.06%
Peoples[143]	3.32%	10.51%	2.99%	8.85%
Aqua[144]	2.44%	14.96%	1.95%	12.44%

Q: What is the impact on households who face high utility bill burdens, high debt loads, and high levels of utility termination?

A: Across utility types, households who cannot afford utility services are more prone to a host of adverse consequences, including increased rates of health complications and hospitalization, eviction, and food insecurity.[145] For children in low income households, utility insecurity has been linked to adverse impacts on long-term health and developmental delays – and may prompt state intervention to curtail parental rights.[146] Furthermore, utility insecurity and resulting payment trouble is increasingly recognized as

[142] JA Response to CAUSE-PA 2-19, Attachment, AW; JA Response to CAUSE-PA 2-16, Attachment, AW; JA Response to CAUSE-PA 2-3, Attachment, AW (CLI count as of Dec. 2024 and Nov. 2025, the last reported period); JA Response to CAUSE-PA 4-26, AW (BDP Count as of Dec. 2024 and Nov. 2025), attached hereto at Appendix B.
[143] JA Response to CAUSE-PA 2-19, Attachment 1, EU; JA Response to CAUSE-PA 2-16, Attachment 1, EU; JA Response to CAUSE-PA 4-21, EU, attached hereto at Appendix B.
[144] JA Response to CAUSE-PA 2-19, Attachment 2, EU; JA Response to CAUSE-PA 2-16, Attachment 1, EU; JA Response to CAUSE-PA 4-21, EU, attached hereto at Appendix B.
[145] Diana Hernandez, editorial, Energy Insecurity: A Framework for Understanding Energy, the Built Environment, and Health Among Vulnerable Populations in the Context of Climate Change, American Journal of Public Health, Vol.103, No 4 (April 2013), available at https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3673265/pdf/AJPH.2012.301179.pdf (last visited May 13, 2026); Diana Hernández, Yumiko Aratani, and Yang Jiang, Energy Insecurity Among Families with Children (January 2014), available at http://www.nccp.org/publications/pdf/text_1086.pdf. (Last visited May 13, 2026).
[146] See Diana Hernández, Yumiko Aratani, and Yang Jiang, Energy Insecurity Among Families with Children (January 2014), available at http://www.nccp.org/publications/pdf/text_1086.pdf (last visited May 13, 2026). (while the author discusses energy insecurity, parallels exist related to utility insecurity as a whole)

a predictor of first-time homelessness.[147] Communities of color also continue to experience utility insecurity at disproportionate and high levels.[148]

While there is ample evidence about the average impacts of utility insecurity, it is important to note the critical nature and impacts related to both utility types involved in this proceeding – water and gas.

First, the loss of gas service can have a significant impact on the ability of vulnerable populations to manage medical conditions and is particularly dangerous for certain groups – including seniors, families with young children, and individuals with a disability – each of whom are more likely than other residential households to experience poverty and income insecurity.[149] Involuntary loss of gas service is often a contributing factor leading to family separation through the child welfare system.[150] When a household is unable to use a primary heating system, they often resort to dangerous and/or high-usage/high-cost heating methods– such as electric space heaters, electric stoves, and/or portable generators – which increases the risk of carbon monoxide poisoning and house fires.[151]

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[147] Colin Middleton, Kim Boynton, David Lewis & Andrew M. Oster, The Value of Utility Payment History in Predicting Homelessness, PLOS (Oct. 9, 2023), available at: https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0292305. (last visited May 13, 2026)

[148] Environmental and Climate Justice Program, NAACP, Lights Out In The Cold: Reforming Utility Shut-Off Policies as If Human Rights Matter at ix (March 2017), available at https://naacp.org/resources/lights-out-cold (last visited May 13, 2026) (while the author primarily discusses energy insecurity, parallels exist to utility insecurity as a whole, and its disproportionate impact on communities of color).

[149] Charlie Harak, Olivia Wein, NCLC, Protecting Seriously Ill Consumers from Utility Disconnections: What States Can Do to Save Lives Now (Sept. 29 2022), at 5-6, available at: https://www.nclc.org/resources/report-protecting-seriously-ill-consumers-from-utility-disconnections-what-states-can-do-to-save-lives-now/. (last visited May 13, 2026)

[150] Comments of Cynthia Figueroa, Commissioner, Philadelphia Dept. of Human Services, Review of Universal Service and Energy Conservation Programs, Pa. PUC Docket No. M-2017-2596907 (Aug. 8, 2017).

[151] Richard Campbell, Home Heating Fires, National Fire Protection Association (NFPA), (Jan. 2021), available at: https://www.nfpa.org/News-and-Research/Data-research-and-tools/US-Fire-Problem/Heating-equipment. (last visited May 13, 2026)

Heating equipment is a leading cause of fires in U.S. homes.[152] Space heaters are most often responsible for home heating equipment fires, accounting for more than two in five fires, as well as the vast majority of the deaths and injuries in home fires caused by heating equipment.[153]

Second, regarding water services, water terminations pose a serious threat to public health and human dignity. Termination of water service:

- Renders families unable to cook, bathe, clean, or flush the toilet;[154]
- Is tied directly to the health and well-being of the household, and the habitability of the home;[155]
- Is often akin to eviction from a home. A home may be deemed uninhabitable or even condemned following termination of water service, forcing families to vacate with little to no notice;[156]
- Jeopardizes a parent's custody of their children;[157]
- Can result in the loss of housing assistance, and is often cited as a catalyst for homelessness.[158]

[152] Richard Campbell, Home Heating Fires, National Fire Protection Association (NFPA), (Jan. 2021), available at: https://www.nfpa.org/News-and-Research/Data-research-and-tools/US-Fire-Problem/Heating-equipment. (last visited May 13, 2026)
[153] Richard Campbell, Home Heating Fires, National Fire Protection Association (NFPA), (Jan. 2021), available at: https://www.nfpa.org/News-and-Research/Data-research-and-tools/US-Fire-Problem/Heating-equipment. (last visited May 13, 2026)
[154] Coty Montag, Water/Color: A Study of Race and the Water Affordability Crisis in America's Cities, NAACP Legal Defense and Educational Fund, Inc, May 2019, at p. 28, (hereinafter "Water/Color Report") available at: https://www.naacpldf.org/wp-content/uploads/Water_Report_FULL_5_31_19_FINAL_OPT.pdf. (last visited May 13, 2026)
[155] Id. See also Joint State Government Commission, General Assembly of the Commonwealth of Pennsylvania, Homelessness in Pennsylvania: Causes, Impacts, and Solutions: A Task Force and Advisory Committee Report (2016), available at: http://jsg.legis.state.pa.us/resources/documents/ftp/documents/HR550%201%20page%20summary%204-6-2016.pdf. (last visited May 13, 2026)
[156] Id.
[157] Id. at 5-6.
[158] Id; see also Joint State Government Commission, General Assembly of the Commonwealth of Pennsylvania, Homelessness in Pennsylvania: Causes, Impacts, and Solutions: A Task Force and Advisory Committee Report (2016), available at: http://jsg.legis.state.pa.us/resources/documents/ftp/documents/HR550%201%20page%20summary%204-6-2016.pdf. (last visited May 13, 2026)

As the weight of this data and other evidence shows, the Companies' low income customers are struggling to afford basic utility services which is unnecessary for the health and welfare of their households and their surrounding communities. It is squarely contrary to the public interest to approve the proposed Merger, which will improve the financial positions of the Joint Applicants, without first ensuring that the Companies' struggling low income customers can derive substantial affirmative benefits.

Q: The Companies have pledged to uphold their universal service programming. Is this sufficient to support the proposed merger?

A: No. The commitment to do what they are legally required to do by statute or Commission order is not a benefit, it is an obligation irrespective of whether the Merger is approved or not. As a large natural gas distribution utility, Peoples is statutorily required – whether owned by Aqua or not – to operate universal service programs that assist low income customers afford to remain connected to gas service.[159] In addition, the Commission has required Aqua and PAWC to develop low income assistance programs, including Aqua's CAP and PAWC's BDP, based on parameters developed through numerous proceedings, including recent rate proceedings for these water/wastewater utilities.[160]

The Companies are therefore "committing" to something they are already required to do. This does not constitute a substantial affirmative public benefit that results from the proposed Merger. The Companies have made no commitments to enhance their universal service programs or bring the best practices of their respective programs in line

[159] 66 Pa. C.S. § 2203(7), (8).
[160] PA PUC v PAWC, Order, Docket No. R-2023-3043189 (Order entered July 22, 2024); PA PUC v Aqua, Order, Docket No. R-2024-3047822 (Order entered Feb. 7, 2025).

with one another in a manner which would benefit low income customers and all ratepayers. Without specific commitments to reform the Companies' universal service programs, the proposed Merger may ultimately result in an erosion of assistance to these customers. Thus, these purported commitments, standing alone, are not a public benefit of the transaction.

V. Recommended Conditions of Approval

Q: Please describe this section of your testimony.

A: In this Section of my testimony, I make recommendations about conditions that Commission should impose before approving the Merger. To be clear, it is my position that the Joint Applicants have failed to meet their burden of proof to demonstrate that the Merger would create a substantial affirmative public benefit. The Commission should deny the Application. There is simply no public benefit from the Merger as proposed, and, thus, if the Commission wants to approve the Merger it must impose conditions of its own consistent with its ability to do so under the Public Utility Code.

In this section, I will make recommendations about certain minimum conditions that the Commission should impose. These recommendations are in addition to any complimentary recommendations made by other parties. I similarly reserve the right to modify and supplement recommendations through subsequent testimony based on the recommendations of other parties in this proceeding.

With these caveats, I recommend that the Commission require that the Joint Applicants implement several important reforms for the proposed Merger to provide substantial affirmative public benefits. I list them here in summary fashion and then outline

them more fully below. Specifically, the Commission should impose the following minimum conditions as contingent to its approval of the Merger:

- A 5-year rate case stay-out that would begin at the latter of approval of the Merger application in this case or the end of the fully projected future test year for any rate case that is pending or filed prior to approval of the application in this case.
- A commitment to follow the principles outlined by Governor Shapiro in his April 29, 2026, letter to utility CEOs[161] outlining significant commitments that utilities can make to improve affordability for Pennsylvania utility consumers.
- A commitment from American Water and in any future acquisitions under Section 1329 of the Public Utility Code that its Pennsylvania affiliates (PAWC and Aqua) will not request an addition to ratemaking rate base that exceeds 1.25 times the depreciated original cost of the system.
- A requirement that Aqua and PAWC be prohibited from bidding against each other in acquisition cases because of their common corporate ownership.
- A commitment that in any future sale of Peoples by American Water that American Water will propose that no less than 30% of the net proceeds of the sale be remitted to the customers of the remaining Pennsylvania affiliate operating utilities (Aqua and PAWC) as bill credits.
- Specific and binding commitments, as outlined below, to protect the Companies' ratepayers from negative financial and service impacts of the Merger.
- Significant and material improvements, as outlined more fully below, to each of the universal service programs of Aqua, Peoples, and PAWC to improve access and assistance related to these programs, as well as to bring these them into alignment with one another given the Joint Applicants' stated intentions of integrating their systems and operations over the long term.
- Several tariff changes to ease the financial burdens of low income customers who represent customers with the most acute financial needs
- A commitment to ensure that as the state with the largest affiliates, that Pennsylvania be treated as the "most favored state" for all commitments made in any jurisdiction such that if American Water makes commitments in other states to gain approval that are more favorable to ratepayers that

[161] Letter from Governor Josh Shapiro to Utility Leaders dated April 29, 2026, outlining "three commonsense practices to ensure the needs of Pennsylvanians come first" and indicating that "[his] Administration will use these three practices as a benchmark to evaluate rate case proposals going forward." Hereinafter "Shapiro Letter", Attached hereto at Appendix C.

those commitments be honored by the Pennsylvania affiliate operating Companies.

A. Rate Case Stay Out

Q: Please outline the reasons why you believe a rate case stay out should be a condition of the Merger.

A: There are many reasons why a rate case stay out would materially benefit the public, and particularly the Companies customers. For important context, as of the filing to this testimony, both Pennsylvania American Water and Peoples have rate cases pending before the Commission that would collectively raise rates by more than $330 million.

Table 8: Pending Rate Cases

Utility and Docket Number	Annual Increase Requested	Effective Date of Rates
Pennsylvania American Water Company Docket Nos R-2025-3057983 (water) and R-2025-3058051 (wastewater)	$168.7 million	July 1, 2026
Peoples Natural Gas Company Docket No. R-2026-3060855	$163.2 million	December 26, 2026

According to the Joint Applicants, the Merger will not change any of the tariffs, rates, or the policies, procedures, and programs of individual Companies, but it will also allow these rate increases to go into effect with increased rate bases and revenue requirements for PAWC's and Peoples' customers. In fact, the Joint Applicants allege that approval of the Merger would result in financial and rate benefits to Pennsylvania's ratepayers – yet make no specific commitment to flow savings through to ratepayers. It is difficult to see how this occurs without conditions as it is unclear based on the non-specific benefits that the Joint Applicants have laid out in their filings and responses to discovery whether the

Companies' ratepayers will see material benefit. A rate case stay out would help ensure claimed benefits flow through to ratepayers.

To ensure that the Companies' ratepayers can see tangible rate benefits from the Merger, I recommend that the Commission direct each of the Companies to implement a stay out of base rate proceedings of no less than five years from the date of the Merger or the end of the Fully Projected Future Test year of their currently pending rate cases whichever is later.[162] This recommendation will ensure that the Companies' ratepayers are able to realize the rate and other financial benefits that the Joint Applicants generally tout in their filings. Importantly, if, as the Joint Applicants allege, they will have access to better capital financing because of this merger, the utilities should retain access to the capital needed to ensure their systems provide safe and reliable service during the stay out period.

This recommendation also directly addresses the pronounced increases to the monthly bills of the Companies' customers over the last several years. As shown by the following Table and associated Chart monthly bills for residential customers of the Companies have increased dramatically:

[162] The stay out I am recommending would not apply to a situation where any of the utilities found themselves to need emergency rate relief pursuant to the requirements of 66 Pa. C.S. § 1308(e).

Table 9: Increase in Monthly Residential Customers Bills (2021 to 2026) (PAWC, Aqua, Peoples)

	2021	2026	Percent Increase
PAWC W (3,000 GL/month)	$55.97[163]	$75.12[164]	34.2%
PAWC WW (3,000 GL/month)	$60.40[165]	$103.62[166]	71.6%
Aqua W (3,000 GL/month)	$51.91[167]	$74.13[168]	42.8%
Aqua WW (3,000 GL/month)	$53.80[169]	$89.67[170]	66.7%
Peoples (86 MCF)	$42.90[171]	$55.19[172]	28.65%

[163] PAWC, Supplement No. 27 to Tariff Water-PA P.U.C. No. 5, First Revised Page 16, available at: https://www.puc.pa.gov/pcdocs/1695547.pdf. (last visited May 15, 2026) Rate Zone 1, Residential, 5/8" Metered, Based on 2021 rates, Exclusive of Riders.
[164] PAWC, Supplement No. 58 to Tariff Water-PA P.U.C. No. 5, Sixth Revised Page 16, Rate Zone 1, Residential, 5/8" Metered, 3,000 gallons usage, available at: https://www.amwater.com/paaw/Resources/PDF/Rates/pennsylvania-amwater-watertariff.pdf. (last visited May 18, 2026) Exclusive of Riders.
[165] PA PUC v. Pennsylvania-American Water Company Docket Nos. R-2020-3019369 and R-2020-3019371, Appendix B, available at: https://www.puc.pa.gov/pcdocs/1683714.pdf. (last visited May 15, 2026) Rate Zone 1, Metered Charges, Residential, 2021 Rates, Exclusive of Riders.
[166] PAWC, Supplement No. 61 to Tariff Wastewater PA P.U.C. No. 16, Tenth Revised Page 11.1 , available at: https://www.amwater.com/paaw/Resources/PDF/Rates/pennsylvania-amwater-wastewatertariff.pdf. (last visited May 18, 2026) Residential, Rate Zone 1, Metered, Exclusive of Riders.
[167] Aqua v. Pa. PUC, Docket No. R-2021-3027385, Schedule I, page 1 of 6, available at: https://www.puc.pa.gov/pcdocs/1716839.pdf. (last visited May 15, 2026) Residential Rate Zone 1, 5/8" Meter, Exclusive of Riders.
[168] Aqua, Supplement No. 8 Tariff Water-PA P.U.C. No. 4, Original Page 12.1-12.2, available at: https://www.aquawater.com/sites/default/files/2026-03/Supplement%20No.%208%20-%20Tariff%20Water-PA%20PUC%20No.%204%20-%20Effective%202026.04.01.pdf. (last visited May 15, 2026) Residential, Rate Zone 1, Metered, 5/8" inch, Exclusive of Riders.
[169] Aqua, Wastewater - Rate Zone 1 Media Division, Schedule WW-5, available at: https://www.puc.pa.gov/pcdocs/1716839.pdf. (last visited May 15, 2026) Exclusive of Riders.
[170] Aqua, Supplement No. 6 Tariff Sewer-PA P.U.C. No. 4, available at: https://www.aquawater.com/sites/default/files/2026-03/Supplement%20No.%206%20-%20Tariff%20Sewer-PA%20PUC%20No.%204%20-%20Effective%202026.04.01.pdf (last visited May 15, 2026), Exclusive of Riders, Residential, Rate Zone 1.
[171] Peoples, Supplement No. 2 To Gas—PA PUC No. 47 First Revised Page No. 36 Cancelling Original Page No. 36, available at: https://www.puc.pa.gov/pcdocs/1639347.pdf. (last visited May 15, 2026) Residential, Rate RS, Exclusive of Riders.
[172] Peoples, Supplement No. 2 To Gas—PA PUC No. 48 First Revised Page No. 40 Cancelling Original Page No. 40, available at: https://www.peoples-gas.com/sites/default/files/2026-04/retail-tariff-no-48-supplement-no.-23-april-1-2026-quarterly.pdf. (last visited May 15, 2026) Residential, Rate RS, Exclusive of Riders.

As these figures illustrate, customers have experienced pronounced bill increases over the last five years. These bill increases impact customers' ability to afford and stay connected to services and disproportionately harm low income customers who do not have the additional resources to bear the added costs they have been shouldered with in recent years. A rate case stay out will meaningfully address this concern and would be an affirmative benefit if required by the Commission.

B. Commitment to Follow Shapiro Principles

Q: Do you recommend any protections for Pennsylvania's consumers because of the Governor Shapiro's recently articulated principles for utilities operating in Pennsylvania?

A: Yes. I recommend that the Commission require as a condition of Merger approval that the operating Companies of the merged entity adhere to the principles set forth in the recent open letter provided by Governor Shapiro on April 29, 2026 to utility CEOs. That letter is attached to my testimony at Appendix C.

In his April 29 Letter, Governor Shapiro explained that rising utility bills across the Commonwealth have been driven by several factors, including excessive rate requests by utilities. To ensure that Pennsylvania consumers are not paying "a single dollar more than is needed to support a safe and reliable utility system", the Governor set forth three common sense recommendations:[173]

- That utilities seek to raise the most cost-effective forms of capital by disfavoring expensive equity when lower-cost debt is available. Specifically, debt should represent a meaningful majority of a utility's capital structure for ratemaking purposes. In a rate case, equity more than the equity of the utility's parent holding company should require "extraordinary justification to receive" support. In addition,

[173] See Shapiro Letter, Attached hereto at Appendix C.

utilities should take advantage of more affordable sources of capital, such as Department of Energy (DOE) loans;

- When a utility requests to increase its revenue through rate proceedings, they must explain in "plain, clear language why its proposed investments are necessary, using transparent data to identify a specific reliability or safety concern that will be addressed, or demonstrating with a thorough cost/benefit analysis that the investment will produce significant savings or reliability benefits for consumers." This also includes:
    - Showing the value customers will receive in terms of "discrete improvements producing tangible outcomes that are timebound, verifiable, and logically linked to the need for additional capital";
    - Maximizing existing grid resources to control costs and defer the need for upgrades; and
    - Describing what amount of a requested rate increase will be "remitted to shareholders through corporate dividends or other means".
- A utility requesting a rate increase should "prove their need for a requested return on equity by providing a benchmark (representing at least 10% of the incremental requested equity) that is transparently derived through a public process with competitive bidding by multiple participants to establish a fair market cost of that equity." If a utility is unable to make this showing, it should create a presumption that the request is higher than what would be derived through a competitive process which requires a showing of extraordinary or unforeseen circumstances to overcome.

Imposition of these principles as a Merger condition, in addition to the rate case stay out, would create durable and lasting rate reform resulting from the Merger. As discussed above, the Joint Applicants are purporting substantial financial benefits and protections for Pennsylvania's consumers but make no firm commitments. These are firm commitments. To actualize these purported commitments and benefits, I recommend that the Commission require that, as a condition of the Merger, the Companies are required to adhere to the Shapiro principles in any requests to increase their rates (inclusive of base rates) for any rate cases filed after any approval of this Merger by the Commission.

C. Protection from inflated acquisitions costs under Section 1329

Q: Do you recommend any protections for Pennsylvania's consumers from inflated acquisition costs under Section 1329 if the Merger is approved?

A: Yes. I recommend that, if the Commission is inclined to approve the Merger, it set forth specific protections against consumers bearing excessive acquisition costs that are currently allowed under Section 1329.

While counsel for CAUSE-PA will address legal arguments related to Section 1329 through briefing, as a matter of public policy, I note that Section 1329 of the Public Utility Code (66 Pa. C.S. 1329) changed the method and timing of calculating what is included in utility rates for acquisitions of municipal water/ wastewater acquisitions by Commission-regulated public utilities. The result has been a significant increase in rates for customers of both the acquired and acquiring systems. Since the inception of Section 1329, the approved acquisitions by Aqua and PAWC in Pennsylvania have had a combined ratemaking rate base of almost $1 billion.[174] These considerable acquisitions have resulted in substantial customer cost increases of approximately $100 million being added to consumer costs as a result of the approval of these 1329 acquisitions.[175]

As noted above, I am particularly concerned that, once the Merger is approved, American Water's strategic growth strategy will continue to lean heavily on acquisitions of water/ wastewater systems and ultimately lead to increases in customers' rates and monthly bills. In my view, it is thus essential that the Commission impose additional

[174] Testimony Patrick M. Cicero Regarding HB 1862, 1863, 1864, and 1865 amending Sections 1327, 1329 of the Public Utility Code, Dec. 12, 2023, available at: https://www.palegis.us/house/committees/committee-archives/archive-file?file=2023_0471_0004_tstmny.pdf. (last visited May 19, 2026)

[175] Id.

protections so that ratepayers are not required to pay substantial acquisition costs connected to Section 1329. This is particularly true because we do not know what effect the combination of Aqua and PAWC will have on prices negotiated with selling municipalities.

To be clear, I am not recommending a moratorium on 1329 acquisitions or a cap on the price that can be negotiated, but I am recommending that the Commission direct as a condition of the Merger that the amount that the utility can *put into its rate base* from these acquisitions be capped as the lesser of (1) the purchase price negotiated by the acquiring utility and the selling utility; (2) the fair market value of the selling utility; or (3) 125% of the depreciated original cost as calculated under Section 1329(d)(5) if the system does not been the definition of a troubled system contained in Sections 1327(a). Capping the dollar amount of these acquisitions that can be rate-based will help to protect customers of the Companies while not otherwise disincentivizing acquisitions of troubled systems. This incentivizes the Companies to make more informed and strategic choices about the purchase prices of its acquisitions.

I also propose that in addition to and irrespective of the adoption of my recommendation capping the amount that could be placed into ratemaking rate base, the Commission should specifically prohibit Aqua and PAWC as separate utilities with a common corporate parent from bidding against each other in any acquisitions post-closing – particularly those sought pursuant to Section 1329. Allowing these companies who are legally separate to bid against each other would amount to gamesmanship to increase the acquisition price that would be included in ratemaking rate base. This would

be materially unfair to the existing customers but would benefit the parent Company specifically and should be strictly and specifically prohibited.

D. Commitment that any future sale of Peoples Gas will benefit customers

Q: Do you recommend any protections for Pennsylvania's consumers if American Water agrees to the sale of Peoples Gas after the Merger is approved?

A: Yes. Based on my review of the materials submitted in this case, it seems clear to me that American Water does not intend to retain Peoples Gas as an operating company for any significant period post-closing. Thus, I recommend that the Commission impose additional consumer protections and benefits to the ratepayers of the remaining system if American Water, after acquiring Peoples Gas through approved on the proposed Merger, subsequently agrees to its sale within 5 years of closing. As discussed at length above, many of the tangible details related to how the Companies will operate post-Merger have been shunted to future integration discussions. A slew of important details related to how the Companies will operate if the Merger is approved, including how the Companies' workforce will operate, are unclear at this stage.

As the Joint Applicants have provided scant tangible commitments related to Companies' operations, I am concerned that American Water may take steps to divest itself of Peoples, which would represent its only gas operating Company in Pennsylvania, due to a lack of alignment with the other service types that American Water operates. As such, it is important to impose additional protections if American Water attempts to sell Peoples within a period of time following the Merger.

Specifically, I recommend that the Commission impose these additional conditions if American Water, or any subsidiary under its control, seeks permission from the

Commission to sell Peoples within 60 months (5 years) of the date of approval of the proposed Merger. Specifically, I recommend that the Commission require as a condition of sale of Peoples within this time frame, that no less than 20% of any net proceeds from the sale be shared with PAWC and Aqua ratepayers in terms of bill credits. This would ensure that the financial benefit of the sale of Peoples will result in substantial, time-specific, and specified benefits to the Joint Applicants' remaining ratepayers, including their low income ratepayers, and not just American Water shareholders.

E. Additional Protections For Residential Customers

Q: Please outline the specific additional conditions the Commission should require to protect the Companies' residential customers.

A: There are several additional conditions that the Commission should require that would yield affirmative benefit to existing customers. Specifically, I recommend that the Joint Applicants' be required to: (1) maintain charitable contributions at existing levels for the Companies' for at least 10 years following the Merger; (2) maintain the existing operational presence in Pennsylvania for as long as the Companies serve Pennsylvania utility consumers; and (3) ensure that Pennsylvania customers do not pay the transition and integration related costs if permitted to merge.

Q: Please outline your first recommendation in this section.

A: I recommend that the Joint Applicants maintain certain charitable contribution levels consistent or greater than historical contribution levels reported by the Joint Applicants for at least 10 years following the Merger. While the Joint Applicants have asserted that they will continue to make charitable contributions at levels consistent with those historically provided by Aqua PA and Peoples in their service areas for the next two

years after completion of the Merger and, thereafter, at levels consistent with American Water's contributions in the areas it serves,[176] this represents a significant reduction after two years following the Merger. This is because American Water makes significantly lower charitable contributions than Essential. In 2025, American Water donated only $734,648 compared to $6,670,422 in charitable contributions by Essential.[177]

To ensure that the communities the combined company would serve would benefit from the Merger, American Water and its affiliates should be required to commit for 10 years post-closing to provide annual charitable contributions at levels equal to at least their highest annual amount during the past 3 calendar years. I further recommend that the merged entity be required to file an annual report on contributions made in the prior calendar year, and that this report includes which of the Pennsylvania operating Companies made the contributions; the amount of the contribution; and the recipients of the funds. I further recommend that these charitable contributions must not be subject to rate recovery.

Q: Please outline your second recommendation in this Section.

A: I recommend that the Joint Applicants be required to maintain meaningful operational presence in the Commonwealth so long as they are continuing to serve utility customers in Pennsylvania. While the Joint Applicants appear to have committed in their filings to maintain sufficient present in Pennsylvania, these commitments are not time-bound, and it is unclear whether workforce and other operational reductions will occur, as these decisions are being made in the context of the Joint Applicants' inchoate integration

[176] Joint Application, Exhibit C, at 2.
[177] JA Response to OCA 1-55, Attachment 1, EU, attached hereto at Appendix B; JA Response to OCA 1-55, AW, attached hereto at Appendix B.

planning processes at some later date.[178] These promises of a future process to define future commitments are illusory at best and do not constitute firm protections for Pennsylvania's consumers. Instead, I recommend that the Joint Applicants be required to maintain customer service and field office staffing for current Essential Companies (inclusive of Aqua and Peoples) at physical locations in the Commonwealth so long as the merged entity serves Pennsylvania ratepayers. I further recommend that the Joint Applicants be required to provide annual reports to the Commission, served upon parties to the proceeding, regarding customer service and field offices which includes the location of these offices and staffing levels for each of these locations for 5 years following the date of the Merger.

Q: What is your third recommendation in this Section of your testimony?

A: I recommend that the Commission prohibit the Companies from assessing any transition costs of the Merger to its customers. While the Joint Applicants allege they are not seeking recovery through rates of transaction costs, it is unclear how the Joint Applicants may seek recovery of transition costs – i.e. those costs to achieve synergies and other changes related to transition if the Merger is approved. I do not believe that these costs should be recovered from Pennsylvania ratepayers. It is not a benefit to consumers to make them pay for transition costs of a Merger that they did not ask for and that may benefit them only at some uncertain point in the future. The Joint Applicants tout these synergies and a host of other operational changes as benefits of the Merger, and Pennsylvania's ratepayers should not have to bear the unknown weight of these changes to realize these benefits.

[178] JA Response to OCA 1-6, Attachment 23, EU, at pp. 2-3 of 6, attached hereto at Appendix B; JA Response to OCA 1-6, Attachment 25, EU, at pp. 3 of 9, attached hereto at Appendix B.

As such, I recommend that the Joint Applicants be required to commit that no transition or transaction costs will be included in the cost of service of any of its Pennsylvania operating Companies if the Merger is approved, and not recoverable through rates. I further recommend that all transition costs be recorded in the books of the individual operating Companies who are incurring such transitions or changes to their operations so that the Commission and interested parties can review such costs to ensure that Pennsylvania's ratepayers are protected from incurring the same.

F. Conditions to Improve Assistance to Low Income Households

Q: Please describe the recommendations you make in this Section of your testimony.

A: Given the acute and significant hardships facing the more than 25% of customers within the Companies' service territory who are estimated to have income at or below 150% of the federal poverty level, I recommend that Commission approve the Merger only if it requires significant and material improvements to each of the universal service programs of Aqua, Peoples, and PAWC to improve access and assistance related to these programs, as well as to bring these them into alignment with one another given the Joint Applicants' stated intentions of integrating their systems and operations over the long term.

1. Customer Assistance Programs/ Bill Discount Programs

Q: Please briefly describe each of the Companies' assistance programs designed to provide discounted bills to Program participants.

A: Aqua's Customer Assistance Program (CAP) provides monthly bill discounts to customers up to 200% FPL:

Table 10: Aqua CAP Discount Levels[179]

	Water	Water	WW	WW
FPL Tiers	Fixed Charge	Volumetric	Fixed Charge	Volumetric
0-50%	100%	85%	85%	85%
51-100%	100%	75%	75%	75%
101-150%	100%	50%	65%	50%
151-200% FPL	100%	25%	50%	25%

In addition to these discounted rates, CAP participants with arrearages and enrolled in Aqua's arrearage management program receive a $40 arrearage forgiveness credit for each CAP payment made by the due date.[180]

Peoples CAP is a Percent of Income Payment (PIP) that provides assistance to households up to 200% of poverty and limits the amount that a CAP participant is asked to pay based on the following income percentages or their average bill whichever is less:

Table 11: Peoples PIP at different Federal Poverty Levels (FPL)[181]

Household Income Level	Percent of Income
0-50% of FPL	4%
51-100% FPL	5%
101-150% FPL	6%
151-200% FPL	11% (CAP Pilot Expansion)

Peoples CAP also has an arrearage forgiveness component, whereby a CAP participant's outstanding balances at the time of enrollment is frozen and eligible for forgiveness in the amount of 1/36 of the balance when the customer pays their CAP amount.[182] This allows CAP participants to fully extinguish their pre-program balance over three years by making in-full payments on their monthly CAP rate.

[179] JA Response to CAUSE-PA 2-4, Attachment 2, EU, attached hereto at Appendix B.
[180] JA Response to CAUSE-PA 2-4, Attachment 2, EU, attached hereto at Appendix B.
[181] JA Response to CAUSE-PA 2-4, Attachment 1, EU, at p. 8, attached hereto at Appendix B.
[182] Id. at p. 9, attached hereto at Appendix B.

PAWC's CAP (also called a Help to Others (H2O) Bill Discount Program (BDP)) provides assistance to customers up to 200% FPL.[183] PAWC's BDP provides 30% to 90% discount for water service fee; 20% to 80% discounts for water volumetric charges; and 37% to 85% discounts on total wastewater bills as follows:

Table 12: PAWC BDP Discount Levels[184]

	Water Service Discount	Water Vol. Discount	Total WW Discount
Tier 1 (0-50% FPL)	**90%**	**80%**	**85%**
Tier 2 (51-100% FPL)	**75%**	**65%**	**73%**
Tier 3 (101-150% FPL)	**60%**	**40%**	**55%**
Tier 4 (151-200% FPL)	**30%**	**20%**	**37%**

In addition, PAWC's H2O Arrearage Forgiveness Program (AFP) provides $25 to customers who are enrolled in the AFP, with a $5 copay by the customer.[185]

Q: Why is it important to examine the Companies' CAPs/ BDPs in the context of this proceeding?

A: The Joint Applicants generally claim that efficiencies from the Merger would allow customers lower costs through future rate cases, than they would have absent the Merger.[186] I am highly skeptical of this claim unless the Commission were to impose the conditions that I outline above regarding a rate freeze and implementation of the Shapiro Principles. However, even assuming these additional protections are put into place, the ability of low income households to afford to remain connected to service is tenuous. It is imperative that these low income customers can realize tangible and substantial benefits if the Merger is approved – particularly as the Joint Applicants stand to considerably

[183] JA Response to CAUSE-PA 2-4, Attachment 1, AW, attached hereto at Appendix B.
[184] Id.
[185] JA Response to CAUSE-PA 2-4, AW, attached hereto at Appendix B.
[186] JA Response to CAUSE-PA 1-4, AW, attached hereto at Appendix B.

benefit if the Merger is approved. Providing meaningful improvements to the Companies' CAPs/BDPs will ensure that the Companies' low income customers can see direct benefits from approval of the Merger.

Q: Do you have any concerns about the affordability provided by the Companies' CAPs?

A: Yes. I am concerned about the levels of unaffordability currently provided by PAWC's BDP and Aqua's CAP.

In PAWC's current rate proceeding, CAUSE-PA expert witness, Mr. Harry Geller, provided in Exhibit 1 to his direct testimony a snapshot of residential water and wastewater burdens, both at existing and proposed rates, in Rate Zone 1 Water and Rate Zone 1 Wastewater – broken down by income tier and at various usage levels, ranging from 1,000 to 8,000 gallons. As illustrated in Mr. Geller's Exhibit, PAWC's existing BDP is not producing consistent levels of affordability for program participants, particularly those with higher usages levels and lower incomes. For example, a household of four at 150% FPL using 6,000 gallons per month is currently charged a monthly bill of approximately $163.73, or 3.97% of gross household income.[187] As Mr. Geller's Exhibit shows, many households exceed the recommended burden levels of 4% for combined water/ wastewater services.[188] In addition, PAWC proposed in that proceeding more limited discounts to program participants than they receive currently, which would further limit the ability of BDP customers to afford their monthly bills.

For its part, Aqua's CAP greatly improves but does not alleviate the water/ wastewater burdens for Program participants – particularly those CAP customers with

[187] PAWC 2025 Rate Proceeding, CAUSE-PA St. 1 at Exhibit 1 (Errata), attached hereto at Appendix D.
[188] Id.

higher usages and lower FPLs. Exhibit 2 to my direct testimony provides a similar snapshot to that provided by Mr. Geller, but for Aqua customers in Rate Zone 1 Water and Rate Zone 1 Wastewater – broken down by income tier and at various usage levels, ranging from 1,000 to 8,000 gallons.[189] This Exhibit shows that Aqua's CAP has had more success than PAWC's BDP at reducing burden levels for Program participants. For example, a family of four at 150% FPL using 6,000 gallons of water and wastewater services, respectively, has a combined burden level of 2.72%. However, as Exhibit 1 to my testimony shows, participants with higher usage levels and lower incomes can nevertheless exceed the recommended combined water/ wastewater burden level of 4%.

The inconsistent levels of affordability provided by both programs are particularly problematic, as low income households are more likely to live in homes with leaks and inefficiencies – which leads to higher usage and monthly bill amounts. Such high bills disproportionately impact larger and/or multi-generational households, making low income households with these compositions particularly subject to unaffordable monthly bills. Similar to Mr. Geller's observations in PAWC's rate proceeding, I note that, water usage varies significantly by the size of the household. It is therefore critical to ensure that rate assistance is individualized to the household based on their ability to pay.

Q: Do you have any recommendations related to Aqua's CAP and PAWC's BDP?

A: Yes, I recommend that if the Commission approves the Merger, it should condition approval on a requirement that Aqua and PAWC transition their tiered discount programs

[189] CAUSE-PA St. 1 at Exhibit 2, attached hereto at Appendix D.

to a PIP structure to ensure that Program participants can access consistent levels of affordability in their monthly water/ wastewater bills. Importantly, CAUSE-PA's witness in PAWC's current rate proceeding similarly recommended that PAWC transition to a PIP structure. This PIP structure should be based on affordability benchmarks of **combined** water/ wastewater burdens of no more than 4% (2% for water and 2% for wastewater) and should be designed to ensure that those with the lowest FPL levels and higher usage levels can nevertheless achieve affordable monthly bills. Implementing a PIP structure is particularly important given the requests before the Commission for increases to base rates by Peoples and PAWC, which will likely increase low income customers monthly bill amounts without further mitigation. I recommend that the Commission require that PAWC and Aqua file a Joint Petition to transition their separate programs to a PIP for their bill discount programs no later than one year from the date of closing. In advance of this filing, I recommend that this Petition be designed in consultation with the Companies' respective assistance advisory groups, and that the respective Companies consider feedback from advisory group members in good faith when designing their Joint Petition. In addition, I recommend that Aqua and PAWC propose to recover the costs of implementing and operating these programs from all ratepayers, consistent with the understanding that all ratepayers benefit from the ability of low income customers being able to pay their bills and remain connected to service.[190]

[190] Many universal service program participants are employed but do not receive a wage adequate to afford basic necessities. See, e.g., MIT's Living Wage Calculator for Pennsylvania (a one adult, one child household would need to earn $42.30/hour to earn a wage that could cover basic expenses in PA, but the minimum wage in PA is $7.25/hour), available at: https://livingwage.mit.edu/states/42 (last visited May 14, 2026). Low income customers who face utility insecurity often struggle with physical health issues, as well as heightened levels of stress, anxiety, and depression, and most take off work to address utility issues – all of which impacts business and other societal institutions. See NCLC, Water Affordability Advocacy Toolkit, at 10, available at: https://www.nclc.org/resources/water-affordability-advocacy-toolkit/ (last visited

Q: Do you have any recommendations related to the Companies' arrearage forgiveness assistance offerings in the context of this Merger?

A: Yes. I recommend that the Commission require as a condition of the Merger that each of the Companies reform their arrearage forgiveness assistance provided to low income customers so that customers are eligible for forgiveness over a period of no more than 24 months. Specifically, I recommend that this structure provide arrearage forgiveness amounts equal to 1/24th of the total balance owed for each in full payment made or $40 per month, whichever is greater. This would ensure that households get no less than they receive now but also have an opportunity to receive forgiveness for all of their debt within a reasonable period.

Peoples currently provides its CAP customers with arrearage forgiveness related to pre-CAP debt in the amount of 1/36 when the customer makes their required CAP payments, so that CAP customers are able to retire their pre-program balances over the course of three years.[191] Aqua also provides customers enrolled in its CAP with arrearage forgiveness. However, instead of a percent forgiveness amount, a customer who makes their CAP payments is eligible for $40 towards their pre-program arrears.[192] PAWC offers arrearage assistance through its H2O arrearage forgiveness program (AFP), which

May 14, 2026) (discussing the severe impacts of rising water costs on households and communities, including economic hardship and mental stress); Dahlia Rockowitz, Chris Askew-Merwin, Malavika Sahai et al, Household Water Security in Metropolitan Detroit: Measuring the Affordability Gap, University of Michigan Poverty Solutions (Aug. 2018) at 4, available at: https://poverty.umich.edu/files/2018/08/PovertySolutions-PolicyBrief-0818-r2.pdf (last visited May 14, 2026) (correlation between water insecurity, psychological distress, and impacts on work as a result of bill unaffordability); see also, Diana Hernadez, Understanding 'energy insecurity' and why it matters to health, Social Science & Medicine, Volume 167, October 2016, available at: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5114037/ (last visited May 14, 2026) (similar utility insecurity stress with energy). Universal service programs also help utilities to control uncollectible expenses, which benefits all ratepayers.

[191] JA Response to CAUSE-PA 2-4, Attachment 1, EU. Peoples USECP, 2019-2024 Docket Nos. M-2018-30033177 and M-2020-3021343, p. 9, attached hereto at Appendix B.

[192] JA Response to CAUSE-PA 2-4, Attachment 2, EU, at 3, attached hereto at Appendix B.

provides $25 credit each month if payment is received through the H2O BDP plus a $5 copayment by the customer.[193]

I am concerned that the current level of arrearage forgiveness is not adequate to timely address low income customers need for arrearage forgiveness. Without robust arrearage forgiveness offerings, customers cannot adequately manage their monthly bills and realize improved affordability touted by the proposed Merger. The following Chart shows the average arrearage levels carried by CAP/BDP participants for each of the Companies from 2023 to 2025:

Table 13: Average Arrearage CAP/BDP Customers

	Peoples CAP[194]	**Aqua CAP[195]**	**PAWC BDP[196]**
2023	$837.26	$120.13	$390.64
2024	$685.62	$170.00	$371.18
2025	$676.78	$91.17	$224.67

I note that CAUSE-PA witness, Harry Geller, raised similar concerns related to PAWC's arrearage forgiveness assistance in his direct testimony submitted I the recent PAWC rate proceeding.[197] In that proceeding, Mr. Geller recommended that PAWC transition to a percent forgiveness program structure whereby a program participant would have their arrearages forgiveness in the amount of 1/24 each month.[198]

I recommend that each of the Companies, PAWC included, be required to transition to a 24-month percent arrearage forgiveness structure to better address the

[193] JA Response to CAUSE-PA 2-4, AW, attached hereto at Appendix B.
[194] JA Response to CAUSE-PA 2-23, Attachment 1, EU, attached hereto at Appendix B.
[195] Id.
[196] JA Response to CAUSE-PA 2-23, Attachment, AW, attached hereto at Appendix B. As of Dec. 2023; Dec. 2024, and Nov. 2025 (last reported month).
[197] 2025 PAWC BRC, CAUSE-PA St. 1 (Geller) at 47.
[198] Id. at 47-48.

arrearages of CAP/ BDP participants. The limitation on this would be that an enrolled household should get at least $40 per month in forgiveness credit so that households with low balances can have their arrears retired more quickly than 24 months/ Aqua and PAWC's current structure is based on flat credit amounts and fails to adequately account for higher level of arrears that Program participants may carry. For example, as Mr. Geller noted in his direct testimony in PAWC's recent rate proceeding, based on 2025 data, it would take more than 41 months for wastewater customers to fully retire their arrears under PAWC's current structure.[199] In addition, I recommend that the Companies be required to grant forgiveness for each in full payment even if that payment is not made timely. Because of the challenges associated with managing payments for households with insufficient income, a timeliness requirement ends up being punitive rather than an incentive.

Q: Do you have other recommendations related to the Companies' CAPs/BDPs so that low income customers can realize tangible benefits from the Merger, if approved?

A: Yes. I recommend that the Companies be required to reform how customers are referred to and can enroll in the Companies' CAPs/ BDPs. As discussed, the Joint Applicants' witness, Ms. Arnold, touts substantial technological benefits from the proposed Merger, including future integration of their customer information systems.[200] However, the specifics around these technological benefits are not defined, and it is unclear when – if at all – integration of the Companies' systems will occur.

[199] Id. at 47.
[200] JA St. 3 at 10-11.

To better require that the Merger produce these touted technology and system integration benefits, I recommend that the Companies be required to allow for cross referral and enrollment across the Companies' universal service programs for households who are served by more than one of the Companies. As discussed in detail above, only a fraction of customers known by the Companies' to be eligible for assistance are enrolled in the Companies' available discount programs. For example, PAWC reports that, as of 2025, only about 30% of CLI customers were enrolled in CAP;[201] Aqua similarly reports that as of 2025, only about 36% of customers confirmed to be low income have enrolled in CAP.[202] I recommend that the Companies take steps to integrate their systems so that they can better share information related to low income status and assistance program enrollment, and increase their efforts to enroll customers identified as low income in needed assistance. It appears that the Companies all use the SAP platform for their customer information systems.[203] These system similarities should allow the Companies to better coordinate identification of customers who are likely eligible for assistance.

Importantly, each of the Companies indicates that its CAP program is administered through Dollar Energy Fund (DEF).[204] The Companies indicates that their Company representatives will refer customers over to DEF to determine eligibility for assistance, and to enroll in available assistance, including the Companies' respective CAP/BDPs.[205]

[201] JA Response to CAUSE-PA 4-26, Attachment, AW, attached hereto at Appendix B. (data as of Nov. 2025)
[202] JA Response to CAUSE-PA 4-21, Attachment 1, EU, attached hereto at Appendix B; JA Response to CAUSE-PA 2-16, Attachment 1, EU, attached hereto at Appendix B.
[203] JA Response to OCA 6-3, AW, attached hereto at Appendix B. JA Response to OCA 6-3, EU, attached hereto at Appendix B.
[204] JA Response to CAUSE-PA 4-15, AW, attached hereto at Appendix B; JA Response to CAUSE-PA 4-15, EU, attached hereto at Appendix B.
[205] JA Response to CAUSE-PA 4-15, AW, attached hereto at Appendix B; JA Response to CAUSE-PA 4-15, EU, attached hereto at Appendix B.

The Companies should be required to standardize enrollment criteria and allow their Program administrator to enroll a customer in all eligible programs via one application, this should also allow for streamline processes for referral of customers who are identified as low income and in need of assistance by the Companies.

I note that, in response to discovery, the Joint Applicants appear to argue against the use of common systems to identify and enroll low income customers in assistance. Specifically, Essential alleges customer confidentiality will make it unable to share information without customer consent.[206] Instead, Essential points to DEF – which they explain can utilize documents previously provided for one utility by customers to enroll and recertify customers in assistance.[207] The Companies make this more complicated than it is or should be. There is no reason why all the Companies cannot modify their application for assistance and ask whether the information from the application (which I recommend be the same for all of the Companies) can be used to enroll the customers in other assistance programs for their sister Companies. This would mean that a household would only have to fill out one application and possibly be enrolled in three assistance programs across three utilities (gas, water and wastewater). Additionally, regarding the Joint Applicant's confidentiality concerns, I note that PAWC has already adopted a common application for (approved at Docket No. M-2023-3038944), which allows customers to consent to data sharing.[208] While American Water indicates in response to discovery that this type of information may be contemplated in future

[206] JA Response to CAUSE-PA 5-5, EU, attached hereto at Appendix B.
[207] Id.
[208] JA Response to CAUSE-PA 5-5, AW, attached hereto at Appendix B.

integration discussions,[209] these allegations do not rise to the level of tangible commitments without the specificity that I am recommending.

The changes I recommend in this section should be made within one year of closing and should be incorporated into the Joint Petition that I recommend for the other improvements to the Companies BDP/CAP and AMP programs.

2. Hardship Fund

Q: Please describe each of the Companies' Hardship Funds.

A: Aqua Aid serves as Aqua's Hardship Fund, and provides grant assistance up to $500 for customers with household incomes at or below 200% FPL but provides for some flexibility up to 250% FPL for special needs customers; for example, older or disabled customers.[210] Peoples' Hardship Fund provides maximum grant levels of $500 for customers with household income at or below 200% FPL.[211] PAWC provides hardship fund grants through its H2O (Help to Others) program for households at or below 250% FPL.[212] Customers are eligible for multiple grants per program year, up to the grant maximums of $500 for water and $500 for wastewater.[213] Aqua Aid, Peoples' Hardship Fund, and PAWC's H2O Hardship Fund are all administered through Dollar Energy Fund (DEF).[214]

[209] Id.
[210] JA Response to CAUSE-PA 2-4, Attachment 2, EU, attached hereto at Appendix B.
[211] JA Response to CAUSE-PA 2-4, Attachment 1, EU, attached hereto at Appendix B. See also Peoples Hardship Program DEF, available at: https://www.dollarenergy.org/program/peoples-pennsylvania-hardship-program/. (last visited May 15, 2025).
[212] JA Response to CAUSE-PA 2-4, AW, attached hereto at Appendix B.
[213] Id.
[214] See, e.g., Peoples Hardship Program DEF, available at: https://www.dollarenergy.org/program/peoples-pennsylvania-hardship-program/. (last visited May 15, 2025).

Q: Are the Companies Hardship Funds adequate to meet the need for grant assistance amongst its customers?

A: No. First, for Peoples, the following Table represents the number of Peoples customers who received a hardship fund grant, and the average amount of hardship fund grants received by these customers, in calendar years 2024 and 2025. In both years, Peoples exhausted its total hardship funding:[215]

Table 14: Peoples Number of Grants and Average Amount[216]

	Number Customers who received grant	Average Grant Amount
2024	3,794	$383.30
2025	3,668	$407.47

The number of customers who received a hardship grant is well out of line with evidenced need for grant funding by Peoples' low income customers. Consider that 2025, Peoples reports a total of 3,668 customers who received a hardship fund grant - yet there were 10,772 Peoples' confirmed low income customers who had their service terminated in 2025 for nonpayment.[217] In addition, Peoples exhausted its hardship fund in September 2024 and in 2025 it ran out of money sometime in June of that year.[218] The dollar amounts are clearly inadequate to meet expressed need.

Funding for Aqua's Hardship Fund is also insufficient to address identified need. Table 15 shows the number of Aqua customers who received a hardship fund grant in calendar years 2024 and 2025, and the average grant amount received by these customers:

[215] JA Response to CAUSE 3-2, EU, Attachment 1, attached hereto at Appendix B.
[216] JA Response to CAUSE 3-2, EU, Attachment 1, attached hereto at Appendix B.
[217] JA Response to CAUSE 2-19, EU, attached hereto at Appendix B.
[218] JA Response to CAUSE 3-2, EU, Attachment 1, attached hereto at Appendix B. It appears based on this response that Peoples re-funds its hardship fund each October.

Table 15: Aqua Number of Grants and Average Grant Amount [219]

	Number Customers who received grant	Average Grant Amount
2024	204	$589
2025	459	$533

Despite only giving out 459 hardship fund grants in 2025, Aqua terminated service to 3,364 confirmed low income customers for nonpayment that year.[220]

PAWC's Hardship Fund appears to provide only limited assistance to its low income customers as well. Table 16 shows the number of PAWC customers who received a hardship fund grant in calendar years 2024 and 2025, and the average grant amount received by these customers:

Table 16: PAWC Number of Grants and Average Grant Amount (2024, 2025) [221]

	Number Customers who received grant	Average Grant Amount (Water)	Average Grant Amount (WW)
2024	1,754	$403	$394
2025	4,862	$332	$346

Like Aqua and Peoples, PAWC's grant amounts are inadequate to address the needs for grant assistance because of the underlying unaffordability of PAWC's rates for its low income customers. For example, 9,922 confirmed low income customers had their services terminated for nonpayment in 2025 (through November),[222] while only 4,862 low income customers received a hardship fund grant during that same period.

Each of the Companies' Hardship Fund programs appear to have insufficient funds to address the need for grant assistance by its customers. The following Table compares

[219] JA Response to CAUSE 3-2, EU, attached hereto at Appendix B. See also JA Response to CAUSE 3-2, EU, Attachment 1, attached hereto at Appendix B.

[220] JA Response to CAUSE 2-19, Attachment 2, EU, attached hereto at Appendix B.
[221] JA Response to CAUSE-PA 3-2, Attachment, AW, attached hereto at Appendix B, citing PAWC 2025 BRC, PAWC Response to CAUSE-PA 1-17, Attachment, attached hereto at Appendix B.
[222] JA Response to CAUSE-PA 2-19, Attachment, AW, attached hereto at Appendix B.

the 2025 funding levels for each of the three Companies, compared to the total reported arrearages of low income customers:

Table 17: Hardship Funds v. Total CLI Arrearages (2025)[223]

	Hardship Fund Amount[224]	Total CLI Arrearages
Aqua	$179,439	$7,704,801
Peoples	$1,282,682	$38,821,887
PAWC	$1,654,741	$23,880,399[225]

I am particularly concerned about the disparity for available funding for PAWC, American Water's only affiliated operating Company in Pennsylvania. In 2025, PAWC's total arrearage balance of its low income customers was more than 14 times the amount of assistance provided by its hardship fund. I am concerned that if Aqua and Peoples are brought under same corporate umbrella that similar disparities may emerge. Since it appears that the primary beneficiary of their merger, as constructed, will be the shareholders rather than the customers, and since the Companies' hardship funds are funded substantially through shareholder donations rather than through rates,[226] it is important to ensure that shareholders contribute more to these funds. It is squarely contrary to the public interest and the public benefits standard set forth in this proceeding to approve a Merger which would confer substantial benefits to the resulting merged entity without addressing the substantial need for grant assistance of the Companies' customers.

[223] JA Response to CAUSE-PA 2-23, Attachment 1, EU, attached hereto at Appendix B; JA Response to CAUSE-PA 2-23, AW, attached hereto at Appendix B, citing PAWC 2025 BRC, PAWC Response to CAUSE-PA 1-35, Attachment, attached hereto at Appendix B.
[224] JA Response to CAUSE-PA 3-2, Attachment 1, EU, attached hereto at Appendix B. For Aqua and Peoples, as of 2025 funding agreement additions. JA Response to CAUSE-PA 3-2, Attachment, AW, attached hereto at Appendix B.
[225] As of January 2025.
[226] JA Response to CAUSE-PA 3-2, AW and EU, attached hereto at Appendix B.

Q: What is your recommended condition of approval as it relates to the hardship fund?

A: To address the substantial need for grant assistance amongst the Companies' low income customers, I recommend that, if the Merger is approved, the Commission require each of the Operating Companies to increase their funding levels by at least 30% over existing levels and be maintained for not less than 10 years. I also recommend that these additional funds not be recoverable against the Companies' ratepayers and that this increase should be in addition to any increase in hardship funding ordered or agreed to in the context of other proceedings, particularly base rate increase proceeding by the Companies which are currently pending before the Commission.

3. Peoples Low Income Usage Reduction Program (LIURP)

Q: Please describe the Peoples' LIURP Program.

A: Peoples' LIURP is a critical universal service program designed to work in tandem with CAP to help reduce high usage attributable to home energy inefficiencies that low income households cannot afford to address on their own.[227] The program achieves this purpose by conserving energy, reducing bills, improving payments, decreasing collections costs, reducing peak demand, and improving home health, safety, and comfort.[228]

[227] 52 Pa. Code § 58.1.

[228] 66 Pa. C.S. § 2202 ("Policies, practices and services that help residential low-income retail gas customers and other residential retail gas customers experiencing temporary emergencies, as defined by the commission, to maintain natural gas supply and distribution services. The term includes retail gas customer assistance programs, termination of service protections and consumer protection policies and services that help residential low-income customers and other residential customers experiencing temporary emergencies to reduce or manage energy consumption in a cost-effective manner, such as the low-income usage reduction programs and consumer education"); 52 Pa. Code § 58.1.

Peoples LIURP is a vitally important program when accessible to low income customers, and results in meaningful usage reduction for participating households. For example, for homes weatherized through LIURP in 2023, the percentage saved for Peoples Natural Gas was 12.7% while the percentage saved for Peoples Gas was 8.13%.[229]

In addition, Peoples also operates its LIURP Peoples Emergency Furnace/House and Service Line Repair Program (ERP).[230] This Program is designed to serve customers with limited income from going through the winter months without heat because they cannot afford to have their furnace or service lines repaired.[231] This Program may also cover the replacement or repair of water heaters based on customer needs, as well certain safety issues which may arise during ERP services.[232]

Q: Is Peoples' LIURP performing adequately to achieve the goals and objectives of the program?

A: No. Despite the potential for the program to provide meaningful savings to low income households, Peoples' LIURP serves relatively few households compared to identified need. Despite the importance of this Program, Peoples LIURP has only reached a fraction of those customers in need of usage reduction services.[233] Peoples reports that it produces a LIURP report annually that identifies potential eligible accounts based on income and usage information.[234] Based on this report, Peoples identifies 5,860

[229] JA Response to CAUSE-PA 3-19, EU, attached hereto at Appendix B.
[230] Peoples 2019-2024 USECP at 22, available at: https://www.puc.pa.gov/media/3267/peoples_usecp_2019-2024_revised112224.pdf. (last visited May 15, 2026)
[231] Id.
[232] Id.
[233] JA Response to CAUSE-PA 3-18, EU, attached hereto at Appendix B.
[234] Id.

households as potentially LIURP eligible.[235] However, only a fraction of these households have received LIURP services in recent years:

Table 18: Peoples LIURP Budget and Households Served[236]

Peoples	Annual Budget	Annual Spent	Customers Served
2023	$3,998,923	$3,888,328	317
2024	$3,153,252	$2,468,889	185
2025	$4,184,363	$2,717,240	169

At this rate, it would take roughly 19 years to weatherize all eligible customers.[237] Similarly, Peoples Emergency Repair Program (ERP) does not meet the wide gap in need for usage reduction assistance:

Table 19: Peoples ERP Budget and Customers Served[238]

	Annual Budget	Annual Spent	Customers Served
2023	$1,042,938	$786,288	211
2024	$1,068,975	$1,296,693	336
2025	$1,500,000	$1,853,017	373

Even when taking into consideration the customers who Peoples has served under the ERP – 920 over the last three calendar years – it appears that only a small number of low income customers have been able to access usage reduction or repair services compared to the level of stated need for these services.

Thus, despite current underspending of Peoples LIURP and ERP, I am concerned that there is a substantial unmet need for usage reduction and repair services by Peoples' low income customers. This unmet need directly impacts low income customers' ability

[235] Id.
[236] JA Response to CAUSE 2-6, Attachment 1, EU, attached hereto at Appendix B.
[237] JA Response to CAUSE-PA 3-18, EU, attached hereto at Appendix B.
[238] JA Response to CAUSE 2-6, Attachment 1, EU, attached hereto at Appendix B. See also, JA Response to CAUSE-PA 5-7, Attachment 1, EU, attached hereto at Appendix B.

to afford and stay connected to services – and, in turn, whether these customers can realize any tangible affordability benefits as a result of the proposed Merger.

Q: Are the Joint Applicants' proposing any changes to the Peoples' LIURP or ERP within the context of this proceeding?

A: No.

Q: Why is it important to examine Peoples LIURP in the context of this proceeding?

A: Along with carrying higher termination rates and arrearage levels compared to residential customers overall, Peoples low income customers also have substantially higher average usage levels compared to residential customers, as shown by the following Table which results in higher bills:

Table 20: Mean Usage Residential v. CLI Customers (MCF)[239]

Year	Residential Customers	Confirmed Low Income Customers
2023	69.7	71.3
2024	65.8	68.3
2025	77.8	79.4

Low Income customers often lack control over their usage. Most low income households are unable to afford the costs of repairs and improvements necessary to stem high consumption which lead to increased usage levels and higher monthly bills. Thus, low income customers are often charged higher bills but do not have the resources to afford them, leading to higher arrearage which, in turn, contribute to disproportionate termination rates for low income customers. To help Peoples' struggling low income

[239] JA Response to CAUSE-PA 4-31, Attachment 1, EU, attached hereto at Appendix B.

customers to recognize tangible and substantial benefits as a result of the Merger it is imperative that these low income customers can access robust usage reduction and repair services so that they can better maintain gas services in their homes.

Q: What are your recommended conditions for approval of the Merger related to Peoples' LIURP/ ERP?

A: As a condition of the Merger, Peoples should be required to increase its LIURP budget to serve more households. While an increase that would allow it to serve all the eligible households in it needs assessment within a reasonable amount of time may not be tenable given the cost increase involved, some increase is warranted. I recommend that Peoples make a substantial movement toward a more reasonable target for weatherizing all available households and increase its LIURP budget by $1,500,000 to a total of $5,000,000 annually as well as increasing its ERP budget by 20%. While this increase will not fully address the clear unmet need for these important programs, it will help prevent the program from falling further behind in addressing unmet need for usage reduction assistance. This will help to improve the availability of LIURP services to better meet increased demand for assistance to help reduce monthly energy use and, in turn, reduce monthly bills.

4. Aqua and PAWC's Usage Reduction/ Repair Programs

Q: Please briefly describe Aqua and PAWC usage reduction and repair assistance programs.

A: Aqua maintains a leak repair and conservation programs, which provides for the full cost of household leaks for income qualified customers at or below 200% FPL. Conservation kits are provided to all customers receiving a leak repair, as well as any

income qualified customer who requests a kit.[240] Aqua's leak repair program is available to low income customers, and covers the full cost of needed repairs for both outdoor service lines and inside leaks for confirmed low income customers who provide documentation of proof of income, proof of homeownership and a signed landlord permission form, where applicable.[241] Aqua's leak repair and conservation kit programs are recovered through residential distribution rates. In Aqua's last rate proceeding, the following budgets were approved related to this program: $75,000 service line repairs; $175,000 for inside leak repairs and $50,000 for conservation kits.[242]

PAWC maintains conservation and education kit offerings, which require enrollment in the BDP, and provide Water saving devices and conservation education.[243]

Q: Do you have any concerns about the current coordination of Aqua and PAWC's Usage Reduction/ Repair Programs?

A: Yes. As a threshold matter, I am concerned that the proposed Merger may impact efforts to support and promote conservation, which in turn helps customers better control their monthly bills. In an assessment of risks set forth in the Exhibit F to the Joint Application, it is stated that there has been a general decline in water usage because of customer conservation efforts, and the availability of efficiencies. Similarly, these stated risks note that, over time, average customer gas consumption has declined, including because of the availability of energy efficient appliances and measures.[244]

[240] JA Response to CAUSE-PA 2-4, EU, attached hereto at Appendix B.
[241] JA Response to CAUSE-PA 3-13, EU, attached hereto at Appendix B.
[242] JA Response to CAUSE-PA 2-8, EU, attached hereto at Appendix B.
[243] JA Response to CAUSE-PA 2-4, AW, attached hereto at Appendix B.
[244] Joint Application at Exhibit F, at p. 25.

I note that PAWC does not maintain a customer-side service line repair assistance program or a customer-side leak repair assistance program.[245] PAWC provides conservation kits and conservation education materials to H2O program participants who affirm they want to receive a kit, with the cost of the conservation kits is funded through base rates.[246] In 2025, the amount spent on purchasing conservation kits was $60,526,[247] with 971 customers receiving kits that year (as of November 30, 2025).[248] PAWC has been steadfast in their refusal to operate a comprehensive leak repair program.

Providing these conservation kits to H2O participants upon request does not substitute for a comprehensive line/ leak repair and usage reduction program. Low income customers most often lack any discretionary income and cannot reasonably afford the high costs of necessary repairs – including to customer-side service lines. When faced with a high-cost repair, many low income households, unable to make repairs, see their bills increase and soon face involuntary termination. It is essential that PAWC provide robust assistance to address need for repair assistance amongst its low income customers.

I believe that PAWC should be required to develop and implement a comprehensive conservation and leak and line repair/replacement program available to all customers at or below 250% FPL. A comprehensive conservation and leak repair/replacement assistance program will help to reduce wasteful and expensive usage and control H2O program costs. With the existing unaffordability at current rates, the

[245] JA Response to CAUSE-PA 3-13, AW, attached hereto at Appendix B.
[246] JA Response to CAUSE-PA 2-8, AW, attached hereto at Appendix B.
[247] JA Response to CAUSE-PA 2-6, AW, attached hereto at Appendix B. JA Response to CAUSE-PA 2-8, AW, attached hereto at Appendix B.
[248] JA Response to CAUSE-PA 2-6, AW, attached hereto at Appendix B.

substantial rate increase that PAWC is proposing, and the comparatively high usage among its low income customers, a comprehensive water efficiency and leak repair program is essential to mitigate the costs of unaffordability both at existing and proposed rates for its low income customers. While I stand strongly by this recommendation, I note that witness for CAUSE-PA in PAWC's current rate proceeding, Harry Geller, set forth recommendations that PAWC develop this comprehensive Program. I support these recommendations.

In addition, I recommend that Aqua be required to better coordinate referral and enrollment in their usage reduction/ repair programs. I am particularly concerned that Aqua appears to be greatly underspending related to its leak repair program.

In 2025, Aqua began usage reduction tracking of its leak repair program with such tracking occurring typically 90 days following the measures. [249] Aqua reports a total usage reduction savings in 2025 of 115,400 gallons.[250] Despite the important savings derived from this program, I am concerned about the underspending of Aqua's leak repair program:

Table 21: Aqua PA Leak Repair Program Budget and Spending[251]

	Budget	Spent (including admin)
2023	$100,000.00	$13,754.00
2024	$100,000.00	$59,688.49
2025	$300,000.00	$67,192.21

Aqua has spent only a small portion of its available funds for this Program over the last several years. When asked how it informs its customers about its leak repair and conservation assistance offerings, Aqua cites to a number of outreach efforts, including

[249] JA Response to CAUSE-PA 3-19, EU, attached at Appendix B.
[250] JA Response to CAUSE-PA 3-19, EU, attached at Appendix B.
[251] JA Response to CAUSE-PA 2-6, Attachment 1, EU, attached at Appendix B.

through social media, door dangers, and by training CSRs to identify and refer customers for assistance.[252] However, there is no indication that Aqua is engaging in broader screening on customers, particularly low income customers with high usage so that these customers can be referred to and ultimately access this Program. It also appears that Aqua's coordination of its usage reduction and leak repair offerings is limited. Aqua indicates that it does not coordinate with utility LIURPs, or any state/ local usage reduction programs, though they do cite a recent presentation that they made to the WAP network.[253]

Q: Do you have any recommendations related to PAWC and Aqua's usage reduction/ repair offerings?

A: Yes. First, to the extent that PAWC is not required to implement a comprehensive usage reduction and repair program in the context of its base rate proceeding as recommended by CAUSE-PA and its witness, Mr. Geller, I recommend that the Commission direct PAWC to implement these recommendations in the context of this proceeding. A comprehensive conservation and line repair program is essential to mitigate the costs of unaffordability, and to helping low income customers stay connected to essential water services so that they can realize meaningful benefits as a result of the Merger. Low income households are more likely to live in older homes with inadequate, damaged, or leaky plumbing/ fixtures – and may experience higher usage levels as a result.[254] These households are less likely to be able to afford to fix leaks, damaged plumbing or customer-side service lines, or purchase and install water efficiency

[252] JA Response to CAUSE-PA 3-14, EU, attached hereto at Appendix B.
[253] JA Response to CAUSE-PA 3-29, EU, attached hereto at Appendix B.
[254] JA Response to CAUSE-PA 4-31, Attachment 1, EU, attached hereto at Appendix B. JA Response to CAUSE-PA 4-31, Attachment, AW, attached hereto at Appendix B.

devices.[255] The amount of water necessary to meet basic needs therefore varies significantly for each family – based not only on household composition, but also on the quality and condition of their home. As such, it is essential that PAWC and Aqua's customers can readily be matched with usage reduction and repair assistance necessary to staying safe and healthy in their homes.

I also recommend that the Companies be required to better coordinate their usage reduction program offerings with one another. As discussed, Aqua indicates that it does not coordinate with utility LIURPs, or any state/ local usage reeducation programs, though they do cite a recent presentation that they made to the WAP network.[256] Moreover, PAWC's current usage reduction offerings are limited to conservation kits with low cost gadgets, like low flow faucet aerators, that are only offered through existing H2O program participation, limiting the scope of those customers who can access these services and the ability to drive meaningful savings.

As such, I recommend that PAWC and Aqua be required to more broadly coordinate their usage reduction and repair services. I particularly recommend that each of the Pennsylvania Companies involved in the Merger – including PAWC – be required to coordinate when customers present high usage across utility types. This coordination should eliminate customers providing duplicative information across the Companies, including information related to household income and renter status. I similarly

[255] Gary Adamkiwicz et al., Moving Environmental Justice Indoors: Understanding Structural Influences on Residential Exposure Patterns in Low Income Communities, 101 Am. J. Public Health 238-245 (2016), available at: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3222513/ (last visited May 15, 2026) (finding that low income households have a higher likelihood of inside water leaks, which in turn leads to increased mold and moisture in the home that can cause or complicate the health of family members); see also US Dep't of Health, Office of Disease Prevention & Health Promotion, Social Determinants of Health: Quality of Housing (2020), available at: https://health.gov/healthypeople/priority-areas/social-determinants-health/literature-summaries/quality-housing. (last visited May 15, 2026)

[256] JA Response to CAUSE-PA 3-29, EU.

recommend that Aqua and PAWC be required to coordinate their program offerings with Peoples LIURP and Act 129 programs so that eligible customers can be referred to these programs and ultimately access assistance. This increased coordination should include a plan for how low income customers can receive additional measures to improve efficiency/ conservation which are not duplicative of current conservation and kit offerings. These recommendations for increased coordination of Programs will help the Companies' customers to realize the promised operational synergies which the Joint Applicants allege will result from the proposed Merger, and connected customers in need of usage reduction and repair services with appropriate assistance.

5. Universal Service Plans

Q: Do you have any other recommended reforms to the Companies' universal service programs to ensure that the Companies' low income customers can access benefits as a result of the proposed Merger?

A: Yes, I recommend that the Commission require PAWC and Aqua to develop and submit comprehensive Universal Service Plans for periodic Commission review and approval. As discussed above, if the Merger is approved, a significant number of Pennsylvania residential water/ wastewater will receive services from one of the resulting operating Companies, including significant numbers of low income customers. Despite the large swath of customers who would be served by these operating Companies, Aqua and PAWC do not maintain a comprehensive Universal Service Plan. I understand that Aqua and PAWC are not required by statute or Commission regulation to submit periodic plans related to their universal service programs to the Commission for review and approval. However, the absence of these plans leaves a substantial gap for the

Commission, consumers and consumer advocates, who must rely on the Companies' tariffs, as well as information pieced together from various websites, outreach materials, and Commission orders to determine important aspects related to the Companies' universal service programs. For example, there is no central place for the Commission, consumers, or advocates to reference basic facts about Aqua or PAWC's universal service program eligibility, rate discounts, grant programs, and enrollment processes. This causes confusion on the part of consumers and advocates, and hampers customers' ability to ultimately enroll in needed assistance programs. I therefore recommend that Aqua and PAWC be required to file Universal Service Plans and accompanying Petitions for Commission review and approval within one year of the final Order in this case.

I further recommend that these Plans include detailed Consumer Education and Outreach Plans (CEOP) as a component of the Companies' filings in line with jurisdictional EDCs and NGDCs who are required to submit periodic universal service plans to the Commission. The CEOP component of PAWC and Aqua's Universal Service Plans should include quantitative goals related to affirmative customer outreach for the purpose of enrolling customers in available universal service programs. As discussed above, there is a sizable under enrollment in PAWC and Aqua's universal service programs. This affirmative outreach should include telephone contacts, mailings, and forms of electronic communication (with customer consent). PAWC and Aqua should also be required to track and report relevant data regarding its progress to their respective Advisory Groups to help refine outreach efforts based on data-driven analysis of outcomes. I recommend that this CEOP be filed as a component of Aqua and PAWC's respective Universal Service Plans within one year of the final order in this case. I similarly

recommend that PAWC and Aqua be required to consult with their respective Advisory Groups related to the content of the CEOP prior to filing, and to consider the feedback from these Groups related to the same in good faith.

G. Reconnection Fees

Q: Please describe the Companies reconnection fees for residential customers.

A: Peoples reconnection fee is $56 for residential customers. This fee is waived for low income customers.[257] Peoples further indicates that its customer service representatives are trained to update income and occupancy information from all customers during the reconnection process, so that if they are identified as at or below 150% FPL, the reconnection fee is automatically waived.[258]

Aqua PA's reconnection fee is $50 for residential customers. While customers requesting a waiver of a reconnection fee will have these requests reviewed by Aqua's collection department, there is no indication that low income customers regularly are permitted to waive these fees or informed of the potential that the fee may be waived.[259]

PAWC charges $30 for a reconnection fee, which is applicable to all customers and does not vary based on low income status.[260]

Q: Are the Companies proposing any changes related to its reconnection fees in the context of this proceeding?

A: No.

[257] JA Response to CAUSE-PA 2-30, EU, attached hereto at Appendix B.
[258] JA Response to CAUSE-PA 4-9, EU, attached hereto at Appendix B.
[259] JA Response to CAUSE-PA 2-30, EU, attached hereto at Appendix B. JA Response to CAUSE-PA 4-9, EU, attached hereto at Appendix B.
[260] JA Response to CAUSE-PA 2-30, AW, attached hereto at Appendix B.

Q: Do you believe that it is important to address reconnection fees in the context of this proceeding?

A: Yes. As discussed above, low income customers have markedly higher termination rates compared to residential customers. By facing higher rates of termination than other income groups, low income customers bear a greater portion of the costs of termination. As a result, low income customers have also historically paid larger portion of reconnection fees. Available data reveals that low income customers disproportionately bear these reconnection fees.

In response to discovery, PAWC indicates that it does not track and is not able to report on how many reconnection fees were assessed to confirmed low income customers, though it reports that it assessed 7,868 reconnection fees in 2025 to residential customers, with a total of $236,040 dollars assessed in these reconnection fees in that same year.[261] However, Aqua does appear to track information related to reconnection fees assessed to low income customers. Available data reveals that low income customers represent a significant portion of those customers who have been assessed reconnection fees in recent years:

[261] JA Response to CAUSE-PA 4-8, Attachment 1, AW, attached hereto at Appendix B.

Table 22: Aqua - CLI v. R Reconnection Fees[262]

Year	Residential. Recon. Fees Assessed	CLI Recon. Fees Assessed	% CLI of R Recon. Fees Assessed	Total $, Recon. Fee, R.	Total $, Recon. Fee, CLI	% CLI of R Recon. Fees Dollars
2023	4,988	2,380	48%	$245,300.00	$117,700.00	48%
2024	5,646	2,346	42%	$280,754.92	$114,425.00	41%
2025	6,028	2,465	41%	$296,750.00	$122,000.00	41%

As the above Table shows, despite only comprising approximately 6% percent of Aqua's residential customers in 2025,[263] Aqua's CLI customers represent between 41% and 48% of all residential customers assessed reconnection fees in recent years.

Reconnection fees present a substantial barrier to low income customers reconnecting to services and are additive to balance amounts that these customers are asked to pay to reconnect to services. Requiring that low income customers pay these stacked costs compounds already severe unaffordability for low income customers; a customer who has their utility service terminated for nonpayment is unlikely to be able to pay a reconnection fee in addition to the debt that led termination.

Q: Do you have any recommendations related to reconnection fees for low income customers?

A: Yes. I recommend that the Commission require Aqua and PAWC to waive reconnection fees for all confirmed low income customers. Eliminating reconnection fees for confirmed low income customers will alleviate additional barriers that low income customers face when seeking to reconnect to services, and make it easier for these

[262] JA Response to CAUSE-PA 4-8, Attachment 1, EU, attached hereto at Appendix B.
[263] JA Response to CAUSE-PA 2-16, Attachment 1, EU, attached hereto at Appendix B.

financially vulnerable customers to reconnect to services essential to staying safe and healthy in their homes.

I therefore recommend that Aqua and PAWC be required to revise its tariffs, and attendant policies and procedures, to exempt confirmed low income gas customers from being required to pay a reconnection fee to reconnect to services. I further recommend that the Companies be required to revise its customer communications to inform customers of this important change. I recommend that these revisions be implemented no later than 90 days from the date of the final order in this proceeding if the Commission approve the proposed Merger.

H. Return of Realized Savings

Q: Do you have any other recommended tariff changes so that the Companies' ratepayers can realize benefits if the Merger is approved?

A: Yes. As discussed, the Joint Applicants have failed to quantify the costs savings and financial benefits to customers as a result of the Merger – or how these cost savings will be passed down to the Companies' customers, including its low income customers who are struggling to afford services.

To better quantify any cost savings which may result from the Merger, I recommend that, as a condition of the Merger, the Joint Applicants be required to separately track as a regulatory liability any cost savings or avoided costs from the Merger, including costs as a result of any Merger-related synergies, by operating Companies. If any such cost savings occur, I recommend that the Companies be required to return those cost savings to customers in their first rate case filed after closing. I

recommend that the Companies be required to consider whether such savings can be returned in the form of rate credits.

I. Most Favored State Commitments

Q: Please describe the purpose of this section of your testimony.

A: American Water identifies six other states outside Pennsylvania which have separate regulatory jurisdictions which must approved the proposed Merger.[264] Review of requests to approve the proposed Merger in these states is operating at different timeframes from the current proceeding, and some states have statutory deadlines for their respective proceedings during the first half of this calendar year.[265] The varying length of these proceedings poses equity concerns for states who complete their proceedings earlier, as parties and regulatory bodies in other states can identify conditions that were imposed on the Joint Applicants related to the proposed Merger. It is therefore unfair for states that expeditiously resolve the proposed Merger to be placed in a detrimental position because of their prompt reviews. To resolve this issue, I recommend that the Commission impose a "most favored state" (MFS) requirement if it approves the proposed Merger. This commitment would provide that, in obtaining approved of the proposed Merger is another jurisdiction, the Joint Applicants would commit to providing these additional benefits in Pennsylvania, without the need for additional approval. I recommend that this commitment be imposed based on the following details:

- On a per-customer basis, if the benefits granted or otherwise authorized in any other state regulatory jurisdiction in which the proposed Merger is under review are more beneficial than the terms provided for by the Commission in this

[264] JA Response to OCA 1-25, AW, attached hereto at Appendix B.
[265] JA Response to OCA 1-25, AW, attached hereto at Appendix B.

proceeding, then the Joint Applicants will increase or otherwise augment such benefit(s)

- The increase or augmentation of these benefits should be in an amount which is equivalent on a per-customer basis to the benefit provided in the other jurisdiction.
- This clause should not result in a reduction or depletion of any benefit(s).
- The Joint Applicants, including their operating subsidiaries in Pennsylvania, will automatically increase or augment these benefits within 6 months of the grant of these benefits in any other jurisdiction, and will provide the Commission and parties with notice via a compliance filing at the docket numbers for this proceeding.

A commitment to ensure that as the state with the largest affiliates, that Pennsylvania be treated as the "most favored state."

VI. Conclusion

Q: Please summarize your conclusions and recommendations.

A: My overarching conclusion based on my review of the Joint Applicants' filings and discovery responses is that the Joint Applicants have not set forth affirmative public benefits and the Merger should be denied. Indeed, I am concerned that the Merger will create harm, if approved, as outlined in my testimony. If the Commission nevertheless determines to approve the Merger, I recommend conditioning any approval based on the recommendations that I have set forth throughout this testimony, as well as any other complimentary conditions recommended by the other parties to this transaction.

Q: Does this conclude your direct testimony?

A: Yes.

CAUSE-PA Statement 1, Cicero

Appendix A

Resume of Patrick Cicero

Patrick M. Cicero, Esq.

patrick.m.cicero@gmail.com | 717-576-2588 (mobile)

PROFESSIONAL EXPERIENCE

PENNSYLVANIA UTILITY LAW PROJECT HARRISBURG, PENNSYLVANIA

Of Counsel, February 2025 - Present
Executive Director, July 2015 - January 2020
Co-Director, January 2013 - June 2015
Staff Attorney, January 2011 - December 2012

The Pennsylvania Utility Law Project (PULP) is a specialized legal aid office and member of the Pennsylvania Legal Aid Network. PULP's mission is to promote policies that enable consumers with low and moderate income to receive and maintain affordable utility and energy services and to live in energy-efficient homes.

As Of Counsel, in cases where I am not serving as an attorney, I provide analysis and testimony for PULP's clients in administrative proceedings before relevant state and federal agencies.

When I am not serving as a policy or technical expert, I lead the legal and policy work of the office and provide high-level legal expertise and strategic guidance to the organization. I seek to ensure that PULP's legal and policy advocacy and strategies are designed to effectively and zealously represent the interests of PULP's clients before administrative, judicial, and legislative bodies.

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE HARRISBURG, PENNSYLVANIA

Consumer Advocate, December 2021 – January 2025
(*Confirmed by the Pennsylvania Senate June 7, 2022*)

The Office of Consumer Advocate (OCA) is a state agency that represents the interests of Pennsylvania utility consumers before the Pennsylvania Public Utility Commission (PUC), federal regulatory agencies, and state and federal courts. The OCA was created by the Pennsylvania General Assembly in 1976 and is an independent office within the Office of Attorney General. As Consumer Advocate, I served as the head of the office and directed all policy and legal advocacy.

PENNSYLVANIA LEGAL AID NETWORK, INC. HARRISBURG, PENNSYLVANIA

Executive Director, January 2020 – December 2021

The Pennsylvania Legal Aid Network, Inc. (PLAN, Inc.) is a client-centered organization that provides leadership, funding, training, and support to a coordinated network of independent legal aid organizations that deliver civil legal aid to low-income Pennsylvanians and victims of domestic violence. As Executive Director, I provided strategic leadership and direction to PLAN Inc.'s activities and oversaw its advocacy, fundraising, and management.

PROFESSIONAL EXPERIENCE – CONT.

HONORABLE SYLVIA H. RAMBO, DISTRICT JUDGE HARRISBURG, PENNSYLVANIA
THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

Senior Judicial Law Clerk, May 2009 - December 2010
Judicial Law Clerk, August 2002 - August 2004

Analyzed federal and state law on civil and criminal motions in all phases of litigation. Drafted judicial opinions in response to civil and criminal motions, including motions to suppress, motions to dismiss, summary judgment, post-trial motions, and habeas corpus petitions. Drafted comments that were given by Judge Rambo at public speaking events and supervised her law clerks and judicial interns.

MIDPENN LEGAL SERVICES HARRISBURG, PENNSYLVANIA

Managing Attorney, January 2009 - April 2009
Staff Attorney, September 2004 - December 2008

MidPenn Legal Services (MidPenn) is a non-profit organization providing legal services to low-income individuals and families, the disabled, the elderly, children, and survivors of domestic violence. I led MidPenn's Consumer Unit where I focused on litigating consumer and housing cases related to anti-predatory mortgage lending and consumer bankruptcy and defended clients against unscrupulous debt collection practices.

TEACHING EXPERIENCE

MESSIAH UNIVERSITY MECHANICSBURG, PENNSYLVANIA

Adjunct Professor of General Education and Common Learning (2026-Present)
Adjunct Professor of Sociology and Criminal Justice (Periodic since 2015)
Visiting Lecturer of Sociology and Criminal Justice, August 2014 - May 2015

Courses:

General Education and Common Learning

- First Year Seminar: The poor you shall always have with you
- Law and Social Issues

Sociology

- Social Inequality
- Sociocultural Theory
- Social Justice, Conflict and Peacemaking
- Religion and Society

Criminal Justice

- Ethics in the Criminal Justice System
- Evidence Search and Seizure
- Criminal Law and Criminal Procedure

EDUCATION

TEMPLE UNIVERSITY, BEASLEY SCHOOL OF LAW PHILADELPHIA, PENNSYLVANIA
Juris Doctor, magna cum laude, 2002

MESSIAH COLLEGE (NOW MESSIAH UNIVERSITY) MECHANICSBURG, PENNSYLVANIA
Bachelor of Arts in Sociology, magna cum laude, 1999

PUBLICATIONS

Pennsylvania Consumer Law by Carolyn Carter, Bisel Publishing Co., 2003, Supp. 2010-2012, Contributing Author.

MEMBERSHIPS, AFFILIATIONS, COMMITTEES

Pennsylvania State Bar (admitted 2002)
Middle District of Pennsylvania Bar (admitted 2004)
Pennsylvania Bar Association, House of Delegates, Zone 3, (2021-2024)
Pennsylvania Department of Human Services
- LIHEAP Advisory Committee (2015-2020 and 2021-2025)
Pennsylvania Department of Environmental Protection,
- Pennsylvania Energy Development Authority, *ex officio* (2021-2025)
Pennsylvania Public Utility Commission
- Consumer Advisory Council (2015-2020, 2025-Present)
- Pennsylvania Sustainable Energy Board, *ex officio* (2021-2025)
Pennsylvania Department of Community and Economic Development
- Weatherization Assistance Program, Policy Advisory Council (2015-2020)
National Association of State Utility Consumer Advocates (NASUCA), Executive Committee (2023-2025)
Upper Allen Township, Sewer Advisory Board (by appointment),
- Term: September 2025-December 2029.

LIST OF PROCEEDINGS

Below is a list of proceedings in which I have provided expert testimony. Links to my testimony are provided for all complete cases. Cases listed as ongoing cases are at various stages of litigation and will be updated as completed.

COMPLETED CASES
Pennsylvania Public Utility Commission v. UGI Utilities, Inc. – Gas Division, Docket No. R-2024-3052716. • Natural gas distribution base rate proceeding. • Direct and Surrebuttal testimony regarding rate design, customer service, and low income customer affordability.
Pennsylvania Public Utility Commission v. Philadelphia Gas Works, Docket No. R-2025-3053112. • Natural gas distribution base rate proceeding. • Direct, Rebuttal, and Surrebuttal testimony regarding rate design, customer service, and low income customer affordability.
Pennsylvania Public Utility Commission v. Columbia Gas of Pennsylvania, Docket No. R-2025-3053499. • Natural gas distribution base rate proceeding. • Direct and Surrebuttal testimony regarding rate design, customer service, and low income customer affordability.
Pennsylvania Public Utility Commission v. Pittsburgh Water Sewer Authority, Docket Nos. R-2025-3055010, 3055011, and 3055012 • Water/wastewater/stormwater distribution base rate proceeding. • Direct, Rebuttal, and Surrebuttal testimony regarding rate design, customer service, low income program design, and low income customer affordability.
Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation, Docket No. R-2025-3057164. • Electric distribution base rate proceeding. • Direct and Surrebuttal testimony regarding rate design, customer service, low income program design, energy efficiency, net metering, and low income affordability.

ONGOING CASES
Joint Application of American Water Works Company, Inc., Essential Utilities, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC and Peoples 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 • Merger Application of two of the largest water and wastewater utilities in the country. • Testimony regarding whether the merger results in an affirmative public benefit and protections needed to ensure low income customers receive benefit.
Pennsylvania Public Utility Commission v. UGI Utilities, Inc. Gas Division, Docket No. R-2025-3059523. • Natural gas distribution base rate proceeding. • Testimony regarding rate design, customer service, low income program design, and low income customer affordability.
Petition of FirstEnergy Pennsylvania Electric Company for Approval of Its Default Service Program for the Period June 1, 2027 to May 31, 2031, Docket No. P-2026-3060298. • Electric distribution company default service procurement plan. • Testimony regarding default service procurement and retail electric market protections for low income households.
Pennsylvania Public Utility Commission v. Peoples Natural Gas Company LLC, Docket No. R-2026-3060855. • Natural gas distribution base rate proceeding. • Testimony regarding rate design, customer service, low income program design, and low income customer affordability.

CAUSE-PA Statement 1, Cicero

Appendix B

Interrogatories of CAUSE-PA to the Joint Applicants (JA)

JA Response to CAUSE-PA 1-2, AW
JA Response to CAUSE-PA 1-4, AW

JA Response to CAUSE-PA 2-1, AW
JA Response to CAUSE-PA 2-1, EU
JA Response to CAUSE-PA 2-3, Attachment, AW
JA Response to CAUSE-PA 2-3, AW, citing PAWC 2025 BRC,
PAWC Response to CAUSE-PA 1-7
JA Response to CAUSE-PA 2-3, Attachment 1, EU
JA Response to CAUSE-PA 2-4, Attachment 1, AW
JA Response to CAUSE-PA 2-4, Attachment 1, EU
JA Response to CAUSE-PA 2-4, Attachment 2, EU
JA Response to CAUSE-PA 2-6, AW
JA Response to CAUSE-PA 2-6, Attachment 1, EU
JA Response to CAUSE-PA 2-8, AW
JA Response to CAUSE-PA 2-8, EU
JA Response to CAUSE-PA 2-16, Attachment, AW
JA Response to CAUSE-PA 2-16, Attachment 1, EU
JA Response to CAUSE-PA 2-17, Attachment, AW
JA Response to CAUSE-PA 2-17, EU
JA Response to CAUSE-PA 2-19, Attachment, AW
JA Response to CAUSE-PA 2-19, Attachment 1, EU
JA Response to CAUSE-PA 2-19, Attachment 2, EU
JA Response to CAUSE-PA 2-21, AW
JA Response to CAUSE-PA 2-21, EU
JA Response to CAUSE-PA 2-23, Attachment, AW
JA Response to CAUSE-PA 2-23, AW, citing PAWC 2025 BRC,
PAWC Response to CAUSE-PA 1-35, Attachment
JA Response to CAUSE-PA 2-23, Attachment 1, EU
JA Response to CAUSE-PA 2-30, AW
JA Response to CAUSE-PA 2-30, EU

JA Response to CAUSE-PA 3-2, Attachment, AW
JA Response to CAUSE-PA 3-2, Attachment, AW, citing PAWC 2025 BRC,
PAWC Response to CAUSE-PA 1-17, Attachment
JA Response to CAUSE-PA 3-2, Attachment 1, EU
JA Response to CAUSE-PA 3-13, AW
JA Response to CAUSE-PA 3-13, EU
JA Response to CAUSE-PA 3-14, EU
JA Response to CAUSE-PA 3-18, EU
JA Response to CAUSE-PA 3-19, EU
JA Response to CAUSE-PA 3-29, EU

JA Response to CAUSE-PA 4-8, Attachment 1, AW
JA Response to CAUSE-PA 4-8, Attachment 1, EU
JA Response to CAUSE-PA 4-9, EU
JA Response to CAUSE-PA 4-15, AW
JA Response to CAUSE-PA 4-15, EU
JA Response to CAUSE-PA 4-21, Attachment 1, EU
JA Response to CAUSE-PA 4-26, Attachment, AW
JA Response to CAUSE-PA 4-31, Attachment, AW
JA Response to CAUSE-PA 4-31, Attachment 1, EU

JA Response to CAUSE-PA 5-1, AW
JA Response to CAUSE-PA 5-5, AW
JA Response to CAUSE-PA 5-5, EU
JA Response to CAUSE-PA 5-7, Attachment 1, EU

Interrogatories of OCA to Joint Applicants (JA)

JA Response to OCA 1-6, Attachments 16, 23, 25, 33, EU
JA Response to OCA 1-9, AW
JA Response to OCA 1-10, AW
JA Response to OCA 1-12, AW
JA Response to OCA 1-13, AW
JA Response to OCA 1-14, AW
JA Response to OCA 1-14, EU
JA Response to OCA 1-16, AW
JA Response to OCA 1-18, AW (Revised)
JA Response to OCA 1-25, AW
JA Response to OCA 1-34, AW
JA Response to OCA 1-42, AW
JA Response to OCA 1-42, Attachment 1, EU
JA Response to OCA 1-54, AW
JA Response to OCA 1-54, EU

JA Response to OCA 1-55, AW
JA Response to OCA 1-55, Attachment 1, EU
JA Response to OCA 1-62, AW
JA Response to OCA 1-63, AW (Supplemental)
JA Response to OCA 1-67, AW

JA Response to OCA 2-10, EU
JA Response to OCA 2-13, AW
JA Response to OCA 2-13, EU
JA Response to OCA 2-16, AW
JA Response to OCA 2-18, EU
JA Response to OCA 2-21, EU

JA Response to OCA 5-1, AW

JA Response to OCA 6-3, AW
JA Response to OCA 6-3, EU

Interrogatories of OSBA to Joint Applicants (JA)

JA Response to OSBA 1-5, AW

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 1

CAUSE-PA to J.A. 1-2

Please reference Joint Application, ¶ 16, p. 8. Please describe if and to what extent approval of the Joint Application would impact the staff and/or "operational presence" for Essential's offices in Pennsylvania.

Response:

As stated in the Joint Application, the Essential offices in Bryn Mawr and Pittsburgh will continue to maintain a strong operational presence, allowing the Commission and Pennsylvania stakeholders to continue to have the same access to the personnel as they do today. The Joint Applicants believe that substantial benefits can be derived from the shared office space in Bryn Mawr, including but not limited to the benefits of the local certified laboratory.

Responsible Witness: Cheryl Norton, Executive Vice President, Chief Operating Officer

Date: February 9, 2026

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 1

CAUSE-PA to J.A. 1-4

Please reference Joint Application, ¶ 32, p. 13-14. Please specifically explain what specific efficiencies will result from the Merger, if approved, and how American Water would flow such efficiencies to customers, and whether such efficiencies would reduce rates for each of the Companies' customers.

Response:

Please refer to American Water's response to OCA-JA-01-62 and OCA-JA-02-16 in this same docket. The Joint Applicants have only recently started having integration discussions and therefore, the Joint Applicants have not quantified any efficiencies at this point or determined the time period over which they may be achieved. As noted on page 16 of Ms. Norton's direct testimony, American Water expects that in future rate cases, customers will benefit from costs that are lower than they would have been absent the Merger.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 9, 2026

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 2

CAUSE-PA to J.A. 2-1

For each of the Companies, please explain how they define the following terms:

a. "Low Income Customer"
b. "Confirmed Low Income Customer"
c. "Estimated Low Income Customer

For each of the Companies, please provide all written policies and procedures the define these terms or, if you are relying on statutory or regulatory definitions, please state with specificity the statutory or regulatory definitions that you rely on to support your answer.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

American Water understands this question to reference PAWC, and has responded accordingly:

PAWC defines these terms as follows:

a. Low Income customer - A customer with an annual income at or below 250% of the Federal Poverty guidelines.
b. Confirmed Low Income customer – Customer for which the Company has received income information indicating that the customer has an annual income at or below 250 percent of the Federal Poverty guidelines, regardless of whether the customer is enrolled in one of PAWC's low-income programs. The customer segments included in the designation of confirmed low-income customers are the same as the tier levels in the tariff: 0-50%, 51%-100%, 101%-150% and 151%-200%, and grant customers with income between 201%-250%.
c. Estimated Low Income Customer – Customers who have an annual income at or below 200 percent of the Federal Poverty guidelines, as estimated by the U.S. Census Bureau.

Please see Essential's response to CAUSE-PA 2-1 for their responsive information.

Responsible Witness: Matthew Prine, Vice President, Chief Customer Officer

Date: February 9, 2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set II

CAUSE-JA-II-1 For each of the Companies, please explain how they define the following terms:

a. "Low Income Customer"
b. "Confirmed Low Income Customer"
c. "Estimated Low Income Customer

For each of the Companies, please provide all written policies and procedures the define these terms or, if you are relying on statutory or regulatory definitions, please state with specificity the statutory or regulatory definitions that you rely on to support your answer.

Response:

Peoples Natural Gas

a. Customer who has self-identified or otherwise confirmed low income status (i.e. income at or below 150%) leading to the account being designated as 'Level 1" within he customer information system.

b. Includes all customers for which Peoples obtains information that would reasonably place the customer within a low income designation. Such information may include those who self-identified as low income, received LIHEAP in the past 24 months, or are currently participating in CAP. Self-identification includes contact prior to termination; contact to negotiate a payment arrangement; screening for assistance programs; contact at start of service and any other contact in which income is discussed with the customer.

c. Estimated low income refers to a calculation of the Company's residential customer base to which a census factor for low income is applied.

The company does not maintain written policies or procedures for these definitions. The company's customer information system has been developed to track accounts according to the definitions above.

Aqua PA

a. Customer who has self-identified or otherwise confirmed low income status (i.e. income at or below 150%) leading to the account being designated as 'Level 1' within the customer information system.

b. Includes all customers for which Aqua PA obtains information that would reasonably place the customer within a low income designation. Such information will include, but not be limited to:

- Enrollment or participation in a low income assistance or conservation program (CAP, Aqua Aid or Aqua's leak repair and conservation program)
- Receipt of other emergency utility assistance.
- Indication by the customer of inability to pay current bill and/or requests for income based payment arrangements.
- Contact immediately prior to termination.
- Other referrals to low income programs.
- Self-certification by the customer.
- Income information received based on request for a medical certificate.

c. Estimated low income refers to a calculation of the Company's residential customer base to which a census factor for low income is applied.

The company does not maintain written policies or procedures for these definitions. The company's customer information system has been developed to track accounts according to the definitions above.

Responsible Witness(es):

Rita Black

Date: 02/09/2026

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 2

CAUSE-PA to J.A. 2-3

For each of the Companies, using the definitions from above, please separately indicate for each month from January 2023 to present how many of each of the following customer groups you have:

a. "Low Income Customer"
b. "Confirmed Low Income Customer"
c. "Estimated Low Income Customer"

Please provide this information in an Excel spreadsheet.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

American Water understands this question to reference PAWC, and has responded accordingly:

a. PAWC does not track the number of low-income customers in its service territory.
b. PAWC recently answered a similar question in its pending base rate case at Docket No. R-2025-3057983. The information provided there is attached as CAUSE-PA 02-03_Attachment_AW.
c. PAWC recently answered a similar question in its pending base rate case at Docket No. R-2025-3057983. PAWC provided annual information on estimated low-income customer counts from US Census Bureau Data, which is included in CAUSE-PA 02-03_Attachment_AW.

Please see Essential's response to CAUSE-PA 2-3 for their responsive information.

Responsible Witness: Matthew Prine, Vice President, Chief Customer Officer

Date: February 9, 2026

CAUSE-PA 02-03_Attachment_AW

Date	PAWC Confirmed Low Income Customer Count
202301	56,740
202302	61,876
202303	60,478
202304	57,576
202305	62,823
202306	59,993
202307	62,154
202308	62,688
202309	61,545
202310	61,492
202311	62,697
202312	62,829
202401	60,897
202402	64,214
202403	63,060
202404	63,490
202405	63,872
202406	63,389
202407	64,473
202408	63,816
202409	62,307
202410	66,265
202411	63,244
202412	63,459
202501	65,518
202502	64,622
202503	65,985
202504	65,823
202505	66,268
202506	67,256
202507	69,182
202508	65,008
202509	67,748
202510	67,641
202511	65,898

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Water Customers 2023

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
15004	Atlasburg	Pennsylvania	0	2	11	23
15017	Bridgeville	Pennsylvania	122	258	338	414
15018	Buena Vista	Pennsylvania	6	29	60	63
15019	Bulger	Pennsylvania	26	35	64	36
15021	Burgettstown	Pennsylvania	156	351	452	244
15022	Charleroi	Pennsylvania	5	10	12	12
15025	Clairton	Pennsylvania	251	342	450	414
15026	Clinton	Pennsylvania	2	3	4	2
15031	Cuddy	Pennsylvania	33	14	11	18
15033	Donora	Pennsylvania	6	7	7	5
15034	Dravosburg	Pennsylvania	38	27	61	61
15037	Elizabeth	Pennsylvania	181	244	287	331
15038	Elrama	Pennsylvania	0	17	43	43
15045	Glassport	Pennsylvania	103	191	297	231
15047	Greenock	Pennsylvania	0	1	3	42
15050	Hookstown	Pennsylvania	0	0	3	2
15053	Joffre	Pennsylvania	0	0	0	0
15054	Langeloth	Pennsylvania	13	25	27	25
15055	Lawrence	Pennsylvania	0	8	42	77
15057	Mc Donald	Pennsylvania	73	167	299	298
15060	Midway	Pennsylvania	1	28	41	53
15063	Monongahela	Pennsylvania	179	240	380	313
15064	Morgan	Pennsylvania	1	19	28	14
15067	New Eagle	Pennsylvania	61	44	66	91
15071	Oakdale	Pennsylvania	21	65	67	65
15078	Slovan	Pennsylvania	8	13	24	20
15082	Sturgeon	Pennsylvania	0	0	2	4
15083	Sutersville	Pennsylvania	0	1	1	1
15088	West Elizabeth	Pennsylvania	3	12	23	20
15089	West Newton	Pennsylvania	0	1	2	1
15102	Bethel Park	Pennsylvania	246	363	543	626
15106	Carnegie	Pennsylvania	182	279	571	528
15120	Homestead	Pennsylvania	308	550	708	680
15122	West Mifflin	Pennsylvania	355	442	675	571
15129	South Park	Pennsylvania	50	82	212	305
15133	Mckeesport	Pennsylvania	41	72	122	111
15135	Mckeesport	Pennsylvania	25	87	192	161
15142	Presto	Pennsylvania	43	1	7	18
15204	Pittsburgh	Pennsylvania	109	220	261	257
15205	Pittsburgh	Pennsylvania	154	276	386	439
15207	Pittsburgh	Pennsylvania	68	171	159	130
15210	Pittsburgh	Pennsylvania	707	817	770	738
15216	Pittsburgh	Pennsylvania	267	351	499	495
15220	Pittsburgh	Pennsylvania	199	135	195	280
15226	Pittsburgh	Pennsylvania	160	235	442	406
15227	Pittsburgh	Pennsylvania	363	577	724	826

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Water Customers 2023

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
15228	Pittsburgh	Pennsylvania	77	81	164	181
15234	Pittsburgh	Pennsylvania	153	227	313	358
15236	Pittsburgh	Pennsylvania	188	401	539	712
15241	Pittsburgh	Pennsylvania	152	97	198	287
15243	Pittsburgh	Pennsylvania	126	88	212	267
15301	Washington	Pennsylvania	548	849	1353	1264
15312	Avella	Pennsylvania	6	36	61	63
15314	Bentleyville	Pennsylvania	3	5	10	10
15317	Canonsburg	Pennsylvania	309	450	661	765
15321	Cecil	Pennsylvania	11	14	34	43
15323	Claysville	Pennsylvania	5	33	53	62
15329	Prosperity	Pennsylvania	9	1	2	5
15330	Eighty Four	Pennsylvania	56	64	88	103
15332	Finleyville	Pennsylvania	88	228	359	245
15340	Hickory	Pennsylvania	21	18	13	17
15342	Houston	Pennsylvania	69	59	101	124
15347	Meadow Lands	Pennsylvania	4	47	14	30
15350	Muse	Pennsylvania	51	33	16	27
15361	Southview	Pennsylvania	0	2	10	3
15363	Strabane	Pennsylvania	0	13	45	59
15367	Venetia	Pennsylvania	25	67	154	182
15379	West Middletown	Pennsylvania	3	6	4	6
15401	Uniontown	Pennsylvania	484	548	653	547
15413	Allison	Pennsylvania	5	50	38	19
15417	Brownsville	Pennsylvania	136	197	192	184
15419	California	Pennsylvania	46	73	82	94
15423	Coal Center	Pennsylvania	3	5	11	8
15425	Connellsville	Pennsylvania	277	409	429	368
15427	Daisytown	Pennsylvania	15	15	30	27
15431	Dunbar	Pennsylvania	2	7	10	10
15433	East Millsboro	Pennsylvania	0	0	0	0
15442	Grindstone	Pennsylvania	9	25	30	32
15444	Hiller	Pennsylvania	38	24	28	15
15445	Hopwood	Pennsylvania	9	110	109	98
15456	Lemont Furnace	Pennsylvania	2	11	18	17
15458	Mc Clellandtown	Pennsylvania	0	0	2	2
15468	New Salem	Pennsylvania	7	2	6	8
15472	Oliver	Pennsylvania	0	0	3	4
15484	Uledi	Pennsylvania	0	0	1	5
15701	Indiana	Pennsylvania	272	418	610	588
15711	Anita	Pennsylvania	18	11	18	21
15715	Big Run	Pennsylvania	9	24	35	24
15733	De Lancey	Pennsylvania	0	14	17	1
15767	Punxsutawney	Pennsylvania	217	239	324	303
15781	Walston	Pennsylvania	0	2	9	16
15829	Corsica	Pennsylvania	2	3	10	10

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Water Customers 2023

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
16001	Butler	Pennsylvania	530	815	1198	1186
16002	Butler	Pennsylvania	60	49	86	89
16023	Cabot	Pennsylvania	0	1	3	1
16027	Connoquenessing	Pennsylvania	9	18	21	21
16029	East Butler	Pennsylvania	2	6	26	33
16033	Evans City	Pennsylvania	13	14	34	24
16037	Harmony	Pennsylvania	35	48	43	58
16045	Lyndora	Pennsylvania	15	66	53	33
16052	Prospect	Pennsylvania	0	0	0	0
16053	Renfrew	Pennsylvania	18	54	79	83
16056	Saxonburg	Pennsylvania	23	65	82	97
16063	Zelienople	Pennsylvania	23	22	60	75
16101	New Castle	Pennsylvania	466	946	1141	1025
16102	New Castle	Pennsylvania	52	95	119	131
16105	New Castle	Pennsylvania	152	259	459	504
16116	Edinburg	Pennsylvania	3	5	15	16
16117	Ellwood City	Pennsylvania	168	253	457	513
16123	Fombell	Pennsylvania	2	9	18	20
16136	Koppel	Pennsylvania	7	35	45	45
16157	Wampum	Pennsylvania	6	18	23	19
16160	West Pittsburg	Pennsylvania	16	34	46	53
16201	Kittanning	Pennsylvania	56	112	155	140
16214	Clarion	Pennsylvania	111	196	211	187
16232	Knox	Pennsylvania	0	1	5	5
16235	Lucinda	Pennsylvania	1	2	6	10
16254	Shippenville	Pennsylvania	7	23	44	39
16255	Sligo	Pennsylvania	14	31	39	31
16258	Strattanville	Pennsylvania	31	50	61	57
16313	Clarendon	Pennsylvania	4	6	11	10
16334	Marble	Pennsylvania	0	2	1	2
16365	Warren	Pennsylvania	186	270	448	537
16666	Osceola Mills	Pennsylvania	84	86	118	119
16677	Sandy Ridge	Pennsylvania	40	35	3	5
16735	Kane	Pennsylvania	79	99	201	190
16821	Allport	Pennsylvania	0	0	0	1
16825	Bigler	Pennsylvania	0	0	2	8
16830	Clearfield	Pennsylvania	2	2	7	7
16840	Hawk Run	Pennsylvania	0	2	14	22
16841	Howard	Pennsylvania	9	16	28	36
16848	Lamar	Pennsylvania	1	0	2	1
16855	Mineral Springs	Pennsylvania	8	6	13	4
16858	Morrisdale	Pennsylvania	46	87	152	114
16860	Munson	Pennsylvania	0	0	0	0
16866	Philipsburg	Pennsylvania	85	251	298	267
16876	Wallaceton	Pennsylvania	11	5	10	10
16878	West Decatur	Pennsylvania	13	68	74	48

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Water Customers 2023

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
16881	Woodland	Pennsylvania	42	72	81	97
17003	Annville	Pennsylvania	46	80	133	147
17010	Campbelltown	Pennsylvania	0	0	6	22
17011	Camp Hill	Pennsylvania	187	352	491	642
17022	Elizabethtown	Pennsylvania	0	1	4	6
17025	Enola	Pennsylvania	119	147	256	408
17033	Hershey	Pennsylvania	173	154	238	233
17036	Hummelstown	Pennsylvania	94	113	174	183
17042	Lebanon	Pennsylvania	1	2	7	10
17043	Lemoyne	Pennsylvania	63	81	99	110
17050	Mechanicsburg	Pennsylvania	180	235	444	556
17055	Mechanicsburg	Pennsylvania	37	55	120	121
17070	New Cumberland	Pennsylvania	131	166	318	355
17074	Newport	Pennsylvania	0	0	0	0
17078	Palmyra	Pennsylvania	128	204	398	462
17101	Harrisburg	Pennsylvania	0	0	2	0
17109	Harrisburg	Pennsylvania	0	0	0	1
17111	Harrisburg	Pennsylvania	0	0	0	0
17112	Harrisburg	Pennsylvania	34	58	93	120
17113	Harrisburg	Pennsylvania	122	180	223	233
17319	Etters	Pennsylvania	17	13	27	35
17325	Gettysburg	Pennsylvania	24	45	61	67
17339	Lewisberry	Pennsylvania	4	6	21	24
17370	York Haven	Pennsylvania	0	0	2	4
17560	New Providence	Pennsylvania	2	6	10	11
17566	Quarryville	Pennsylvania	0	0	0	0
17730	Dewart	Pennsylvania	0	0	1	0
17749	Mc Ewensville	Pennsylvania	0	2	11	13
17751	Mill Hall	Pennsylvania	4	14	21	22
17772	Turbotville	Pennsylvania	8	11	25	21
17777	Watsontown	Pennsylvania	56	107	136	158
17801	Sunbury	Pennsylvania	4	5	10	10
17810	Allenwood	Pennsylvania	7	11	17	12
17837	Lewisburg	Pennsylvania	111	123	201	269
17847	Milton	Pennsylvania	77	162	317	346
17850	Montandon	Pennsylvania	3	11	27	18
17856	New Columbia	Pennsylvania	7	10	26	20
17857	Northumberland	Pennsylvania	81	158	217	203
17886	West Milton	Pennsylvania	0	11	37	53
17887	White Deer	Pennsylvania	19	74	20	2
17931	Frackville	Pennsylvania	204	244	209	180
18013	Bangor	Pennsylvania	101	137	212	256
18040	Easton	Pennsylvania	1	1	1	2
18045	Easton	Pennsylvania	21	30	39	60
18064	Nazareth	Pennsylvania	70	155	281	296
18072	Pen Argyl	Pennsylvania	51	74	111	140

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Water Customers 2023

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
18083	Stockertown	Pennsylvania	0	3	17	19
18085	Tatamy	Pennsylvania	9	8	18	31
18091	Wind Gap	Pennsylvania	18	29	90	95
18252	Tamaqua	Pennsylvania	0	1	3	2
18301	East Stroudsburg	Pennsylvania	33	46	80	87
18302	East Stroudsburg	Pennsylvania	43	96	125	104
18324	Bushkill	Pennsylvania	363	248	336	350
18328	Dingmans Ferry	Pennsylvania	68	74	114	125
18335	Marshalls Creek	Pennsylvania	0	0	4	4
18336	Matamoras	Pennsylvania	1	6	11	10
18337	Milford	Pennsylvania	1	6	11	12
18344	Mount Pocono	Pennsylvania	48	72	84	67
18346	Pocono Summit	Pennsylvania	10	5	15	18
18403	Archbald	Pennsylvania	126	170	220	237
18407	Carbondale	Pennsylvania	170	332	424	350
18411	Clarks Summit	Pennsylvania	150	196	305	335
18414	Dalton	Pennsylvania	12	31	43	43
18419	Factoryville	Pennsylvania	0	0	0	0
18421	Forest City	Pennsylvania	23	76	124	116
18433	Jermyn	Pennsylvania	57	79	124	125
18434	Jessup	Pennsylvania	63	187	118	123
18436	Lake Ariel	Pennsylvania	27	35	56	56
18444	Moscow	Pennsylvania	4	7	14	13
18447	Olyphant	Pennsylvania	98	152	226	266
18452	Peckville	Pennsylvania	47	159	251	180
18465	Thompson	Pennsylvania	2	5	9	9
18466	Tobyhanna	Pennsylvania	328	688	688	568
18471	Waverly	Pennsylvania	20	4	12	9
18503	Scranton	Pennsylvania	0	0	0	1
18504	Scranton	Pennsylvania	395	669	932	808
18505	Scranton	Pennsylvania	473	476	677	609
18507	Moosic	Pennsylvania	107	125	188	169
18508	Scranton	Pennsylvania	298	350	402	408
18509	Scranton	Pennsylvania	214	224	373	367
18510	Scranton	Pennsylvania	109	227	327	276
18512	Scranton	Pennsylvania	340	338	398	378
18517	Taylor	Pennsylvania	21	138	154	167
18518	Old Forge	Pennsylvania	104	204	262	302
18519	Scranton	Pennsylvania	144	158	174	199
18603	Berwick	Pennsylvania	198	342	578	518
18612	Dallas	Pennsylvania	1	0	0	1
18617	Glen Lyon	Pennsylvania	62	92	57	75
18621	Hunlock Creek	Pennsylvania	0	0	0	1
18634	Nanticoke	Pennsylvania	259	442	528	508
18635	Nescopeck	Pennsylvania	10	34	49	52
18640	Pittston	Pennsylvania	270	425	589	569

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Water Customers 2023

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
18641	Pittston	Pennsylvania	54	98	209	219
18642	Duryea	Pennsylvania	80	144	173	187
18643	Pittston	Pennsylvania	246	216	404	363
18644	Wyoming	Pennsylvania	40	117	180	231
18651	Plymouth	Pennsylvania	188	405	471	421
18655	Shickshinny	Pennsylvania	14	26	44	48
18701	Wilkes Barre	Pennsylvania	20	18	38	40
18702	Wilkes Barre	Pennsylvania	781	924	1188	1187
18704	Kingston	Pennsylvania	602	800	856	964
18705	Wilkes Barre	Pennsylvania	275	388	666	701
18706	Wilkes Barre	Pennsylvania	319	544	598	588
18707	Mountain Top	Pennsylvania	121	130	209	225
18708	Shavertown	Pennsylvania	10	28	37	47
18709	Luzerne	Pennsylvania	80	91	160	173
18801	Montrose	Pennsylvania	18	33	58	64
18821	Great Bend	Pennsylvania	2	14	29	32
18822	Hallstead	Pennsylvania	8	45	57	61
18847	Susquehanna	Pennsylvania	28	48	67	63
18940	Newtown	Pennsylvania	10	9	14	14
18977	Washington Crossing	Pennsylvania	0	0	0	1
19067	Morrisville	Pennsylvania	255	220	416	454
19320	Coatesville	Pennsylvania	246	390	554	668
19335	Downingtown	Pennsylvania	15	40	46	63
19344	Honey Brook	Pennsylvania	2	3	4	5
19365	Parkesburg	Pennsylvania	37	60	99	89
19367	Pomeroy	Pennsylvania	46	0	3	16
19369	Sadsburyville	Pennsylvania	37	14	0	0
19372	Thorndale	Pennsylvania	1	13	32	42
19401	Norristown	Pennsylvania	570	751	898	848
19403	Norristown	Pennsylvania	164	287	522	574
19405	Bridgeport	Pennsylvania	39	77	99	122
19406	King Of Prussia	Pennsylvania	19	22	37	34
19422	Blue Bell	Pennsylvania	40	59	132	184
19426	Collegeville	Pennsylvania	71	103	136	164
19446	Lansdale	Pennsylvania	0	0	0	0
19453	Mont Clare	Pennsylvania	0	0	2	0
19456	Oaks	Pennsylvania	0	0	0	0
19457	Parker Ford	Pennsylvania	0	0	3	2
19460	Phoenixville	Pennsylvania	56	72	121	132
19462	Plymouth Meeting	Pennsylvania	3	7	15	16
19464	Pottstown	Pennsylvania	12	20	31	29
19465	Pottstown	Pennsylvania	11	19	36	48
19468	Royersford	Pennsylvania	115	116	222	337
19473	Schwenksville	Pennsylvania	23	34	50	34
19475	Spring City	Pennsylvania	58	74	133	104
19490	Worcester	Pennsylvania	0	0	0	0

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Water Customers 2023

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
19508	Birdsboro	Pennsylvania	26	32	46	48
19518	Douglassville	Pennsylvania	115	59	121	139
19522	Fleetwood	Pennsylvania	1	1	3	3
19606	Reading	Pennsylvania	182	201	399	451
19607	Reading	Pennsylvania	0	0	0	0
19608	Reading	Pennsylvania	119	154	244	317
19609	Reading	Pennsylvania	208	133	199	254
19610	Reading	Pennsylvania	66	53	126	158
		Total	22791	33333	47072	48221

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Water Customers 2024

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
15004	Atlasburg	Pennsylvania	0	2	12	23
15017	Bridgeville	Pennsylvania	123	262	338	415
15019	Bulger	Pennsylvania	27	35	63	36
15021	Burgettstown	Pennsylvania	69	148	211	201
15022	Charleroi	Pennsylvania	11	24	20	17
15025	Clairton	Pennsylvania	250	348	447	414
15026	Clinton	Pennsylvania	2	3	4	2
15031	Cuddy	Pennsylvania	33	14	9	19
15033	Donora	Pennsylvania	6	7	7	5
15034	Dravosburg	Pennsylvania	39	27	61	61
15037	Elizabeth	Pennsylvania	183	250	286	331
15038	Elrama	Pennsylvania	0	17	43	43
15045	Glassport	Pennsylvania	103	188	296	233
15047	Greenock	Pennsylvania	0	1	3	41
15050	Hookstown	Pennsylvania	0	0	3	2
15053	Joffre	Pennsylvania	0	0	0	0
15054	Langeloth	Pennsylvania	13	26	26	25
15055	Lawrence	Pennsylvania	0	7	43	79
15057	Mc Donald	Pennsylvania	73	171	301	304
15060	Midway	Pennsylvania	1	27	40	52
15063	Monongahela	Pennsylvania	178	241	371	311
15064	Morgan	Pennsylvania	1	17	30	14
15067	New Eagle	Pennsylvania	60	43	64	89
15071	Oakdale	Pennsylvania	23	67	66	67
15078	Slovan	Pennsylvania	7	12	24	20
15082	Sturgeon	Pennsylvania	0	0	2	4
15083	Sutersville	Pennsylvania	0	1	1	1
15088	West Elizabeth	Pennsylvania	3	11	25	20
15089	West Newton	Pennsylvania	0	1	2	1
15102	Bethel Park	Pennsylvania	244	363	540	624
15106	Carnegie	Pennsylvania	181	282	577	512
15120	Homestead	Pennsylvania	308	559	693	683
15122	West Mifflin	Pennsylvania	354	447	663	572
15129	South Park	Pennsylvania	51	85	213	306
15133	Mckeesport	Pennsylvania	41	73	120	111
15135	Mckeesport	Pennsylvania	26	87	189	161
15142	Presto	Pennsylvania	43	1	7	19
15204	Pittsburgh	Pennsylvania	111	223	258	257
15205	Pittsburgh	Pennsylvania	154	280	389	442
15207	Pittsburgh	Pennsylvania	70	172	156	129
15210	Pittsburgh	Pennsylvania	706	818	757	742
15216	Pittsburgh	Pennsylvania	265	352	497	492
15220	Pittsburgh	Pennsylvania	202	137	199	269
15226	Pittsburgh	Pennsylvania	158	236	440	402
15227	Pittsburgh	Pennsylvania	366	584	703	827
15228	Pittsburgh	Pennsylvania	78	81	162	181
15234	Pittsburgh	Pennsylvania	154	227	306	356
15236	Pittsburgh	Pennsylvania	188	405	526	713
15241	Pittsburgh	Pennsylvania	151	98	196	288
15243	Pittsburgh	Pennsylvania	125	90	212	265

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PAWC Estimated Low Income Count for Water Customers 2024

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
15301	Washington	Pennsylvania	553	869	1332	1270
15312	Avella	Pennsylvania	6	36	61	63
15314	Bentleyville	Pennsylvania	3	5	10	9
15317	Canonsburg	Pennsylvania	310	464	656	770
15321	Cecil	Pennsylvania	10	14	33	42
15323	Claysville	Pennsylvania	5	33	53	62
15329	Prosperity	Pennsylvania	8	1	2	6
15330	Eighty Four	Pennsylvania	58	66	89	106
15332	Finleyville	Pennsylvania	90	234	359	247
15340	Hickory	Pennsylvania	21	19	13	18
15342	Houston	Pennsylvania	70	59	102	124
15347	Meadow Lands	Pennsylvania	3	46	14	31
15350	Muse	Pennsylvania	52	34	15	27
15361	Southview	Pennsylvania	0	2	10	4
15363	Strabane	Pennsylvania	0	14	44	58
15367	Venetia	Pennsylvania	25	68	155	184
15379	West Middletown	Pennsylvania	3	6	4	6
15401	Uniontown	Pennsylvania	489	555	644	549
15413	Allison	Pennsylvania	7	49	38	19
15417	Brownsville	Pennsylvania	137	197	193	184
15419	California	Pennsylvania	47	73	81	94
15423	Coal Center	Pennsylvania	4	5	11	9
15425	Connellsville	Pennsylvania	274	410	423	367
15427	Daisytown	Pennsylvania	16	14	30	26
15431	Dunbar	Pennsylvania	2	7	11	10
15433	East Millsboro	Pennsylvania	0	0	0	0
15442	Grindstone	Pennsylvania	10	26	30	32
15444	Hiller	Pennsylvania	38	24	27	16
15445	Hopwood	Pennsylvania	10	109	111	97
15456	Lemont Furnace	Pennsylvania	2	12	19	17
15458	Mc Clellandtown	Pennsylvania	0	0	2	2
15468	New Salem	Pennsylvania	6	2	5	8
15484	Uledi	Pennsylvania	0	0	1	5
15701	Indiana	Pennsylvania	270	419	596	585
15711	Anita	Pennsylvania	18	10	18	21
15715	Big Run	Pennsylvania	9	25	35	23
15733	De Lancey	Pennsylvania	0	14	17	1
15767	Punxsutawney	Pennsylvania	217	239	321	306
15781	Walston	Pennsylvania	0	2	11	16
15829	Corsica	Pennsylvania	2	3	9	10
16001	Butler	Pennsylvania	541	835	1171	1197
16002	Butler	Pennsylvania	62	50	87	88
16023	Cabot	Pennsylvania	1	1	4	6
16027	Connoquenessing	Pennsylvania	9	18	21	21
16029	East Butler	Pennsylvania	2	6	25	33
16033	Evans City	Pennsylvania	15	18	39	28
16037	Harmony	Pennsylvania	41	54	50	66
16045	Lyndora	Pennsylvania	14	63	51	34
16052	Prospect	Pennsylvania	0	0	0	0
16053	Renfrew	Pennsylvania	18	52	82	83
16056	Saxonburg	Pennsylvania	23	65	83	95
16063	Zelienople	Pennsylvania	24	24	61	81

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PAWC Estimated Low Income Count for Water Customers 2024

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
16101	New Castle	Pennsylvania	464	950	1127	1031
16102	New Castle	Pennsylvania	50	95	116	130
16105	New Castle	Pennsylvania	152	261	454	505
16116	Edinburg	Pennsylvania	3	5	15	16
16117	Ellwood City	Pennsylvania	166	255	456	510
16123	Fombell	Pennsylvania	2	9	18	21
16136	Koppel	Pennsylvania	7	35	45	43
16157	Wampum	Pennsylvania	6	18	22	18
16160	West Pittsburg	Pennsylvania	17	32	44	53
16201	Kittanning	Pennsylvania	56	115	153	141
16214	Clarion	Pennsylvania	110	196	211	187
16232	Knox	Pennsylvania	0	1	5	5
16233	Leeper	Pennsylvania	13	7	29	22
16235	Lucinda	Pennsylvania	1	2	8	10
16254	Shippenville	Pennsylvania	7	23	44	40
16255	Sligo	Pennsylvania	14	30	38	33
16258	Strattanville	Pennsylvania	29	49	59	57
16313	Clarendon	Pennsylvania	4	6	11	11
16334	Marble	Pennsylvania	0	2	1	1
16365	Warren	Pennsylvania	186	276	427	536
16666	Osceola Mills	Pennsylvania	84	87	118	120
16677	Sandy Ridge	Pennsylvania	42	35	2	5
16735	Kane	Pennsylvania	78	100	199	193
16821	Allport	Pennsylvania	0	0	0	0
16825	Bigler	Pennsylvania	0	0	2	8
16830	Clearfield	Pennsylvania	2	2	7	7
16840	Hawk Run	Pennsylvania	0	2	13	21
16841	Howard	Pennsylvania	9	15	29	37
16848	Lamar	Pennsylvania	1	0	2	1
16855	Mineral Springs	Pennsylvania	8	6	13	4
16858	Morrisdale	Pennsylvania	47	90	149	114
16860	Munson	Pennsylvania	0	0	0	0
16866	Philipsburg	Pennsylvania	84	256	299	270
16876	Wallaceton	Pennsylvania	12	5	9	11
16878	West Decatur	Pennsylvania	13	70	73	48
16881	Woodland	Pennsylvania	42	71	80	98
17003	Annville	Pennsylvania	46	82	135	150
17010	Campbelltown	Pennsylvania	0	0	6	23
17011	Camp Hill	Pennsylvania	189	354	487	639
17022	Elizabethtown	Pennsylvania	0	1	4	6
17025	Enola	Pennsylvania	116	140	245	389
17033	Hershey	Pennsylvania	173	156	234	231
17036	Hummelstown	Pennsylvania	95	113	168	182
17042	Lebanon	Pennsylvania	1	2	7	10
17043	Lemoyne	Pennsylvania	65	80	100	107
17050	Mechanicsburg	Pennsylvania	180	236	442	557
17055	Mechanicsburg	Pennsylvania	38	58	123	125
17057	Middletown	Pennsylvania	0	0	0	0
17070	New Cumberland	Pennsylvania	134	166	320	354
17074	Newport	Pennsylvania	0	0	0	0
17078	Palmyra	Pennsylvania	128	203	395	466
17093	Summerdale	Pennsylvania	0	7	22	25

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PAWC Estimated Low Income Count for Water Customers 2024

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
17109	Harrisburg	Pennsylvania	0	0	0	1
17111	Harrisburg	Pennsylvania	0	0	0	0
17112	Harrisburg	Pennsylvania	37	65	96	124
17113	Harrisburg	Pennsylvania	122	181	218	233
17319	Etters	Pennsylvania	18	12	26	35
17325	Gettysburg	Pennsylvania	25	47	61	67
17339	Lewisberry	Pennsylvania	4	8	21	23
17370	York Haven	Pennsylvania	0	0	2	4
17560	New Providence	Pennsylvania	2	8	13	13
17566	Quarryville	Pennsylvania	0	1	2	5
17749	Mc Ewensville	Pennsylvania	0	2	11	13
17751	Mill Hall	Pennsylvania	4	14	20	21
17772	Turbotville	Pennsylvania	8	11	25	21
17777	Watsontown	Pennsylvania	54	105	137	159
17801	Sunbury	Pennsylvania	4	5	11	10
17810	Allenwood	Pennsylvania	7	11	17	13
17837	Lewisburg	Pennsylvania	112	123	201	268
17847	Milton	Pennsylvania	78	161	314	348
17850	Montandon	Pennsylvania	3	11	27	18
17856	New Columbia	Pennsylvania	7	10	24	20
17857	Northumberland	Pennsylvania	79	159	216	201
17886	West Milton	Pennsylvania	0	11	35	52
17887	White Deer	Pennsylvania	19	76	20	2
17931	Frackville	Pennsylvania	206	246	212	181
18013	Bangor	Pennsylvania	101	136	211	255
18040	Easton	Pennsylvania	1	1	1	2
18045	Easton	Pennsylvania	21	33	40	62
18064	Nazareth	Pennsylvania	73	157	278	299
18072	Pen Argyl	Pennsylvania	50	74	108	140
18083	Stockertown	Pennsylvania	0	4	17	18
18085	Tatamy	Pennsylvania	8	8	19	31
18091	Wind Gap	Pennsylvania	18	29	89	96
18252	Tamaqua	Pennsylvania	0	1	3	2
18301	East Stroudsburg	Pennsylvania	33	47	79	88
18302	East Stroudsburg	Pennsylvania	41	87	120	98
18324	Bushkill	Pennsylvania	365	247	337	350
18328	Dingmans Ferry	Pennsylvania	68	76	112	125
18335	Marshalls Creek	Pennsylvania	0	1	5	11
18336	Matamoras	Pennsylvania	1	6	10	9
18337	Milford	Pennsylvania	1	6	10	12
18344	Mount Pocono	Pennsylvania	49	75	83	68
18346	Pocono Summit	Pennsylvania	10	5	16	18
18403	Archbald	Pennsylvania	128	173	222	241
18407	Carbondale	Pennsylvania	168	335	420	352
18411	Clarks Summit	Pennsylvania	151	199	299	335
18414	Dalton	Pennsylvania	13	31	43	42
18419	Factoryville	Pennsylvania	0	0	1	0
18421	Forest City	Pennsylvania	23	75	121	114
18433	Jermyn	Pennsylvania	58	80	121	124

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PAWC Estimated Low Income Count for Water Customers 2024

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
18434	Jessup	Pennsylvania	64	186	117	124
18436	Lake Ariel	Pennsylvania	28	35	57	56
18444	Moscow	Pennsylvania	4	7	12	13
18447	Olyphant	Pennsylvania	100	152	220	266
18452	Peckville	Pennsylvania	47	162	250	181
18465	Thompson	Pennsylvania	2	5	9	9
18466	Tobyhanna	Pennsylvania	327	689	693	573
18471	Waverly	Pennsylvania	19	4	12	8
18504	Scranton	Pennsylvania	400	675	928	821
18505	Scranton	Pennsylvania	479	480	680	622
18507	Moosic	Pennsylvania	107	124	189	172
18508	Scranton	Pennsylvania	303	352	404	417
18509	Scranton	Pennsylvania	218	226	371	377
18510	Scranton	Pennsylvania	109	234	325	279
18512	Scranton	Pennsylvania	338	345	396	380
18517	Taylor	Pennsylvania	21	138	152	168
18518	Old Forge	Pennsylvania	107	210	254	304
18519	Scranton	Pennsylvania	142	159	171	200
18603	Berwick	Pennsylvania	195	347	572	519
18612	Dallas	Pennsylvania	1	0	0	1
18617	Glen Lyon	Pennsylvania	64	93	53	75
18621	Hunlock Creek	Pennsylvania	0	0	0	0
18634	Nanticoke	Pennsylvania	262	444	525	512
18635	Nescopeck	Pennsylvania	11	34	48	52
18640	Pittston	Pennsylvania	271	432	579	568
18641	Pittston	Pennsylvania	54	99	207	217
18642	Duryea	Pennsylvania	79	144	172	188
18643	Pittston	Pennsylvania	246	219	395	364
18644	Wyoming	Pennsylvania	40	117	178	230
18651	Plymouth	Pennsylvania	188	406	476	427
18655	Shickshinny	Pennsylvania	14	27	44	48
18701	Wilkes Barre	Pennsylvania	20	18	37	41
18702	Wilkes Barre	Pennsylvania	786	934	1176	1199
18704	Kingston	Pennsylvania	599	808	852	966
18705	Wilkes Barre	Pennsylvania	274	386	662	706
18706	Wilkes Barre	Pennsylvania	322	545	594	595
18707	Mountain Top	Pennsylvania	122	131	210	229
18708	Shavertown	Pennsylvania	11	29	37	47
18709	Luzerne	Pennsylvania	78	94	158	170
18801	Montrose	Pennsylvania	19	33	58	64
18821	Great Bend	Pennsylvania	2	13	30	32
18822	Hallstead	Pennsylvania	9	46	58	63
18847	Susquehanna	Pennsylvania	27	46	67	63
18940	Newtown	Pennsylvania	10	9	15	14

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PAWC Estimated Low Income Count for Water Customers 2024

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
18977	Washington Crossing	Pennsylvania	0	0	0	1
19067	Morrisville	Pennsylvania	256	223	410	452
19320	Coatesville	Pennsylvania	255	394	559	678
19335	Downingtown	Pennsylvania	14	41	45	64
19344	Honey Brook	Pennsylvania	2	3	5	5
19365	Parkesburg	Pennsylvania	37	61	102	88
19367	Pomeroy	Pennsylvania	45	0	8	13
19369	Sadsburyville	Pennsylvania	39	15	0	0
19372	Thorndale	Pennsylvania	1	13	31	42
19401	Norristown	Pennsylvania	569	751	893	857
19403	Norristown	Pennsylvania	164	288	523	574
19405	Bridgeport	Pennsylvania	42	84	107	134
19406	King Of Prussia	Pennsylvania	19	22	37	34
19422	Blue Bell	Pennsylvania	40	60	128	185
19426	Collegeville	Pennsylvania	71	104	134	165
19446	Lansdale	Pennsylvania	0	0	0	0
19453	Mont Clare	Pennsylvania	0	0	2	0
19456	Oaks	Pennsylvania	0	0	0	0
19457	Parker Ford	Pennsylvania	0	0	3	2
19460	Phoenixville	Pennsylvania	58	75	117	131
19462	Plymouth Meeting	Pennsylvania	3	9	15	18
19464	Pottstown	Pennsylvania	12	20	33	29
19465	Pottstown	Pennsylvania	15	22	40	51
19468	Royersford	Pennsylvania	115	118	219	337
19473	Schwenksville	Pennsylvania	25	36	51	34
19475	Spring City	Pennsylvania	59	76	136	107
19490	Worcester	Pennsylvania	0	0	0	0
19508	Birdsboro	Pennsylvania	27	32	45	49
19518	Douglassville	Pennsylvania	116	59	119	140
19522	Fleetwood	Pennsylvania	1	1	3	3
19606	Reading	Pennsylvania	184	200	395	452
19607	Reading	Pennsylvania	0	0	0	0
19608	Reading	Pennsylvania	121	155	240	319
19609	Reading	Pennsylvania	212	138	201	261
19610	Reading	Pennsylvania	64	55	124	157
		Total	22832	33446	46462	48363

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PAWC Estimated Low Income Count for Water Customers 2025

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
15004	Atlasburg	Pennsylvania	0	2	11	23
15017	Bridgeville	Pennsylvania	123	260	344	422
15018	Buena Vista	Pennsylvania	6	29	61	63
15019	Bulger	Pennsylvania	27	36	66	37
15021	Burgettstown	Pennsylvania	156	353	452	244
15022	Charleroi	Pennsylvania	5	10	12	12
15025	Clairton	Pennsylvania	252	342	452	414
15026	Clinton	Pennsylvania	2	3	4	2
15031	Cuddy	Pennsylvania	33	14	10	18
15033	Donora	Pennsylvania	6	7	7	5
15034	Dravosburg	Pennsylvania	38	25	59	60
15037	Elizabeth	Pennsylvania	181	244	286	329
15038	Elrama	Pennsylvania	0	17	43	43
15045	Glassport	Pennsylvania	101	185	294	229
15047	Greenock	Pennsylvania	0	1	3	42
15050	Hookstown	Pennsylvania	0	0	3	2
15053	Joffre	Pennsylvania	0	0	0	0
15054	Langeloth	Pennsylvania	12	25	26	23
15055	Lawrence	Pennsylvania	0	8	42	77
15057	Mc Donald	Pennsylvania	74	170	306	306
15060	Midway	Pennsylvania	1	28	41	54
15063	Monongahela	Pennsylvania	178	238	376	310
15064	Morgan	Pennsylvania	1	19	28	14
15067	New Eagle	Pennsylvania	60	43	64	88
15071	Oakdale	Pennsylvania	22	67	69	67
15078	Slovan	Pennsylvania	7	13	24	20
15082	Sturgeon	Pennsylvania	0	0	2	4
15083	Sutersville	Pennsylvania	0	1	1	1
15088	West Elizabeth	Pennsylvania	3	12	24	20
15089	West Newton	Pennsylvania	0	1	1	1
15102	Bethel Park	Pennsylvania	246	363	542	626
15106	Carnegie	Pennsylvania	182	279	571	527
15120	Homestead	Pennsylvania	307	549	708	679
15122	West Mifflin	Pennsylvania	353	441	674	570
15129	South Park	Pennsylvania	50	82	214	309
15133	Mckeesport	Pennsylvania	41	72	121	111
15135	Mckeesport	Pennsylvania	25	87	191	161
15142	Presto	Pennsylvania	43	1	7	18
15204	Pittsburgh	Pennsylvania	109	217	259	255
15205	Pittsburgh	Pennsylvania	157	280	393	448
15207	Pittsburgh	Pennsylvania	68	171	159	130
15210	Pittsburgh	Pennsylvania	698	807	762	731
15216	Pittsburgh	Pennsylvania	267	351	499	495
15220	Pittsburgh	Pennsylvania	199	135	195	280
15226	Pittsburgh	Pennsylvania	159	235	440	404
15227	Pittsburgh	Pennsylvania	363	575	724	826

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PAWC Estimated Low Income Count for Water Customers 2025

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
15228	Pittsburgh	Pennsylvania	77	81	164	181
15234	Pittsburgh	Pennsylvania	153	227	313	357
15236	Pittsburgh	Pennsylvania	188	401	542	717
15241	Pittsburgh	Pennsylvania	152	97	197	287
15243	Pittsburgh	Pennsylvania	127	89	212	267
15301	Washington	Pennsylvania	556	864	1373	1281
15312	Avella	Pennsylvania	6	36	61	62
15314	Bentleyville	Pennsylvania	3	6	10	10
15315	Bobtown	Pennsylvania	15	39	41	45
15317	Canonsburg	Pennsylvania	315	460	674	777
15320	Carmichaels	Pennsylvania	3	7	24	20
15321	Cecil	Pennsylvania	11	14	34	43
15323	Claysville	Pennsylvania	5	33	51	62
15327	Dilliner	Pennsylvania	25	35	55	52
15329	Prosperity	Pennsylvania	9	1	2	5
15330	Eighty Four	Pennsylvania	59	66	95	110
15332	Finleyville	Pennsylvania	89	228	362	247
15334	Garards Fort	Pennsylvania	1	1	4	5
15338	Greensboro	Pennsylvania	6	15	22	19
15340	Hickory	Pennsylvania	23	18	13	18
15342	Houston	Pennsylvania	69	59	101	125
15347	Meadow Lands	Pennsylvania	4	47	14	30
15349	Mount Morris	Pennsylvania	3	10	17	12
15350	Muse	Pennsylvania	51	33	16	27
15361	Southview	Pennsylvania	0	2	10	4
15363	Strabane	Pennsylvania	0	13	45	59
15367	Venetia	Pennsylvania	25	70	160	189
15370	Waynesburg	Pennsylvania	2	2	4	5
15379	West Middletown	Pennsylvania	3	6	4	6
15401	Uniontown	Pennsylvania	483	546	651	545
15413	Allison	Pennsylvania	5	50	38	19
15417	Brownsville	Pennsylvania	136	195	192	184
15419	California	Pennsylvania	45	73	81	93
15423	Coal Center	Pennsylvania	3	4	11	8
15425	Connellsville	Pennsylvania	275	407	426	367
15427	Daisytown	Pennsylvania	15	15	30	27
15431	Dunbar	Pennsylvania	2	7	10	10
15433	East Millsboro	Pennsylvania	0	0	0	0
15442	Grindstone	Pennsylvania	9	25	30	32
15444	Hiller	Pennsylvania	37	24	28	15
15445	Hopwood	Pennsylvania	9	111	110	98
15456	Lemont Furnace	Pennsylvania	2	11	18	17
15458	Mc Clellandtown	Pennsylvania	0	0	2	2
15468	New Salem	Pennsylvania	7	3	6	8
15472	Oliver	Pennsylvania	0	0	3	4
15484	Uledi	Pennsylvania	0	0	1	5

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PAWC Estimated Low Income Count for Water Customers 2025

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
15701	Indiana	Pennsylvania	271	414	605	584
15711	Anita	Pennsylvania	17	11	17	21
15715	Big Run	Pennsylvania	9	25	35	24
15733	De Lancey	Pennsylvania	0	13	16	1
15767	Punxsutawney	Pennsylvania	217	239	324	303
15781	Walston	Pennsylvania	0	2	10	16
15829	Corsica	Pennsylvania	2	3	10	10
16001	Butler	Pennsylvania	535	824	1211	1200
16002	Butler	Pennsylvania	61	50	86	89
16023	Cabot	Pennsylvania	1	1	4	6
16027	Connoquenessing	Pennsylvania	9	19	21	22
16029	East Butler	Pennsylvania	2	6	26	33
16033	Evans City	Pennsylvania	17	21	45	32
16037	Harmony	Pennsylvania	42	59	55	74
16045	Lyndora	Pennsylvania	15	64	52	33
16052	Prospect	Pennsylvania	0	0	0	0
16053	Renfrew	Pennsylvania	18	54	82	84
16056	Saxonburg	Pennsylvania	23	66	82	97
16063	Zelienople	Pennsylvania	25	24	63	81
16101	New Castle	Pennsylvania	464	942	1137	1021
16102	New Castle	Pennsylvania	52	92	115	128
16105	New Castle	Pennsylvania	152	259	461	507
16116	Edinburg	Pennsylvania	3	5	16	16
16117	Ellwood City	Pennsylvania	168	253	459	513
16123	Fombell	Pennsylvania	2	9	18	20
16136	Koppel	Pennsylvania	7	35	44	44
16157	Wampum	Pennsylvania	6	18	24	19
16160	West Pittsburg	Pennsylvania	16	34	46	53
16201	Kittanning	Pennsylvania	56	112	154	140
16214	Clarion	Pennsylvania	111	195	211	186
16232	Knox	Pennsylvania	0	1	5	6
16233	Leeper	Pennsylvania	12	7	25	20
16235	Lucinda	Pennsylvania	1	2	7	11
16254	Shippenville	Pennsylvania	15	47	89	81
16255	Sligo	Pennsylvania	14	30	37	31
16258	Strattanville	Pennsylvania	30	48	60	56
16313	Clarendon	Pennsylvania	4	6	11	10
16334	Marble	Pennsylvania	0	2	1	2
16353	Tionesta	Pennsylvania	0	0	0	1
16365	Warren	Pennsylvania	186	269	445	534
16666	Osceola Mills	Pennsylvania	84	87	121	121
16677	Sandy Ridge	Pennsylvania	40	33	3	5
16735	Kane	Pennsylvania	79	99	201	191
16821	Allport	Pennsylvania	0	0	0	0
16825	Bigler	Pennsylvania	0	0	1	8
16830	Clearfield	Pennsylvania	2	2	7	7

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Water Customers 2025

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
16840	Hawk Run	Pennsylvania	0	2	14	22
16841	Howard	Pennsylvania	9	16	29	37
16848	Lamar	Pennsylvania	1	0	2	1
16855	Mineral Springs	Pennsylvania	8	6	13	4
16858	Morrisdale	Pennsylvania	46	87	152	114
16860	Munson	Pennsylvania	0	0	0	0
16866	Philipsburg	Pennsylvania	86	251	300	269
16876	Wallaceton	Pennsylvania	11	5	9	10
16878	West Decatur	Pennsylvania	13	71	75	50
16881	Woodland	Pennsylvania	42	72	81	97
17003	Annville	Pennsylvania	50	86	143	158
17010	Campbelltown	Pennsylvania	0	0	6	23
17011	Camp Hill	Pennsylvania	190	354	494	649
17022	Elizabethtown	Pennsylvania	0	1	4	6
17025	Enola	Pennsylvania	120	147	256	409
17033	Hershey	Pennsylvania	173	155	238	234
17036	Hummelstown	Pennsylvania	95	113	174	183
17042	Lebanon	Pennsylvania	1	2	7	10
17043	Lemoyne	Pennsylvania	63	81	99	110
17050	Mechanicsburg	Pennsylvania	183	238	448	563
17055	Mechanicsburg	Pennsylvania	38	60	125	127
17070	New Cumberland	Pennsylvania	133	166	320	359
17078	Palmyra	Pennsylvania	129	204	402	466
17101	Harrisburg	Pennsylvania	0	0	2	0
17109	Harrisburg	Pennsylvania	0	0	0	1
17111	Harrisburg	Pennsylvania	0	0	0	0
17112	Harrisburg	Pennsylvania	37	64	101	128
17113	Harrisburg	Pennsylvania	122	180	223	234
17319	Etters	Pennsylvania	17	13	27	35
17325	Gettysburg	Pennsylvania	25	45	61	67
17339	Lewisberry	Pennsylvania	4	6	22	24
17370	York Haven	Pennsylvania	0	0	2	4
17560	New Providence	Pennsylvania	3	9	13	14
17566	Quarryville	Pennsylvania	2	3	9	8
17721	Avis	Pennsylvania	0	0	0	0
17730	Dewart	Pennsylvania	0	0	1	0
17740	Jersey Shore	Pennsylvania	0	0	0	0
17745	Lock Haven	Pennsylvania	0	0	0	0
17749	Mc Ewensville	Pennsylvania	0	2	11	13
17751	Mill Hall	Pennsylvania	4	14	20	21
17772	Turbotville	Pennsylvania	8	11	25	21
17777	Watsontown	Pennsylvania	56	107	136	158
17801	Sunbury	Pennsylvania	4	4	10	10
17810	Allenwood	Pennsylvania	8	12	18	12
17837	Lewisburg	Pennsylvania	111	124	203	271
17847	Milton	Pennsylvania	77	162	317	346

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Water Customers 2025

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
17850	Montandon	Pennsylvania	3	11	28	18
17856	New Columbia	Pennsylvania	7	10	26	20
17857	Northumberland	Pennsylvania	82	160	218	203
17886	West Milton	Pennsylvania	0	11	37	52
17887	White Deer	Pennsylvania	19	73	20	2
17931	Frackville	Pennsylvania	206	245	214	183
18013	Bangor	Pennsylvania	101	137	212	256
18040	Easton	Pennsylvania	1	1	1	2
18045	Easton	Pennsylvania	21	34	41	64
18064	Nazareth	Pennsylvania	70	156	281	297
18072	Pen Argyl	Pennsylvania	51	74	111	140
18083	Stockertown	Pennsylvania	0	3	17	19
18085	Tatamy	Pennsylvania	9	8	18	31
18091	Wind Gap	Pennsylvania	18	31	91	96
18252	Tamaqua	Pennsylvania	0	1	3	2
18301	East Stroudsburg	Pennsylvania	34	47	84	93
18302	East Stroudsburg	Pennsylvania	59	132	169	139
18324	Bushkill	Pennsylvania	364	251	337	351
18328	Dingmans Ferry	Pennsylvania	69	76	117	125
18335	Marshalls Creek	Pennsylvania	0	0	4	4
18336	Matamoras	Pennsylvania	1	6	10	9
18337	Milford	Pennsylvania	1	6	10	12
18344	Mount Pocono	Pennsylvania	48	72	84	67
18346	Pocono Summit	Pennsylvania	10	5	15	18
18403	Archbald	Pennsylvania	130	173	225	243
18407	Carbondale	Pennsylvania	170	333	424	351
18411	Clarks Summit	Pennsylvania	150	197	306	336
18414	Dalton	Pennsylvania	12	31	43	43
18419	Factoryville	Pennsylvania	0	0	1	1
18421	Forest City	Pennsylvania	23	76	122	114
18433	Jermyn	Pennsylvania	58	79	124	125
18434	Jessup	Pennsylvania	63	188	120	124
18436	Lake Ariel	Pennsylvania	30	37	59	58
18444	Moscow	Pennsylvania	4	6	14	13
18447	Olyphant	Pennsylvania	98	152	227	266
18452	Peckville	Pennsylvania	47	160	253	182
18465	Thompson	Pennsylvania	2	5	9	9
18466	Tobyhanna	Pennsylvania	329	689	692	570
18471	Waverly	Pennsylvania	21	4	12	9
18503	Scranton	Pennsylvania	0	0	0	1
18504	Scranton	Pennsylvania	400	676	941	817
18505	Scranton	Pennsylvania	481	482	689	619
18507	Moosic	Pennsylvania	109	125	190	171
18508	Scranton	Pennsylvania	304	355	411	415
18509	Scranton	Pennsylvania	220	229	383	376
18510	Scranton	Pennsylvania	112	234	334	284

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Water Customers 2025

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
18512	Scranton	Pennsylvania	342	342	402	380

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Water Customers 2025

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
18517	Taylor	Pennsylvania	20	136	153	166
18518	Old Forge	Pennsylvania	105	206	263	305
18519	Scranton	Pennsylvania	144	158	174	200
18603	Berwick	Pennsylvania	198	341	578	517
18612	Dallas	Pennsylvania	1	0	0	1
18617	Glen Lyon	Pennsylvania	64	94	58	76
18621	Hunlock Creek	Pennsylvania	0	0	0	0
18634	Nanticoke	Pennsylvania	259	442	528	508
18635	Nescopeck	Pennsylvania	10	34	49	53
18640	Pittston	Pennsylvania	271	426	593	572
18641	Pittston	Pennsylvania	54	98	212	221
18642	Duryea	Pennsylvania	80	145	176	189
18643	Pittston	Pennsylvania	246	216	405	364
18644	Wyoming	Pennsylvania	40	117	179	230
18651	Plymouth	Pennsylvania	189	410	481	428
18655	Shickshinny	Pennsylvania	14	26	45	48
18701	Wilkes Barre	Pennsylvania	20	18	38	42
18702	Wilkes Barre	Pennsylvania	787	932	1195	1194
18704	Kingston	Pennsylvania	605	802	862	969
18705	Wilkes Barre	Pennsylvania	275	389	666	701
18706	Wilkes Barre	Pennsylvania	322	548	601	593
18707	Mountain Top	Pennsylvania	122	130	214	229
18708	Shavertown	Pennsylvania	9	26	37	47
18709	Luzerne	Pennsylvania	79	91	158	172
18801	Montrose	Pennsylvania	18	33	58	63
18821	Great Bend	Pennsylvania	2	14	30	33
18822	Hallstead	Pennsylvania	9	46	57	63
18847	Susquehanna	Pennsylvania	27	48	67	63
18940	Newtown	Pennsylvania	10	9	14	14
18977	Washington Crossing	Pennsylvania	0	0	0	1
19067	Morrisville	Pennsylvania	255	221	416	455
19320	Coatesville	Pennsylvania	251	403	568	685
19335	Downingtown	Pennsylvania	15	40	48	67
19344	Honey Brook	Pennsylvania	2	3	4	5
19365	Parkesburg	Pennsylvania	37	62	100	90
19367	Pomeroy	Pennsylvania	46	0	3	16
19369	Sadsburyville	Pennsylvania	40	16	0	0
19372	Thorndale	Pennsylvania	1	13	31	42
19401	Norristown	Pennsylvania	572	756	903	855
19403	Norristown	Pennsylvania	191	336	611	671
19405	Bridgeport	Pennsylvania	44	89	117	145
19406	King Of Prussia	Pennsylvania	19	22	37	34
19422	Blue Bell	Pennsylvania	40	59	132	184
19426	Collegeville	Pennsylvania	82	123	164	194
19446	Lansdale	Pennsylvania	0	0	0	0
19453	Mont Clare	Pennsylvania	0	0	2	0

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Water Customers 2025

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
19456	Oaks	Pennsylvania	0	0	0	0
19457	Parker Ford	Pennsylvania	0	0	3	2
19460	Phoenixville	Pennsylvania	57	72	121	132
19462	Plymouth Meeting	Pennsylvania	3	9	16	19
19464	Pottstown	Pennsylvania	11	20	30	30
19465	Pottstown	Pennsylvania	16	22	41	52
19468	Royersford	Pennsylvania	118	119	232	346
19473	Schwenksville	Pennsylvania	23	36	52	33
19475	Spring City	Pennsylvania	58	74	138	105
19490	Worcester	Pennsylvania	0	0	0	0
19508	Birdsboro	Pennsylvania	27	30	45	47
19518	Douglassville	Pennsylvania	117	51	114	132
19522	Fleetwood	Pennsylvania	1	1	3	3
19606	Reading	Pennsylvania	181	191	383	436
19607	Reading	Pennsylvania	0	0	0	0
19608	Reading	Pennsylvania	119	148	231	306
19609	Reading	Pennsylvania	214	136	202	262
19610	Reading	Pennsylvania	64	62	137	169
		Total	23057	33753	47760	48937

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PAWC Estimated Low Income Count for Wastewater Customers 2023

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
15034	Dravosburg	Pennsylvania	38	25	58	60
15110	Duquesne	Pennsylvania	193	193	236	225
15122	West Mifflin	Pennsylvania	0	0	1	1
15132	Mckeesport	Pennsylvania	675	817	941	677
15133	Mckeesport	Pennsylvania	57	102	172	156
15323	Claysville	Pennsylvania	4	24	38	42
16136	Koppel	Pennsylvania	7	32	41	41
16214	Clarion	Pennsylvania	91	169	182	161
16254	Shippenville	Pennsylvania	15	39	74	68
16258	Strattanville	Pennsylvania	0	0	3	1
16735	Kane	Pennsylvania	78	98	195	187
17011	Camp Hill	Pennsylvania	7	17	24	32
17070	New Cumberland	Pennsylvania	119	152	290	324
17307	Biglerville	Pennsylvania	2	4	9	8
17319	Etters	Pennsylvania	23	15	31	45
17339	Lewisberry	Pennsylvania	4	8	24	28
17343	Mc Knightstown	Pennsylvania	0	0	0	0
17353	Orrtanna	Pennsylvania	7	4	10	14
17401	York	Pennsylvania	232	545	570	564
17403	York	Pennsylvania	209	267	319	382
17404	York	Pennsylvania	97	123	178	217
17406	York	Pennsylvania	0	0	0	0
17749	Mc Ewensville	Pennsylvania	0	2	11	13
17772	Turbotville	Pennsylvania	8	11	24	21
17777	Watsontown	Pennsylvania	0	1	0	2
18224	Freeland	Pennsylvania	29	45	51	43
18301	East Stroudsburg	Pennsylvania	28	41	68	75
18302	East Stroudsburg	Pennsylvania	2	5	9	7
18324	Bushkill	Pennsylvania	249	169	230	242
18328	Dingmans Ferry	Pennsylvania	14	13	25	27
18466	Tobyhanna	Pennsylvania	192	406	404	334
18503	Scranton	Pennsylvania	0	0	0	1
18504	Scranton	Pennsylvania	377	640	891	774
18505	Scranton	Pennsylvania	471	475	673	606
18508	Scranton	Pennsylvania	290	340	389	394
18509	Scranton	Pennsylvania	213	224	371	366
18510	Scranton	Pennsylvania	109	226	325	275
18512	Scranton	Pennsylvania	225	226	265	250
19320	Coatesville	Pennsylvania	220	347	493	593
19365	Parkesburg	Pennsylvania	37	64	101	91
19367	Pomeroy	Pennsylvania	47	0	3	17
19369	Sadsburyville	Pennsylvania	34	14	0	0
19464	Pottstown	Pennsylvania	52	84	118	120
19465	Pottstown	Pennsylvania	0	0	0	0
19468	Royersford	Pennsylvania	17	18	36	56
19508	Birdsboro	Pennsylvania	47	54	82	81
19606	Reading	Pennsylvania	214	231	457	516
19607	Reading	Pennsylvania	0	0	0	1
19608	Reading	Pennsylvania	0	0	0	0
19610	Reading	Pennsylvania	0	0	0	0
		Total	4734	6268	8421	8134

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Wastewater Customers 2024

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
15034	Dravosburg	Pennsylvania	38	26	59	59
15110	Duquesne	Pennsylvania	191	192	234	225
15122	West Mifflin	Pennsylvania	0	0	1	1
15132	Mckeesport	Pennsylvania	670	823	928	682
15133	Mckeesport	Pennsylvania	57	105	167	156
15323	Claysville	Pennsylvania	4	24	38	41
16001	Butler	Pennsylvania	512	794	1117	1142
16002	Butler	Pennsylvania	46	43	67	70
16029	East Butler	Pennsylvania	2	8	28	34
16045	Lyndora	Pennsylvania	14	67	52	34
16053	Renfrew	Pennsylvania	5	14	25	22
16136	Koppel	Pennsylvania	7	32	42	40
16214	Clarion	Pennsylvania	96	169	181	161
16233	Leeper	Pennsylvania	13	7	29	22
16254	Shippenville	Pennsylvania	15	39	70	67
16258	Strattanville	Pennsylvania	0	0	3	1
16735	Kane	Pennsylvania	78	98	196	189
17011	Camp Hill	Pennsylvania	7	17	25	32
17070	New Cumberland	Pennsylvania	122	150	291	323
17307	Biglerville	Pennsylvania	3	3	9	8
17319	Etters	Pennsylvania	23	15	31	44
17339	Lewisberry	Pennsylvania	4	8	23	27
17343	Mc Knightstown	Pennsylvania	0	0	0	0
17353	Orrtanna	Pennsylvania	7	4	9	14
17401	York	Pennsylvania	234	546	565	572
17403	York	Pennsylvania	206	267	314	378
17404	York	Pennsylvania	102	123	176	218
17406	York	Pennsylvania	0	0	0	0
17509	Christiana	Pennsylvania	0	1	4	6
17527	Gap	Pennsylvania	2	4	13	10
17749	Mc Ewensville	Pennsylvania	0	2	11	13
17772	Turbotville	Pennsylvania	8	11	23	21
17777	Watsontown	Pennsylvania	0	1	0	2
18224	Freeland	Pennsylvania	28	46	50	42
18301	East Stroudsburg	Pennsylvania	28	40	68	77
18302	East Stroudsburg	Pennsylvania	2	5	9	8
18324	Bushkill	Pennsylvania	251	168	231	241
18328	Dingmans Ferry	Pennsylvania	14	14	26	27
18466	Tobyhanna	Pennsylvania	190	404	407	336
18504	Scranton	Pennsylvania	383	645	888	787
18505	Scranton	Pennsylvania	475	477	677	619
18508	Scranton	Pennsylvania	294	341	392	404
18509	Scranton	Pennsylvania	218	226	371	375
18510	Scranton	Pennsylvania	108	230	323	277
18512	Scranton	Pennsylvania	222	231	263	250
19320	Coatesville	Pennsylvania	225	351	496	602
19365	Parkesburg	Pennsylvania	38	62	103	89
19367	Pomeroy	Pennsylvania	47	0	8	13
19369	Sadsburyville	Pennsylvania	36	14	0	0
19464	Pottstown	Pennsylvania	54	86	123	125
19465	Pottstown	Pennsylvania	0	0	0	0
19468	Royersford	Pennsylvania	17	19	35	56
19508	Birdsboro	Pennsylvania	47	54	81	83
19606	Reading	Pennsylvania	209	229	450	516
19607	Reading	Pennsylvania	0	0	0	1
19608	Reading	Pennsylvania	0	0	0	0
19610	Reading	Pennsylvania	0	0	0	0
		Total	5353	7232	9729	9540

CAUSE-PA 02-03_Attachment_AW

PAWC Estimated Low Income Count for Wastewater Customers 2025

Zip Code	City	District	FPL 0-50%	FPL 50-100%	FPL 100-150%	FPL 150-200%
15034	Dravosburg	Pennsylvania	38	24	58	60
15037	Elizabeth	Pennsylvania	0	0	0	0
15110	Duquesne	Pennsylvania	190	188	230	219
15122	West Mifflin	Pennsylvania	0	0	1	1
15132	Mckeesport	Pennsylvania	669	810	934	673
15133	Mckeesport	Pennsylvania	56	102	168	155
15323	Claysville	Pennsylvania	3	22	37	42
16001	Butler	Pennsylvania	510	782	1145	1137
16002	Butler	Pennsylvania	46	42	68	70
16029	East Butler	Pennsylvania	2	8	28	34
16045	Lyndora	Pennsylvania	15	66	53	33
16053	Renfrew	Pennsylvania	4	15	24	22
16136	Koppel	Pennsylvania	6	32	40	40
16214	Clarion	Pennsylvania	91	168	182	161
16233	Leeper	Pennsylvania	12	7	25	20
16235	Lucinda	Pennsylvania	0	0	0	0
16254	Shippenville	Pennsylvania	15	39	75	68
16258	Strattanville	Pennsylvania	0	1	3	1
16735	Kane	Pennsylvania	78	98	195	188
17011	Camp Hill	Pennsylvania	8	18	27	36
17070	New Cumberland	Pennsylvania	119	152	291	327
17307	Biglerville	Pennsylvania	2	3	9	8
17319	Etters	Pennsylvania	23	15	31	45
17339	Lewisberry	Pennsylvania	4	8	24	28
17343	Mc Knightstown	Pennsylvania	0	0	0	0
17353	Orrtanna	Pennsylvania	8	4	10	14
17401	York	Pennsylvania	227	531	558	550
17403	York	Pennsylvania	205	259	313	373
17404	York	Pennsylvania	95	120	175	213
17406	York	Pennsylvania	0	0	0	0
17509	Christiana	Pennsylvania	0	1	4	6
17527	Gap	Pennsylvania	2	4	13	11
17749	Mc Ewensville	Pennsylvania	0	2	11	13
17772	Turbotville	Pennsylvania	8	11	24	21
17777	Watsontown	Pennsylvania	0	1	0	2
18224	Freeland	Pennsylvania	28	45	49	41
18301	East Stroudsburg	Pennsylvania	30	46	74	82
18302	East Stroudsburg	Pennsylvania	17	45	55	47
18324	Bushkill	Pennsylvania	250	170	230	244
18328	Dingmans Ferry	Pennsylvania	14	13	25	27
18466	Tobyhanna	Pennsylvania	190	401	401	332
18503	Scranton	Pennsylvania	0	0	0	1
18504	Scranton	Pennsylvania	382	647	899	782
18505	Scranton	Pennsylvania	479	481	687	617
18508	Scranton	Pennsylvania	294	346	397	402
18509	Scranton	Pennsylvania	218	227	380	374
18510	Scranton	Pennsylvania	111	230	332	281
18512	Scranton	Pennsylvania	225	229	266	251
19320	Coatesville	Pennsylvania	227	355	504	607
19365	Parkesburg	Pennsylvania	38	65	101	91
19367	Pomeroy	Pennsylvania	46	0	3	16
19369	Sadsburyville	Pennsylvania	34	14	0	0
19464	Pottstown	Pennsylvania	52	87	123	125
19465	Pottstown	Pennsylvania	0	0	0	0
19468	Royersford	Pennsylvania	17	18	36	56
19508	Birdsboro	Pennsylvania	47	54	81	81
19606	Reading	Pennsylvania	214	230	457	515
19607	Reading	Pennsylvania	0	0	0	1
19608	Reading	Pennsylvania	0	0	0	0
19610	Reading	Pennsylvania	0	0	0	0
		Total	5350	7230	9856	9539

Pennsylvania-American Water Company
Docket Nos. R-2025-3057983 (Water)
R-2025-3058051 (Wastewater)
CAUSE-PA Set 1

CAUSE-PA 01-007

Responsible Witness: Deba Ather, Senior Manager of Regulatory Services for AWWSC

Question:

As of the most recent date available, how many estimated low income customers does PAWC serve? Please explain how PAWC arrived at these estimates, and provide a copy of any supporting documentation used to determine these estimates.

Response:

As of June 2025, PAWC serves both water and wastewater low-income customers. The estimated number of customers served by levels of household income stated in terms of multiples of Federal Poverty Level (FPL) are provided in the Community Analysis tabs of PAWC Exhibit DFA-1 and Exhibit DFA-2 and counts are estimated based on the most current available information on household income, size, and home ownership data from the U.S. Census Bureau for PAWC's service territory. These estimates are provided by FPL tiers that align with PAWC's CAP tier levels: 0-50%, 51%-100%, 101%-150%, 151%-200%, and 201%-250%.

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set II

CAUSE-JA-II-3 For each of the Companies, using the definitions from above, please separately indicate for each month from January 2023 to present how many of each of the following customer groups you have:

a. "Low Income Customer"
b. "Confirmed Low Income Customer"
c. "Estimated Low Income Customer"

Please provide this information in an Excel spreadsheet.

Response:

Peoples Natural Gas

Refer to Exhibit CAUSE-JA-II-3_Attachment 1_EU

Aqua PA

Refer to Exhibit CAUSE-JA-II-3_Attachment 1_EU

Responsible Witness(es):

Michelle Parks

Date: 02/09/2026

AQUA

CAUSE-JA-II-3_Attachment 1_EU

	Low Income Customers	Confirmed Low Income	Estimated Low Income*
January 2023	20372	19	74560
Feb	19319	39	70242
Mar	19642	59	72190
Apr	19578	76	70849
May	19836	135	72218
June	19941	216	72815
July	19951	297	72474
Aug	20049	392	72690
Sep	20172	442	73093
Oct	20182	538	72636
Nov	20119	672	71635
Dec	20174	955	69960
Jan 2024	20530	1284	72550
Feb	20716	1643	72386
Mar	20853	2054	72624
Apr	20963	2147	72703
May	21030	2195	72472
June	21058	2223	71910
July	21261	2289	72512
Aug	21430	2394	72557
Sep	21344	2368	71566
Oct	21652	2435	72477
Nov	21439	2464	68298
Dec	21864	2580	72387
Jan 2025	22076	2637	72714
Feb	21472	2571	65858
Mar	22229	2712	73153
Apr	22238	2747	73221
May	22320	2861	72899
June	22137	2921	72593
July	22466	3008	73028
Aug	22083	3001	70317
Sep	22581	3184	73370
Oct	22722	3303	73138
Nov	22395	3283	67913
Dec	23017	3486	73504

Peoples Natural Gas

CAUSE-JA-II-3_Attachment 1_EU

	Low Income Customers (i.e. Level 1 indicator within SAP)	Confirmed Low Income	Estimated Low Income*
January 2023	118,051	125,897	145,832
Feb	118,406	126,425	145,832
Mar	118,574	126,718	145,832
Apr	118,873	127,001	145,832
May	118,029	126,087	145,832
June	117,174	125,168	145,832
July	116,507	124,334	145,832
Aug	116,035	123,832	145,832
Sep	115,957	123,176	145,832
Oct	116,695	123,832	145,832
Nov	117,085	124,329	145,832
Dec	117,171	124,577	145,832
Jan 2024	117,230	124,859	144,472
Feb	117,224	124,994	144,472
Mar	117,166	124,975	144,472
Apr	117,678	125,268	144,472
May	116,828	124,392	144,472
June	116,316	123,784	144,472
July	115,460	122,847	144,472
Aug	114,965	121,368	144,472
Sep		127,528	144,472
Oct	115,379	121,788	144,472
Nov	115,750	122,254	144,472
Dec	116,083	122,774	144,472
Jan 2025	116,479	129,433	144,472
Feb	116,739	123,303	144,472
Mar	117,011	123,524	144,472
Apr	117,344	123,854	144,472
May	116,531	122,939	144,472
June	116,254	122,606	144,472
July	115,246	121,571	144,472
Aug	114,717	120,917	144,472
Sep	114,907	120,957	144,472
Oct	115,350	121,093	144,472
Nov	115,760	121,350	144,472
Dec	116,070	121,703	144,472

**Please note, estimated low income is taken from the Universal Service Programs & Collections Report.
2025 figures have not yet been calculated for report submission, therefore 2024 is used as a proxy for 2025.

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 2

CAUSE-PA to J.A. 2-4

Please provide full and accurate descriptions, including any written policies or plans for all assistance programs that each of the Companies had in place at the time this Application was filed to assist low-income customers be able to afford and remain connected to their water, wastewater, or natural gas distribution services.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

American Water understands this question to reference PAWC, and has responded accordingly:

PAWC recently answered a similar question in its pending base rate case at Docket No. R-2025-3057983. The requested information is provided in the table below:

H2O Help to Others™ – Bill Discount Program (BDP)	
Eligibility Requirements	• Gross monthly income at or below 200% of the Federal Poverty Income Guidelines (FPIG) • Account holder must reside in the household
Benefits	• 30% to 90% discount on the monthly service fee and a 20% to 80% discount on the monthly volumetric water charges • 37% to 85% discount on the total wastewater charges
Program Rules	• Must provide income documentation
Primary Enrollment	• Visit a participating Community Based Organization (CBO) - to locate a CBO near you visit DollarEnergy.org and select Agency Finder or call DEF at 1-888-282-6816 • Apply online using the MyApp customer portal which is accessible through Dollar Energy's Website: https://www.dollarenergy.org/myapp/ • If unable to visit a CBO and cannot access the online application, call Dollar Energy Fund at 1-888-282-6816 to apply

	• Paper application is also available
Conservation and Education Kit	
Eligibility Requirements/Rules	• Enrollment in the Company's Bill Discount Program
Benefits	• Water saving devices and conservation education * Kits include a WaterSense showerhead, water-saving faucet aerators, fill cycle diverters, and leak detection dye tablets. The kit also includes a pamphlet filled with money saving tips and information about water conservation.
Enrollment	• Bill Discount Program participants are sent a post card with a QR code and a phone number to obtain the conservation kit and educational materials • When the customer affirms they want the kit, a kit is mailed out

H2O Help to Others ™ Arrears Forgiveness Program	
Eligibility Requirements	• Gross monthly income at or below 200% of FPIG • Account holder must reside in the household
Benefits	• Receive a $25 credit each month a payment is received of the current discounted charges plus a $5 copayment
Program Rules	• Must be enrolled in the BDP • Must have a balance over 60 days and at least $150 past due • Must provide income documentation
Primary Enrollment	• Visit a participating Community Based Organization (CBO) - to locate a CBO near you visit DollarEnergy.org and select Agency Finder or call DEF at 1-888-282-6816 • Apply online using the MyApp customer portal which is accessible through Dollar Energy's Website: https://www.dollarenergy.org/myapp/ • If unable to visit a CBO and cannot access the online application, call Dollar Energy Fund at 1-888-282-6816 to apply • Paper application is also available
H2O Help to Others™ – Hardship Grants	
Eligibility Requirements	• Maximum household income at or below 250% of the FPIG • Account holder must reside in the household
Benefits	• Grant of up to $500 for water. • Grant of up to $500 for wastewater.

Program Rules	• Each customer account is eligible for multiple grants per program year not exceeding a total of $500 per year for water and/or wastewater. • Must provide income documentation
Enrollment	• Visit a participating Community Based Organization (CBO) - to locate a CBO near you visit DollarEnergy.org and select Agency Finder or call DEF at 1-888-282-6816 • Apply online using the MyApp customer portal which is accessible through Dollar Energy's Website: https://www.dollarenergy.org/myapp/ • If unable to visit a CBO and cannot access the online application, call Dollar Energy Fund at 1-888-282-6816 to apply • Paper application is also available

*Only one application is required to be considered for all company programs.

Refer to the following attachments for the requested materials:

CAUSE-PA 02-04_Attachment 1_AW for copies of the tariff pages for the low-income discount.
CAUSE-PA 02-04_Attachment 2_AW for 2025 Federal Poverty Guidelines.
CAUSE-PA 02-04_Attachment 3_CONFIDENTIAL_AW for Dollar Energy Fund's summary of PAWC Customer Assistance Programs. .
CAUSE-PA 02-04_Attachment 4_CONFIDENTIAL_AW for PAWC's internal procedure for adding discount.
CAUSE-PA 02-04_Attachment 4_CONFIDENTIAL_AW for PAWC internal discount analysis procedure.
CAUSE-PA 02-22_Attachment_CONFIDENTIAL_AW, pages 30-34 for PAWC's training materials and instructions for the physical disconnection of service for nonpayment for residential customers.

Please see Essential's response to CAUSE-PA 02-04 for their responsive information.

Responsible Witness: Matthew Prine, Vice President, Chief Customer Officer

Date: February 9, 2026

Supplement No. 50 to
Tariff Water-PA P.U.C. No. 5
Seventh Revised Page 17
Canceling Fifth and Sixth Revised Page 17

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

LOW-INCOME RIDER – ALL RATE ZONES FOR QUALIFYING RESIDENTIAL CUSTOMERS

APPLICABILITY

This rider applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rider is available for a customer in the Residential Class that meets the low-income criteria of **200**% based on the Federal Poverty Level ("FPL"). (C)

RATE

The **discount off** the service charge or minimum bill under this tariff will be **as follows**: (C)

Tier 1 (0%-50% of FPL):	**90%**	(C)(D)
Tier 2 (51%-100% of FPL):	**75%**	(C)(D)
Tier 3 (101%-150% of FPL):	**60%**	(C)(D)
Tier 4 (151%-200% of FPL):	**30%**	(C)(D)

The **discount off the** water usage **rate** shall be billed as follows: (C)

Tier 1 (0%-50% of FPL):	**80%**	
Tier 2 (51%-100% of FPL):	**65%**	(C)(D)
Tier 3 (101%-150% of FPL):	**40%**	(C)(D)
Tier 4 (151%-200% of FPL):	**20%**	(C)(D)

Supplement No. 52 to
Tariff Wastewater PA P.U.C. No. 16
Seventh Revised Page 16
PENNSYLVANIA-AMERICAN WATER COMPANY Canceling Fifth and Sixth Revised Page 16

SCHEDULE OF RATES

LOW-INCOME RIDER – ALL RATE ZONES FOR QUALIFYING RESIDENTIAL CUSTOMERS

APPLICABILITY

This rider applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rider is available for a customer in the Residential Class that meets the low-income criteria of **200%** **(C)** based on the Federal Poverty Level.

RATE

Customers under this rate schedule will receive a discount off their total wastewater bill as follows:

Tier 1 (0%-50% of FPL):	**85%**	**(D)**
Tier 2 (51%-100% of FPL):	**73%**	**(D)**
Tier 3 (101%-150% of FPL):	**55%**	**(D)**
Tier 4 (151%-200% of FPL):	**37%**	**(C)/(D)**

(C) means Change and (D) means Decrease

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set II

CAUSE-JA-II-4 Please provide full and accurate descriptions, including any written policies or plans for all assistance programs that each of the Companies had in place at the time this Application was filed to assist low income customers be able to afford and remain connected to their water, wastewater, or natural gas distribution services.

Response:

Peoples Natural Gas

Refer to Peoples' currently approved Universal Service and Energy Conservation Plan attached as Exhibit CAUSE-JA-II-4_Attachment 1_EU.

Aqua PA

Aqua PA's assistance programs include CAP, Aqua Aid and Leak Repair and Conservation. All programs serve customers with incomes up to 200% FPL. Refer to attachment CAUSE-JA-II-4_Attachment 2_EU for a slide deck that is used to provide an overview of the programs to external parties (i.e. social service agencies, speaking engagements with groups, BeUtilityWise, etc.)

Aqua CAP: Monthly bill discounts are provided according to income level. In addition to bill discounts, any balance at the time of enrollment is frozen for the benefit of arrearage forgiveness benefits. Those benefits are provided in increments of $40 which the CAP payment is made. If a customer pays the CAP payment after the due date, the $40 credit is applied when the payment is made.

Aqua Aid: Aqua Aid is the Company's hardship fund. The attached slide, which is shared with external groups during presentations, describes eligibility.

Aqua Leak Repair & Conservation: Provides for the full cost of household leaks for income qualified customers. Proof of homeownership or signed landlord permission is required to participate. Conservation kits are provided to all customers receiving a leak repair, as well as any income qualified customer who requests a kit.

Responsible Witness(es):

Rita Black

Date: 02/09/2026

Peoples Natural Gas Company LLC

UNIVERSAL SERVICE
AND
ENERGY CONSERVATION PLAN

2019-2024

Amended March 27,2025 to reflect changes approved in the Peoples Natural Gas Petition at Docket Nos. P-2025-3053645, M-2018-3003177 and M-2020-3021343.

Peoples Natural Gas
375 North Shore Drive
Pittsburgh, PA 15212

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LIST OF ATTACHMENTS

1. Attachment A -- Independent Evaluation Performed by APPRISE
2. Attachment B -- Sample CAP Bill
3. Attachment C -- LIURP Customer Pledge and Action Plan Forms
4. Attachment D -- Energy Conservation Education
5. Attachment E -- Programs Booklet
6. Attachment F – Consumer Education & Outreach Plan
7. Attachment G – Needs Analysis
8. Attachment H – Zero Income Form

UNIVERSAL SERVICE AND ENERGY CONSERVATION PLAN

Overview

The Peoples Natural Gas Company (Peoples) submitted its current Universal Service Plan on July 16, 2014[1]. It was approved by Final Order on December 17, 2015. The Plan incorporated the best practices of the Peoples and Equitable Divisions of Peoples Natural Gas and included an expansion of the Customer Assistance Program under a Pilot that allowed for participation for customers with significant balances and incomes between 151 and 200% of Federal Poverty Levels. The Company further amended the plan in 2016 to include an Emergency Furnace and Line Repair Program for the Equitable Division[2].

The Company has an active Universal Service Advisory Group (USAG) whose members include representatives from Office of Consumer Advocate, the PA Public Utility Commission's Office of Investigation & Enforcement and Bureau of Consumer Services, Public Utility Law Project, and local community partners such as Women's Center and Shelter of Pittsburgh, Salvation Army, Allegheny County Department of Aging, United Way PA 2-1-1, Catholic Charities and others. The USAG meets quarterly in January, April, July and October. The group provides valuable input into the outreach methods and communication efforts for the Company's Universal Service programs. It also has an important role in advising the Company on appropriate budgets, eligibility and program parameters. The input of the USAG was crucial to the development of this Plan and the changes proposed are reflective of the engagement of the group. The group's goal is to ensure the programs offered by the Company increase affordability, reach the vulnerable populations who need them and are managed effectively.

This Plan no longer includes the LIURP Pilot Community Partnership program. This program was designed to provide financial support to local organizations that offered energy conservation events and or programs in the Peoples Division service territory. The annual budget was $50,000. When the program was launched in 2011, interest from partnering organizations was high and Peoples was able to support some very valuable conservation education programs. Over time, the number of proposals for support have continued to drop and in 2017, Peoples sponsored only one project and used the remaining funds to provide energy conservation programs developed and presented by Peoples' Energy Consultants. Therefore, the Company proposed, and the USAG agreed, that these annual funds would be better spent in the LIURP weatherization program, providing more available dollars to increase random inspections as well as health and safety spending. A letter of notification was submitted to the Bureau of Consumer Services on June 26, 2018 regarding the elimination of this program and use of these funds in the LIURP weatherization program. The transfer of the $50,000 from the Community Partnership for Weatherization Program to LIURP is reflected in the LIURP budgets provided in this Plan.

[1] Docket M-2014-2432515
[2] Dockets P-2016-2562220 and M-2014-2432515

Plan Submission

This Plan will be in effect during the period from January 1, 2019 through December 31, 2028 and will be implemented upon approval by the Commission.

Plan Modifications

The proposed modifications, which are highlighted below, represent the Company's efforts to continually improve the effectiveness and efficiency of its Universal Service Program offerings. Proposed changes were developed from feedback received in the Independent Evaluation of 2017 and the input of the Company's USAG.

Customer Assistance Program

- Partnership with Duquesne Light to assist customers in enrolling in CAP for both companies with one income documentation submission.
- Provision added to allow customers to re-enter CAP up to 9 months after termination or removal, maintaining the same pre-CAP amount as existed prior to their exit.
- Limit the use of LIHEAP receipts in lieu of providing income documentation for CAP enrollment to those funds received in the current (or prior if the season has recently closed) LIHEAP season. This reduces the timeframe for which LIHEAP receipts can be used to indicate eligibility from 2 years to approximately one year.
- Elimination of the CAP Plus mechanism to improve affordability.
- Elimination of the pre-CAP add-on payment of $5 per month for those that enter the program with arrearages.

CARES/Hardship Funds

- Company will make all efforts to partner with electric companies to provide services to vulnerable customers within the residence to obtain documentation for possible programs participation and provide resources.

Low Income Usage Reduction Program (LIURP)

- Increased allowance per job to include remediation of the heating system in addition to implementing pre-determined measures and in some cases for health and safety measures that allow the Company to move forward with weatherization project that might have otherwise been prohibited.
- Provide for an increase of random inspections above 25% of annual jobs to allow for a more effective quality control of the program measures installation, new contractors and/or of those situations in which the Company deems it appropriate to provide additional oversight to a contractor/(s).

LIURP Emergency Furnace & Line Repair Program

- Increase the annual budget for Peoples Natural Gas to $863,750. to reflect changes in annual budgets determined in prior proceedings. Increase the annual budget for Peoples

Gas Company LLC to $61,250 to reflect changes in annual budget determined in prior other proceedings.

- Increase all annual budgets by 3% for each subsequent year to reflect increases in labor and material costs.
- Include costs of minor restoration that is necessary to ensure safety for gas line replacements that include excavation.

Plan Attachments and Coordination Efforts

A list of attachments to this Plan follows the Table of Contents.

An integral part of the Plan is the coordination of Universal Service Programs both within the Company and through external agencies. Employees receive training regarding sensitivity to those with special needs as well as program availability and eligibility. Employees of the Customer Service Center as well as Field Operations make referrals to the Customer Relations team via email or phone. In addition, area agencies are a key source of outreach efforts to customers and are supported through materials and/or presentations provided by the Company.

The steps used to identify eligible customers and methods of program coordination can be found listed in the first section, Customer Assistance Program. These steps apply to all of the Universal Service Programs in the Plan.

Organization

Universal Service Programs are managed and directed by the Customer Relations Department which is housed in the Operations organization of the Company. The organizational chart for Customer Relations is provided at the end of this section. While the programs themselves are managed exclusively in the Customer Relations department, the important work of outreach and referrals occur throughout the Company.

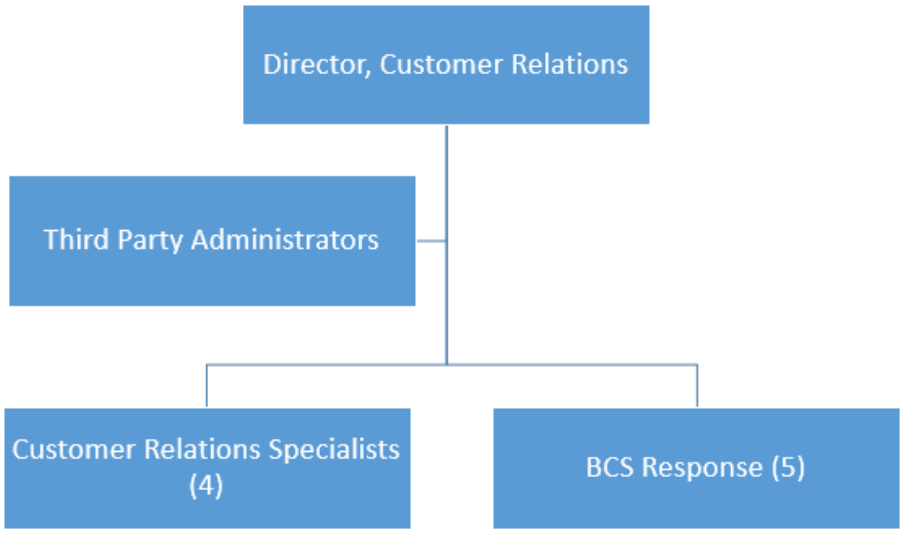
Incoming calls to the Company from low income customers are answered in the Customer Service Center, Monday through Friday from 7 a.m. to 5 p.m. Management of the Customer Service Center is provided by the Sr. Director of Customer Service. All agents receive training on the Company's Universal Service Programs in order to make appropriate referrals. Customers who appear to be eligible and in need of the Customer Assistance Program are transferred directly to Dollar Energy Fund, the Company's CAP administrator, for immediate assistance. CAP participants who need the assistance of a Dollar Energy Fund Hardship Grant are directly transferred to Dollar Energy Fund to apply for the grant over the phone and are not required to visit an agency. Customers who are in need of other Universal Service programs such as weatherization, emergency heating assistance or CARES are referred by the Customer Service Center to the Customer Relations department for follow up.

In addition to the organization which supports the connection of customers with available assistance, customers can additionally self-refer. Through the Company's website, customers

can contact the Company through the 'Peoples Helps' email line which is managed by the Customer Relations department. Customers creating an online payment arrangement through the Company's e-account portal, and who present with income less than 150% FPL are identified and their accounts are forwarded on a weekly basis to the CAP administrator for outreach for potential CAP enrollment and to offer other Universal Service programs as appropriate.

In order to ensure we reach the most vulnerable, an employee-only phone line has been implemented for the Field Operations team. Field technicians can dial directly into the Customer Relations department to make the Company aware of customers in difficult circumstances so help can be provided. Field employees also receive a stock of customer care cards that are essentially business cards with the Company's phone number and a list of programs to hand out to customers who could benefit from these programs. Customer Relations staff members additionally provide 'on call' service to Operations after normal working hours and on weekends. This service allows us to coordinate assistance for vulnerable customers, particularly if an issue arises in colder weather that affects heat to the home.

Customer support has high visibility in the Company as seen through regular presentations to the management team. Educating employees on Universal Service programs is a key focus of Peoples' Making Life Better mission.



CUSTOMER ASSISTANCE PROGRAM (CAP)

Program Description

Peoples CAP is a special payment plan for low-income, payment-troubled customers. Through CAP, low income customers pay a percentage of their income for natural gas service. The reduced payment amount is designed to improve payment compliance and reduce collection activities.

Eligible customers agree to pay 4%, 5%, 6% or 11% of their verified before-tax monthly income for natural gas service. The household income and family size determine which percentage of income the customer is to pay. Earned and unearned income of minor children is excluded in the determination of eligibility and calculation CAP payment, in compliance with the definition of household income found at 66 Pa.C.S. §1403. If the average bill for the premises is lower than the calculated percentage of income payment, the customer's CAP payment will be the average bill amount.

Eligibility for CAP is income at or below 150% FPL. Customers with incomes between 151 and 200% FPL that meet additional eligibility requirements will be eligible to participate in the Pilot CAP expansion.

Findings and Recommendations from Independent Evaluation

1. Phone and Agency Enrollment – Most customers enroll in CAP over the telephone by calling DEF. Customers appear to appreciate the convenience of the telephone enrollment and very few customers visit an agency to enroll in CAP. However, there may be additional cases where agency enrollment may provide important benefits to the customer such as quicker enrollment or more education and referrals, and should be recommended.
2. Income Verification – Peoples has reported that they are working to make it even easier for customer to provide income documentation, by creating additional mechanisms for customers to submit the information.
3. Recertification – As with enrollment, customers appear to appreciate the ability to recertify by mailing in their documentation rather than visiting an agency. However, it may be beneficial for Peoples to suggest that certain customers visit an agency to recertify to obtain a better understanding of the program, the importance of making the monthly CAP payment, and additional resources that may be available to assist them in meeting their needs.
4. CAP Bill – Peoples has designed a CAP bill that provides a clear presentation of the monthly CAP payment, the five-dollar contribution for arrearages and the CAP credit as the difference between actual usage and the CAP payment. Peoples could add information on the amount of arrearage forgiveness that will be received when they pay their bill to make this even more apparent.
5. CAP Plus – The CAP Plus adder impacts energy burden and affordability. Peoples should continue to monitor this adder and asses how increases impact affordability, especially for the lowest income customers.

6. Affordability – The CAP survey and the transactions data analysis clearly showed that the program has improved affordability for participants.
7. Bill Payment – CAP also had a positive impact on bill payment.
8. CAP Satisfaction – Customers reported that CAP was very important in helping them to meet their needs and their satisfaction was high.

Modifications Since Last Plan

Peoples implemented the suggestion provided in finding number 4 above regarding the CAP bill. A message has been added to CAP bills, directly below the CAP payment amount, to remind customers of the Arrearage Forgiveness benefit they will receive by making the payment. Please refer to Attachment B for an example of this bill message.

In response to finding number 5, Peoples engaged the regulatory focused members of its Universal Service Advisory Group to review, analyze and discuss potential CAP Plus modifications to address the affordability impact on the lowest income participants in its program. This working group analyzed data and held discussions that led to the modification of the CAP Plus mechanism that is described in this Plan.

The Company also considered the suggestion from the independent evaluation that some customers will be better served through enrolling in CAP in person. While this option has always existed at any Dollar Energy Fund agency, the Company has taken steps to increase the visibility of this option and to encourage its phone agents to offer this option to customers. There has also been a change to agency compensation, providing for agency reimbursement for the cost of completing a CAP application, regardless of whether the customer is ultimately enrolled. The Company has provided CAP training at Catholic Charities of Allegheny County so that customers can apply for CAP in person.

In order to ensure income eligibility, the Company has changed the LIHEAP eligibility provision of its CAP enrollment process to limit the use of LIHEAP in lieu of income documentation to customers who have received a LIHEAP cash or Crisis grant within the current or most recent program year. Prior to this change, customers could enroll into CAP without submitting income documentation if the Company had received LIHEAP funds in the past two years.

An online application, utilizing Dollar Energy Fund's MyApp application has been implemented, allowing customers to apply for CAP online. During the online application process, customers may submit their income electronically. The online application can be found at: https://www.hardshiptools.org/MyApp/. The Company plans to implement a paper application, to be completed via US mail, for customers who prefer this method. The paper application will be available in October of 2022.

Eligibility Criteria

The CAP program is available to customers who are at or below 150% of the Federal Poverty Income Level (See Attachment E - Income Guidelines). The customer must have active

residential heating service. If a customer reports zero income, a zero-income form, as shown in Attachment H, can be submitted in lieu of income documentation for enrollment in CAP.

Under a pilot expansion of CAP, customers with incomes between 151 and 200% of Federal Poverty Level, at least one broken payment arrangement and a significant arrearage may also participate. A significant arrearage is generally defined as a balance of $800 or more, but flexibility is given in the evaluation of individual circumstances. Customers in this income group must apply for a Dollar Energy Hardship Fund Grant to be applied to their account balance prior to entering the CAP program if such funds are currently available.

Prior CAP customers who apply for service within nine months of service termination or discontinuance will continue to be considered active participants provided that they pay their CAP bill arrearage. An applicant with an outstanding balance that has not previously participated in CAP may enroll and restore service by submitting income documentation supporting their eligibility for the program and will not be required to make an arrearage payment. CAP-eligible customers who receive LIHEAP and/or Hardship Fund for restoration may enroll in CAP without submitting additional documentation and any remaining balance, following the crediting of energy assistance, will be frozen as pre-program arrearages.

Upon contact, a customer may be enrolled in CAP without providing income documentation if he/she has received a LIHEAP payment within the current or most recent LIHEAP program year. Additionally, if service is off and the customer receives approval for LIHEAP or Hardship Fund grants to restore service, no additional income documentation will be required to enroll in CAP. Peoples will accept a customer's participation in an electric or water CAP program as verification of income if the customer provides authorization for the CAP administrator to utilize income documentation submitted by the customer to enroll in another CAP program managed by the administrator (i.e. First Energy, Pennsylvania American Water) or authorizes another utility CAP program to share income information for the purposes of enrollment. Permission to use income data previously provided to Dollar Energy Fund for the purposes of enrolling in another program will only be used if the customer provides informed consent to such use. The use of this income data will be used to determine eligibility only and will not be used for any other purpose. If a customer enrolls in Duquesne Light's CAP program and provides their permission for their information to be shared, the Company will receive the customer's information from Duquesne Light and will complete enrollment on behalf of the customer. The customer may submit income for the past 30 days or 12 months, whichever is more beneficial to the household, for the determination of eligibility to participate in CAP.

The Company will follow its collections procedures for customers who fail to meet their CAP payments in a timely manner. In all cases, the Company reserves the right to delay termination based on individual, extraordinary customer circumstances. Examples of such circumstances may include mental or physical impairment and protection of vulnerable customers such as those with advanced age or victims of domestic violence.

Current CAP participants that move to a new address within the Company's service territory will be identified through a daily report. This report will be reviewed by a member of the Customer Relations team to expedite enrollment of the customer's new account into CAP to ensure benefits

are maintained. Report development and implementation of this process is expected by August 1, 2022.

Low Income Home Energy Assistance Program – LIHEAP Coordination

The LIHEAP and LIHEAP Crisis Program provide grants to eligible households to help with their utility bills. CAP participants should apply for LIHEAP and the Company provides information on how to apply for the grants. The Company mails annual reminder letter to CAP participants who have not yet received a LIHEAP grant within the program year. The LIHEAP Crisis Grant may be requested contingent upon state developed criteria and would be applied consistent with state guidelines.

Current Program Benefits

- Affordable monthly payments based on ability to pay.
- Monthly CAP credits.
- Monthly arrearage forgiveness when timely CAP payments are received.
- Exemption from late payment charges and waived security deposits for CAP eligible applicants.
- Referrals to other Universal Service programs and assistance programs

Payment Plan

Peoples utilizes a "Percent of Income Payment Plan" to establish a customer's monthly payment. Applicants must provide proof of household income when applying for the CAP program unless they have received a LIHEAP grant within the current or prior program year (if the program recently closed). Household income and family size will place customers in a percent of income matrix. The monthly income times the 4, 5, 6 or 11 percent equals the minimum monthly payment, unless the budget amount for the premises is less, in which case the budget amount will become the CAP amount

Federal Poverty Status	Percent of Income	
0 - 50%	4%	
51 – 100%	5%	
101 – 150%	6%	
151 – 200%	11%	CAP Pilot Expansion

Customers' CAP payments are reviewed on a monthly basis, during the billing process, to ensure the customer's CAP payment is the lowest payment for which the customer is eligible (i.e.

budget or percentage of income). If a payment change is needed, it is effective the following month. A bill message on the current bill advises the customer the CAP payment for the following month will be changing in order to alert them to review the next bill closely. In order to maintain a stable payment, absent any special circumstances such as billing adjustments, the payment will be changed no more often than once every three months.

Customers reporting 'zero income' can be enrolled or continue to participate in CAP by completing the Zero Income Form. Customers enrolled with 'zero income' will be billed the CAP minimum payment and will be required to recertify their income status in 6 months.

Payments received from the customer exceeding the current CAP payment due will be used to reduce the following month's CAP payment amount.

Program Dimensions

1. CAP Enrollment

   The current number of active CAP participants, as of December 31, 2019 is provided in the table that follows. Enrollment is not limited to a predetermined level. Customers must be payment-troubled and low-income to be eligible. Income eligibility is established at or below of 200% of the federal poverty level (CAP to 150% FPL and Pilot CAP expansion 151 to 200% FPL).

Peoples Natural Gas
32,870

2. Arrearage Forgiveness

   The outstanding balance at the time of enrollment is frozen and treated as pre-program arrears. CAP customers with pre-program arrearages are eligible for Arrearage Forgiveness credits equal to $1/36^{th}$ of their pre-program balance when the customer pays the required CAP payment. This program allows CAP participants to fully extinguish their pre-program balance over a three (3) year period. Arrearage Forgiveness credits are provided when the customer makes each on-time and in-full monthly CAP payment, regardless of CAP arrearages.

3. Calculation of CAP Credits

   CAP credits are applied on a monthly basis when the CAP bill is issued to the customer. Per 52 § 69.262, a CAP credit is defined as the difference between the CAP customer's actual usage bill and the CAP monthly bill.

4. CAP Administration and Use of Community Based Organizations

Dollar Energy Fund administers Peoples' CAP program which includes verification of eligibility, recertification and day to day account monitoring. The agency receives customer applications via telephone and has a network of community-based organizations that are available to complete CAP applications for eligible customers. The agency offers an online CAP application which can be found at https://www.hardshiptools.org/MyApp/ and can provide a paper application, as requested, via US mail beginning October 1, 2022.

The Company also utilizes utility partnerships and agencies such as Catholic Charities for CAP enrollment to simplify the process for customers and increase the likelihood customers will enroll in CAP programs with each of their utility providers.

5. CAP Customers who have enrolled on the basis of LIHEAP or who have certain fixed income types (pension, social security or disability) are recertified once every three years. Other income types will recertify once every two years. Customer reporting no income are required to recertify at least every (6) months. The exception to this requirement are those households whose sole income is unearned income for a child. In those cases, recertification, dependent on the type of income received by the child, will follow the recertification schedule provided for that type of income. Recertification begins with the issuance of a letter to the customer, 60 days in advance of the recertification date, requesting the customer to submit proof of income to remain active in the CAP program. A second reminder letter is mailed 30 days later. If at the end of the 60 day period, the customer has not provided the required income documentation, the customer will be dismissed from the CAP program.

6. Final Bills – Final bills are calculated as a prorated CAP amount based on the number of days in the final bill period. In addition to the current portion of the final bill, the formerly frozen pre-CAP balance becomes due.

Control Features

To limit program costs, Peoples, through its administrator, monitors CAP accounts to ensure customers are complying with the terms of the program and are receiving the proper benefits from CAP and other Universal Service Programs.

- The minimum payment for a heating account is $25 per month.

- CAP participants who qualify for weatherization will receive priority in accordance with the criteria established for the LIURP Program.

- A CAP customer who meets the eligibility criteria for LIHEAP will be encouraged to complete an application.

- Upon enrollment in CAP, participants will be advised of the importance of energy conservation and will receive information on conservation tips and weatherization programs. Customers with a history of high energy usage and those who reach review status for exceeding $1,000 in CAP Credits or exceeding annual usage thresholds will be

referred to the Company's weatherization program (LIURP) and any other appropriate programs. All participants will be advised that their usage will be reviewed on an ongoing basis and unjustified excess CAP usage or excess CAP credits may result in removal from the CAP Program if such usage is considered by the Company to be outside of the intentions of the CAP program.

- A daily report allows the CAP Administrator to identify CAP customers whose weather-normalized annual usage has increased by more than 25%. When a CAP customer's account appears in the report, the Company representative will take the following steps:

    - The account will be reviewed and the customer will be contacted in order to determine if the increase in gas usage is justified. Contact is made through phone and paper surveys regarding the household and housing attributes that would justify high usage. Justified usage may include: increase in household size, serious illness of a family member, or usage was beyond the household's ability to control such as poor housing stock and inefficient appliances Special needs customers identified through this process will be referred to the CARES program in accordance with 52 PA Code, § 69.261-267.

    - Any customer with unjustified excess usage will be contacted and provided with conservation information, tips for decreasing usage, and referred to weatherization programs. Unjustified excess usage may result in the CAP customer being removed from the CAP Program. Prior to any consideration of removal, LIURP and energy education services will be offered.
- In addition to usage monitoring, Peoples monitors customers who exceed $1,000 in CAP credits. In advance of reaching the $1,000 threshold, customers will be notified of their current use of CAP credits and offered information about the LIURP weatherization program when they reach 50% or $500 in CAP credits and again at 75% or $750 in CAP credits annually. Such notification will include a description of the customer's responsibility to monitor their gas usage and advisement that the customer may be held responsible for CAP credits exceeding the $1,000 CAP credit limit.

    - When an account exceeds the $1,000 CAP credit threshold, the account is reviewed and the customer may be contacted in order to determine if excess CAP credits are justified. Contact is made through phone and paper surveys regarding the household and housing attributes that would justify high CAP credits. Justification may include: an increase in household size, serious illness of a family member, or usage was beyond the household's ability to control such as poor housing stock and inefficient appliances. Special needs customers identified through this process will be referred to the CARES program in accordance with 52 PA Code, §69.261-267. Customers exceeding the $1,000 threshold due to participation in CAP at the minimum payment level are reviewed. If usage is in line with historical usage, completion of the survey is not required.

- Unjustified CAP credits in excess of $1,000 may result in removal from participation in CAP. Prior to any consideration of removal, LIURP and energy education services will be offered.

Default, Termination Conditions and Requests for Removal

The Company monitors accounts for changes in family size or income, timely payments, appropriate usage and timely meter readings. A CAP participant's failure to comply with one or more of the following may result in the Company ending the customer's opportunity to receive service under CAP:

- Failure to allow access to or provide customer meter readings in four consecutive months.
- Failure to report changes in income or family size.
- Failure to recertify as requested and/or to meet eligibility requirements.
- Failure to make payments may result in the Company undertaking collection activities which may lead to termination of service. To avoid termination, the customer must pay CAP arrears prior to the scheduled termination date. If a CAP account is terminated, the customer must pay all missed CAP payments to restore service. If CAP is the only prior arrangement on the account, making the customer eligible for reduced restoration, the customer may pay 1/24th of arrears to restore service.
- Use of natural gas, while on the CAP Program, for recreational purposes such as, but not limited to pool heaters and gas grills is prohibited. Customers using gas for recreational purposes will be removed and can be re-enrolled upon verification that the natural gas connection to the recreational appliance has been removed.

Appeal Process

CAP applicants may appeal the denial of eligibility. If the CAP applicant is not satisfied with the Company's initial eligibility determination, the Company will follow the dispute procedures at 52 PA. Code §56.151 and 56.152. The CAP applicant may also appeal the denial of eligibility to the PUC's Bureau of Consumer Services in accordance with 52 PA Code §56.161-56.165.

Needs Assessment

Please refer to the Needs Assessment conducted in the Independent Evaluation which is provided as Attachment A and the additional Needs Assessment information developed by the Company as shown in Attachment G. Historical residential customer counts for Peoples Gas are also included in Attachment G. In the Independent Evaluation, the Needs Assessment executive summary is provided on pages xvi through xvii. The full needs assessment is provided on pages 38 through 43.

Program Budget

- The CAP Program is funded by Peoples' customers and administered by the Company. The chart below contains the projected expenditures for 2019-2024 period. Cost recovery of particular CAP components is provided through the Universal Service Rider of Peoples Natural Gas. Recoverable costs include CAP credits, Arrearage Forgiveness, and third-party administration. The budget provided below is based on 2019 actual participant income and using average CAP usage to calculate CAP credits, average pre-CAP balances to calculate Arrearage Forgiveness and contractual costs for CAP administration as projected on a yearly basis. The Rider has other adjustments, such as a bad debt adjustment, that determine the actual amount recoverable. The Rider is subject to an annual reconciliation to actual experience. The rates used in the calculation of CAP credits are effective January 1, 2020 and therefore include the base rate increase approved for Peoples Natural Gas in late October 2019. Year end 2019 participation is used as the basis for the calculation.

	Peoples Natural Gas
2019	
2020	$18,216,507
2021	$18,253,197
2022	$18,290,987
2023	$18,329,911
2024	$18,370,002

Plans to Use Community Based Organizations

Peoples' CAP program is managed by Peoples' staff and administered by Dollar Energy Fund. Dollar Energy Fund will contract with community-based organizations throughout PNG's service territory. While enrollment over the phone is preferred by most customers, the Company recognizes the need to offer in person enrollment for those who prefer and/or are more suited to this approach. Customers can apply in person at Dollar Energy Fund agencies and some Catholic Charities offices. The Company continues to look for other opportunities to expand availability of in-person CAP applications in partnership with Duquesne Light. Peoples continues to work closely with community-based organizations to provide appropriate follow up, information on education, budget counseling and referrals in conjunction with LIURP. In addition, Peoples refers eligible customers to appropriate programs and services including, but not limited to, sources of third-party funding, budget counseling, and consumer education.

Organizational Structure of Staff responsible for CAP

Peoples' CAP program is managed by the Customer Relations department and is administered by Dollar Energy Fund. The Company visits the CAP administrator on a monthly basis, reviewing recorded calls for quality assurance, verifying CAP program control processes are completed in a

timely basis and meeting with supervisory staff to review current processes including training materials for agents, correspondence used for customers and other pertinent components of CAP administration. The Company also holds a biweekly conference call with DEF management staff to share updates on program availability (i.e. LIHEAP opening/closing), discuss current trends and to gain status updates on outreach efforts. In addition, the Company will, on an annual basis, review a selection of randomly chosen accounts for income documentation verification.

Outreach and Intake Efforts for CAP

Peoples will provide outreach for CAP and other Universal Service Programs through the Customer Service Center, the Company website and other forms of media as listed below. Fliers are included with termination notices to inform customers of available programs. Bill inserts, press releases and other information are also provided to the public to encourage referrals. Community-based agencies receive information on these programs and are encouraged to make referrals as well. Meetings are held with social service agencies, elected officials and other community groups to provide current information on available programs. Information on the programs can also be found on the Company's website. Peoples will also utilize the Southwestern PA 2-1-1 for referrals and provide updated information to the Company's Universal Service Advisory Group. The CAP Administrator makes outbound calls to all customers who establish a payment arrangement through the Company's e-account which is reflective of income at or below 150% FPL.

Identification of Specific Steps to Identify and Enroll Low-Income Customers

Potentially eligible customers are identified through their income information that is documented in the Company's billing system. Customer Service Center Representatives receive training on identification of potential referrals to all Universal Service Programs. Following pre-screening for eligibility and appropriateness of CAP program for the customer's situation, the call agent refers them to the administrator for enrollment via phone or provides information to the customer about applying in person if that options is more preferable or suitable to the customer. Customers in need of CAP who appear to have challenges to traditional enrollment and require more support can be referred to the Company's CARES program for additional assistance. Information on income eligibility and program dimensions is provided in training and employee resource materials.

Integration of Programs

All customers calling Peoples' general customer service number (1-800-764-0111) or its Universal Service line (1-800-400-WARM) are screened for eligibility and appropriateness of Universal Service Programs including, but not limited to, CAP, LIURP, LIHEAP, CARES and Hardship Funds.

Field Service Personnel also make referrals to Universal Service Programs through a direct, employee only line that is answered by the Customer Relations department on an immediate

basis. The Company provides Customer Service Center representatives with information and referral mechanisms for all of the Universal Service Programs and includes income guidelines and eligibility criteria.

LOW INCOME USAGE REDUCTION PROGRAM (LIURP)

Program Description

Peoples' LIURP Program is designed to help low income customers who have problems coping with high gas bills. Program goals are to make the home more energy efficient, control high usage and achieve bill reduction through energy savings.

Independent Evaluation Findings & Recommendations

1. Energy Education – Peoples has developed an extensive education program for their LIURP participants. They implemented a Pledge Form to involve the customers with the contractor and an Action Plan form that lists the actions that the customer committed to take to further reduce gas usage. Peoples contracts with energy consultants who perform random inspections and provide additional energy education to the customers about the work completed and additional actions the customers can take to save energy.
2. Energy Savings – Peoples has achieved high savings from LIURP, averaging about 20 percent of the customers' pre-treatment natural gas usage. However, given the high level of pre-treatment usage, and the investment level, Peoples should consider whether it may be possible to achieve even higher savings through targeting and the services that are provided.
3. Targeting – Peoples should consider whether they want to make additional efforts to serve the highest of the high users or the customers who are most payment troubled. They could target a subset of high-usage list for additional outreach to encourage participation.
4. Energy Efficient Measures – Peoples should assess whether they are opportunities to reduce the number of heating system replacements and increase the emphasis on air sealing and insulation.
5. Coordination – Peoples works to complete jobs that are combined with the PA Department of Community and Economic Development Weatherization Program and with electric companies. When jobs are coordinated with State Weatherization or electric companies, Peoples is typically responsible for replacing the heating appliance if replacement is necessary. They completed 17 combined jobs in 2014, 23 combined jobs in 2013, and 33 combined jobs in 2012. Peoples should continue to work with the electric companies, as planned, to try to increase coordination, thus providing improved energy efficiency through a holistic approach.

Modifications Since Last Plan

As described in the Independent Evaluation findings, the Company implemented a pledge form and an action plan form with the goal of enhancing the customer's commitment to conservation as well as the contractor's commitment to usage reduction. The pledge and action plan forms are provided as Attachment C.

Individual project budget guidelines were expanded to allow for remediation of the heating system in addition to implementing the pre-determined usage reduction measures to maximize the efficiency gained in the project. The program also provides a more generous allowance for health and safety items (those measures that do not offer a usage reduction outcome). This allows for the completion of jobs that may have otherwise required the company to forego the project and additionally benefits the overall health and safety of the household.

Participants who do not experience a reduction in pre-treatment usage (non-savers) participate in a Non-Savers Survey which attempts to identify the reasons for the current usage while additionally providing energy conservation education. Survey results are reviewed to determine if additional education and/or a home visit are recommended. Customers whose usage increases by 10 MCF or more annually post-LIURP receive a follow-up home visit where they receive additional conservation education and their appliance temperatures are checked to ensure energy efficiency. All non-savers receive a letter concerning their energy usage that contains conservation information. Non-savers are not penalized for their usage.

The Company accepts Weatherization Assistance Program (WAP) and First Energy Companies' audit forms for those jobs performed as a partnership to reduce the paperwork requirements of the contractors and further encourage coordination of services.

Peoples Natural Gas received approval for a base rate increase effective October 29, 2019. This approval included an increase of $650,000 to the annual LIURP budget. This change is reflected in years 2020 through 2024 below.

Eligibility Criteria

As recommended by the Independent Evaluation, participation will be targeted to customer that are the highest users.

- Prioritize customer participation to the lowest income and highest arrears.
- Total family income does not exceed 150% of Federal Poverty Guidelines. (Up to 20% of the annual program budget may be allocated to customers with incomes from 151-200% of the federal poverty level on a case-by-case basis.)
- Residential, gas-heating customer.
- Customer has not moved and has not had gas service terminated within the last year (to ensure sufficient pre-treatment usage information is available to evaluate the effectiveness of weatherization measures).
- Customer has not received weatherization services provided by the Company within the past 7 years.
- Customer has an annual consumption greater than 120 MCF/year.
- Renters must have the gas account in their name and receive landlord permission to participate. Rental units must be metered separately and have individual heating systems.

Home Weatherization

An energy auditor visits the customer's home and conducts a thorough investigation. The auditor assesses areas where heat is escaping and cold is entering the house and also notes any previous weatherization measures that were installed and evaluates their effectiveness. The auditor asks customers to provide additional information that can assist them during the home inspection.

The information that is gathered by the auditor determines what measures will most benefit the goal of energy reduction in the customer's home. Measures are installed based on established payback criteria and may include:

- Heating system improvements and replacements
- Attic, sidewall, and other types of insulation
- Caulking and weather-stripping
- Air sealing
- Hot water treatments including tank improvements, wrapping and replacements
- Minor repairs that relate to weatherization

A general guideline of $600 per job for health and safety is provided with the understanding that the auditor may recommend measures of up $1,000 if necessary. If health and safety measures are identified exceeding $1,000, the measures are reviewed for approval on a case-by-case basis. Examples of health and safety measures include implementing proper venting of natural gas appliances and minor plumbing or roofing leaks. Health and safety expenditures are tracked individually in the Company's LIURP database and are monitored closely by the program administrator.

State Weatherization (WAP) and First Energy Companies' audit forms are accepted by the Company for coordinated jobs.

Random inspections provide the necessary feedback to better serve customers, evaluate contractor performance and identify areas of improvement. Random inspections will be performed on a minimum of 25% of jobs completed annually.

Energy Education

In addition to weatherization services, LIURP provides customer education to encourage ongoing conservation. When energy conservation measures are being installed, an educator will explain the weatherization program in more detail and provide conservation and energy efficiency suggestions. The educator may provide "hands on" demonstrations of conservation measures such as lowering the heating system thermostat, lowering the water heater setting and regular replacement of furnace filters. The educator provides written reference materials for the

customers. The contractor will also review a pledge form with the customer to emphasize the commitment to energy reduction.

If the customer has had an unusually high increase in consumption, a follow up telephone call or visit may be scheduled one year after the program measures have been completed.

Please refer to Attachment D for a conservation booklet that is commonly used for energy education.

Needs Assessment

Please refer to the Needs Assessment conducted in the Independent Evaluation which is provided at Attachment A. The Needs Assessment executive summary is provided on pages xvi through xvii. The full needs assessment is provided on pages 38 through 43.

Projected Enrollment Levels

	Peoples Natural Gas
2019	311
2020	457
2021	384
2022	374
2023	374
2024	374
Total	2,304

These projections are based on average spending per home, including the implementation of heating appliance replacement (if necessary) and installation of necessary usage reduction measures.

Program Budget

	Peoples Natural Gas
2019	$2,380,000
2020	$3,710,376
2021	$3,030,000
2022	$3,030,000
2023	$3,030,000
2024	$3,030,000
Total	$18,210,376

*Please note 2020 budgets include projected carryover dollars from 2019.

The above figures include installation of program measures, third party contract labor, administrative expenses, agency meetings, equipment, outreach, and educational materials. The Peoples Division budget reflects an increase of $50,000 annually which represents the elimination of the LIURP Pilot Community Partnership for Weatherization program and the transfer of that program's budget to LIURP.

Figures provided include shareholder funds where applicable.

On September 12, 2024, the Commission issued an Order at Docket R-2023-3044549 regarding Peoples requested base rate increase. Included in the Order was the approval of a Low-Income Stipulation reached with multiple parties to the case. This Stipulation increased the annual LIURP budget to $3,500,000.

Plans to use Community Based Organizations

Peoples' LIURP program is administered through CLEAResult. As its current administrator, CLEAResult will conduct energy audits, contract with non-profit community action agencies and private contractors as appropriate to install weatherization measures provide consumer education and perform post-installation inspections. Partnering with state weatherization and other utility programs are emphasized to maximize the benefits to the consumer. CLEAResult provides administrative daily operations including enrollments, contracting and coordination with other programs. In addition, at least 25% of the homes weatherized will be subject to random inspections.

Organizational Structure of Staff responsible for LIURP

See Organizational Chart, page 4. Peoples' internal management provides oversight to the program administrator, CLEAResult.

Outreach and Intake Efforts for LIURP

The company promotes LIURP through internal and external efforts. Training is provided to customer interaction personnel including agents in the customer service center and customer service field personnel. Engagement with organizations who service customers throughout the service territory, the company website which includes a video library on conservation, published articles on easy conservation steps and safety information. Bill inserts are also used to share information about LIURP and identify eligible participants.

All customers who contact the Company for assistance from the Emergency Furnace and Line Repair program are screened for LIURP eligibility.

Customers who participate in the CAP program and meet LIURP eligibility criteria are referred

to LIURP during the CAP Intake Process and during the reviews for use of CAP credits and/or increased annual usage. Additionally, agents in the customer service center routinely refer customers they encounter with high usage.

Peoples' coordinates its LIURP Program with existing community-based programs including Beaver County Redevelopment Authority, Re-Energize Pittsburgh, LIHEAP/ Crisis program, WAP (Weatherization Assistance Program) and others as each individual circumstance permits.

CLEAResult, the LIURP Administrator, receives a list from the Company of potentially eligible customers at the beginning of each calendar year. CLEAResult uses this list to contact customers via mailings and phone calls to inform the customer about the program and offer enrollment.

Steps to Identify and Enroll Low Income Customers

Eligible customers are identified through company internal reports and other universal service programs such as the CAP, CARES and LIHEAP programs. Customers are enrolled in the LIURP program in accordance with program guidelines.

The company provides training to employees who interact with the customers so that they can be informed about program eligibility requirements. In addition, the company makes all efforts to educate agencies who serve our customers so that they may refer potential participants.

Integration of Programs

Peoples continues to look for ways to increase coordination with the federal and state weatherization programs, electric utilities weatherization and Act 129 programs. Additionally, when opportunities offered by other non-profit organizations are available, the Company seeks coordination with these third-party efforts as well.

Peoples will also integrate the program through internal processes such as CAP intake, recertification, CAP usage review process, LIHEAP recipients and the Emergency Furnace/Line replacement program. In addition, the company reinforces the use of an internal Universal Service e-mail to increase referrals.

LIURP -- EMERGENCY FURNACE / SERVICE LINE REPAIR ASSISTANCE

Program Description

Peoples Emergency Furnace/House and Service Line Repair Program serves customers with limited income and who are experiencing a crisis and possibly going through the winter months without heat because they cannot afford to have their furnace or service lines repaired. Additionally, the Company may consider replacement or repair of water heaters, in cases of vulnerable customer needs, safety issues that arise during a furnace replacement and/or as required by the replacement of a heating system, as eligible under this program.

Program budget for 2019 was as follows:

Peoples Natural Gas
$850,000*

*$400,000 budget for Equitable Division was approved in 2019 (M-2014-2432515), resulting in an overall budget for Peoples Natural Gas of $800,000 annually.

These budget levels were also in place during 2017 and were fully exhausted. Early 2018 was colder than normal, resulting in a high number of heating system failures and an increased need for assistance from the program. The budgets included in this Plan were developed using average costs per job type (i.e. furnace, boiler, service line) and activity levels.

The program will allow for restoration of sidewalks, driveways and/or soft ground when necessary to ensure safety following excavation. Restoration costs covered by the program will be limited to those directly necessary to avoid an unsafe condition. All jobs that have the potential to require restoration will be evaluated to determine the prospective level of excavation related costs in determining whether the repair/replacement project can be covered under the Company's program.

The company partners with the Air Conditioners Contractors of Western PA (ACCWPA) to provide cleaning and tune up and a safety check prior to the heating season, of the heating appliance for small number of participants (30 in 2017). While the ACCWPA volunteers their time to provide the service, customers may receive financial assistance through the Company's program to resolve a repair or provide a replacement if a safety issue with the heating system is identified. Participants in the program are required to be homeowners within 200% of FPL.

Eligibility Criteria

- Homeowners and renters are eligible to participate as long as budget dollars remain available. Up to 25% of the annual budget may be used to serve renters. Signed landlord consent is required for participation.
- Total household income may not exceed 200% of FPL.

- Must have a need for emergency repairs and/or replacement of the heating system, hot water heater and/or gas lines. Non-emergency repairs and replacements are not covered by this program.
- Residential, gas-heating customers only
- Customers should apply for LIHEAP/Crisis is the program is available.
- All requests for assistance will be processed on a first-come, first-served basis.

The Company may refer eligible customers to LIHEAP Crisis when that program is available. This referral process allows Peoples to protect available funds of the program for use by those with immediate needs that cannot await LIHEAP Crisis as well as those customers who do not meet LIHEAP Crisis income qualifications (i.e. 151 to 200% FPL).

All potential repairs or replacements are evaluated by a contractor on behalf of the company to determine if the project is suitable to be covered by the program.

Needs Assessment

Based on historical participation Peoples estimates355 customers to receive assistance through this program on an annual basis.

Projected Enrollment Levels

Because the prices for labor and materials consistently increase, and with the addition of limited restoration costs on an as necessary basis, the number of customers assisted will vary in relation to the types and costs of projects completed in a given year.

Program Budget

	Peoples Natural Gas
2019	**$860,000**
2020	**$960,800**
2021	**$987,374**
2022	**$1,014,746**
2023	**$1,042,938**
2024	**$1,068,975**
2025	**$1,500,000**
2026	**$1,500,000**
2027	**$1,500,000**
2028	**$1,500,000**
Total	**$11,934,833**

The budget was developed using average costs for project types: boiler replacement, furnace replacement, heating system repairs and gas service line replacements. Additionally, the

Company assumed 20% of the service line projects will require repair/replacement of sidewalks. The costs above include third party administration, but do not include internal labor.

The approved settlement of the acquisition of the Peoples companies included an increase to this program of $75,000 annually. This increase is funded by shareholders for a three-year period post-closing. After the three-year period, the program will be funded by the approved cost recovery mechanism in place at that time. The increase of $75,000 is an increase of 8.8% to existing budgets ($850,000).

Organizational Structure

See Organizational Chart on page 4.

Outreach and Intake Efforts

Peoples will coordinate the emergency program with existing programs through Department of Community Economic Development ("DCED") and LIHEAP Crisis and will accept referrals from community-based organizations, Company representatives and other third parties.

Identification of Low-Income Customers

As this is an emergency assistance program, customers self-identify or are referred by local community service agencies or Company field personnel.

Program Integration

The program is currently administered by CLEAResult. In order to realize efficiencies and better coordinate with other programs, the agency will utilize subcontractors who are currently working to implement the Peoples' LIURP program.

CUSTOMER ASSISTANCE REFERRAL AND EVALUATION SERVICES (CARES)

Program Description

The CARES program is designed to provide assessment and referral services for customers who may be experiencing an inability to pay their gas bills and/or have special needs such as a serious medical condition, a mental health condition, limited learning ability, recent unemployment, single parent issues, etc. The program also includes Protection from Abuse Orders as outlined in 66 PA CSA, Chapter 14 and the Address Confidentially Program (ACP).

Findings and Recommendations from the Independent Evaluation

1. Benefits – CARES provides important benefits to special needs customers, including education about the Earned Income Tax Credit and LIHEAP, thermostats for visually-impaired customers and short-term assistance to ensure that customers are able to access the resources that they are referred to.
2. Employee Education – Peoples has levered CARES to educate employees about special needs customers, increase the sensitivity of their employees and increase customer referrals.

Modifications Since last Plan

The company will make efforts to partner with the electric company to provide services to vulnerable customers within the residence. The services will include obtaining documentation for Universal Service eligibility such as CAP, LIHEAP, and Dollar Energy Fund and will also provide resources within the customers' community and also promote the company programs.

Eligibility Criteria

Any special needs customer in danger of losing heat due to non-payment or heating equipment failure is referred to CARES. Customers are identified through referrals from call center agents, Dollar Energy Fund agents and field employees of Peoples. Income guidelines for the LIHEAP and Crisis programs are established by the Pennsylvania Department of Human Services and may change annually. LIHEAP eligibility is currently established at 150% of the federal poverty level.

The CARES program is intended for customers with immediate needs. Specialists provide an assessment to assure customers not only receive all necessary referrals to other programs, but are unable to access resources. The primary objective is to help customers resolve issues related to and beyond bill payment and energy affordability by utilizing case management and referral services.

Customer Relations Specialists utilize an array of resources throughout the service territory such as: available energy assistance resources, public assistance benefits, local social agencies services etc. Specialists also provide training on programs and sensitivity training to customer service center personnel, field customer service personnel, in addition to providing Universal Service program awareness to social service staff. They also network with community-based organizations and the Universal Service Advisory Group to better enable customers to receive services and possible third-party assistance and funding.

Some of the agencies are as follows:

- Health and Welfare Councils
- Department of Aging
- Allegheny County Community Services Advisory Council
- Health Department
- Pennsylvania Department of Human Services
- Social Service Agency Providers Council
- Cambria County Energy Crisis Council
- Local social agencies such as Catholic Charities and Saint Vincent de Paul Society in the area.
- Beaver County Human Service Forum
- Veterans Leadership
- Allies for Health and Wellbeing- Housing Program
- Latino Family Center

Specialists also participate in awareness programs and fairs sponsored by social service agencies and elected officials to increase visibility and awareness. They also actively network in the community through partnerships with:

- Be Utility Wise
- Air Conditioning Contractors of Western Pennsylvania (ACCWPA) Furnace Inspection program
- Homeless Prevention & Rapid Re-Housing Program
- Southwestern PA 2-1-1
- Beaver County Human Service Forum
- YWCA of Greater Pittsburgh advisory committee

Customer Relations Specialists work with area social service agencies throughout the service territory to provide third party assistance for our customers. As a result, eligible customers might receive financial assistance from third party social service agencies such as Catholic Charities, Salvation Army, St. Vincent de Paul Society, Veterans Leadership in addition to traditional energy assistance etc.
Peoples will also work through a social agencies and electric utilities partnership to provide home visits for those customers with special needs who might benefit from a more personal interaction.

The CARES program has two components:

- One-time contact - includes those customers who might need an immediate referral to resolve an urgent crisis or a short-term situation.

- Case Management – includes a case work approach and ongoing monitoring and follow-up services. Qualifying accounts are coded CARES and require the specialist to monitor the account. Customers with PFA orders and participants of the ACP are part of the case management component.

Field Reporting of CARES Cases

The CARES program also includes the referrals from field employees who identify customers in vulnerable situations and refers those customers for help from our Customer Relations department. A direct employee only phone number is used to connect the field employees to the Customer Relations department on an immediate basis during normal working hours. Recognizing that our field employees respond to emergencies 24 hours/7 days a week and may identify a vulnerable customer issue in the evening or on the weekend, the Company utilizes and 'on call' program which ensures on of the senior Customer Relations Specialists is available via cell phone to provide assistance.

The Company utilizes the CARES program as a way to educate employees to be sensitive to those with special needs and also to recognize certain danger signals such as change in behavior, evidence of confusion or lack of apprehension, or disability in addition to company available programs.

Thermostats & Alternative Bills for Visually Impaired Customers

Thermostats for vision impaired customers are available for those who have been medically Identified as a patient with severe vision impairment. Peoples provides and installs these devices through its CARES program. Customers can also request large print bills or Braille bills

depending upon their needs. The company partners with the Western PA School for the Blind Children to prepare Braille bills.

Earned Income Tax Credit Educational Outreach

Peoples promotes the Earned Income Tax Credit Program ("EITC") to educate customers on the availability of the EITC and how to obtain the credit through the filing of their income taxes. Customers will be informed about the program through bill inserts, Peoples' website and through referrals from our call agents and Customer Relations specialists.

Low Income Home Energy Assistance Program Outreach

The Low-Income Home Energy Assistance Program or LIHEAP is an important component of CARES. Peoples identifies income eligible customers and promotes the program through bill inserts, company website, grassroots agencies, company employees and letters sent to CAP participants. Customers can obtain an application by contacting the Company via its call center or can be connected to the online application through the Company's website.

Peoples continues to partner with state, federal and other advocacy groups to encourage full funding for LIHEAP and actively participates in the LIHEAP Action Committee.

Needs Assessment

The number of CARES referrals received in a given year varies, but a historical review of the program reflects that assistance is provided to an estimated 1,621 customers per year. In addition to these CARES cases, outreach is provided to low-income customers to increase participation in energy assistance programs and EITC.

Program Budget

	Peoples Natural Gas
2019	$313,708
2020	$322,568
2021	$331,696
2022	$341,647
2023	$351,896
2024	$362,453

Total	**$2,023,968**

Total estimated funding amounts for the CARES program including salaries for Customer Relations Specialists, Director, contract labor, professional development; administrative expenses and outreach efforts and materials.

Plans to Use Community Based Organizations

The CARES Program is administered internally through the specialists who network with social service agencies throughout the Peoples' eighteen county service territories to develop partnerships, stay informed of the available programs and to better serve low income customer needs.

Organizational Structure of Staff responsible for CARES

See Organizational Chart, page 4.

Outreach and Intake Efforts for CARES

Peoples Customer Relations specialists promote the Universal Service Programs by maintaining contact with community service organizations throughout the company's service territory. The company also promotes the programs through focused articles in bill inserts, providing information on its website, providing materials to local social service agencies and distributing materials through its Peoples Universal Service Advisory Group.

Please refer to Attachment E for a programs booklet that provides information about all of the Universal Service programs available to Peoples' customers. This booklet is distributed at local outreach events and to agencies that work with low income consumers.

Identification and Referral of Low-Income Customers

Refer to the Identification and Referral of Low-Income Customer information provided in the Customer Assistance Program section.

Program Integration

See Integration Methods as outlined under the Customer Assistance Program.

PEOPLES NATURAL GAS AND PEOPLES GAS Company LLC HARDSHIP FUNDS

Program Description

The Peoples Natural Gas Company LLC Hardship Fund is a partnership with the Dollar Energy Fund. Dollar Energy Fund was founded in 1983 and currently partners with thirteen utilities in Pennsylvania. Dollar Energy Fund is an independent, non-profit organization that provides utility bill financial assistance to customers who are on a low or fixed income. Dollar Energy Fund receives donations from utility investors and individual customers. Peoples contributes shareholder funds annually to match customer donations and to cover administrative costs. Annually, $750,000 is donated for Peoples Natural Gas customers and $65,000 for Peoples Gas Company LLC. These shareholder donations provide funding for grants and cover all administrative costs.

Findings and Recommendations from Independent Evaluation

1. DEF Partnership – Peoples has developed a good partnership with DEF to deliver Hardship Fund grants.
2. Customer Communication – DEF continues to work to improve the process for the customer. They are working to enhance their phone system to enable customers to use text messaging in place of speaking with a representative. This would help lower income customers whose cell phone plan includes only a certain amount of calling, but have unlimited texting.

Eligibility

As a fund of last resort, if gas service is off or in termination status and the applicants are eligible for LIHEAP and Crisis benefits, they must apply for these benefits, when available, before applying for Dollar Energy Fund. The Dollar Energy Fund Program year is open from October 1st to September 30th, and grants are provided until available funds are exhausted. During the months of October and November, applications are restricted to those with termination notices or without gas service. Beginning December 1 through the month of February, applications are restricted to those without gas service. Beginning March 1, applications are fully open to all qualified customers, regardless of service status. Applicants must be the ratepayer of record and the account must be a single-family dwelling. Customers must be at or below 200% of the poverty level to qualify for a grant. In addition, the customer must have made a sincere effort of payment, which is defined as having paid at least $150 toward their utility bill over a ninety-day time period. Applicants under the age of sixty-two must have a balance of at least $100 on their account to be eligible to apply. Applicants over sixty-two years of age may have a balance less than $100, but cannot have an existing credit to be eligible to apply and must have made at least

one $100 payment in the last six months. CAP participants are deemed as having made a sincere effort to pay if their payments in the last 90 days are equal or greater than two CAP payments if such amount is less than the generally required $150 or $100 dependent on the customer's age. The applicant's account must be a residential heating account. All income eligible applications are reviewed by the Company for approval. Grants may be rejected if the maximum grant amount will not satisfy the termination or restoration amount. Notification is provided to applicants whose application is denied, noting any additional payment that is required to be considered for assistance. Applications may be reconsidered if the required additional payment is made and funds continue to be available. Non-heat accounts and commercial accounts are not eligible for assistance from the Dollar Energy Fund.

Needs Assessment

Participation in the Hardship Fund is impacted by customer donations. A historical review of both divisions was used to estimate the number of customers who will receive assistance from the Hardship Fund.

Enrollment Levels

During the 2017-2018 program year, Peoples customers, including those of the former Equitable Gas Company, received a total of $1,177,000 in grants. This includes the matching grant from Dollar Energy Fund.

Program Budget

The Company continues to explore ways to increase customer donations to assist in meeting the matching funds as well as to encourage Dollar Energy Fund to increase its fundraising programs. The below budget is reflective of the amounts provided by Peoples shareholders in support of the Hardship Grants and does not include administrative donations nor customer donations.

	Peoples Natural Gas
2019	$588,500
2020	$688,500
2021	$688,500
2022	$688,500
2023	$688,500
2024	$688,500
Total	**$4,031,000**

Budget increases in 2020 and subsequent years are the result of the approval of the acquisition of the Peoples Companies, approved by the PA PUC in January of 2020. This settlement provided an increase of $100,000 in Hardship Funding per year.

On September 12, 2024, the Commission issued an Order at Docket R-2023-3044549 regarding Peoples requested base rate increase. Included in the Order was the approval of a Low-Income Stipulation reached with multiple parties to the case. This Stipulation increased the annual Company donation to the hardship fund by $150,000 each year until Peoples files its next USECP.

Community Based Organizations

Dollar Energy Fund partners with community-based organizations to accept applications. Peoples' customers may be referred to any Dollar Energy Fund community-based screening agency to complete an application. Dollar Energy Fund developed an on-line application process entitled "I-Partner" which enables the Company to review grant applications more quickly. Peoples plans to continue to use Dollar Energy Fund Community Based Organizations as a means for customers to apply for Dollar Energy Fund grants. These agencies work closely with the Company and refer eligible customers to CAP, LIURP and CARES as well. The Company will continue to explore ways to streamline the application process for its customers.

Organizational Structure of Staff responsible for Hardship Funds

See Organizational Chart, page 4.

Outreach Efforts

Peoples promotes Dollar Energy Fund and encourages customer donations in a number of ways including:

- Providing information about the program in bill inserts new customer welcome packet, press releases, and bill messaging to encourage customers to contribute to the Dollar Energy Fund by adding a dollar or more to their utility payment.
- A Dollar Energy Fund Pledge form is provided on the back of the bill to allow customers to designate a particular donation amount to be added to their bills on a monthly basis.
- Dollar Energy Fund is promoted on the Company's website and is available for customers who elect to receive their bills electronically.
- Sponsorship of the Dollar Energy Fund FAN Golf Outing Classic and Annual Luncheon. Cold Down for Warmth activities included an advertisement to encourage donations.
- Promotional activities with Lernerville Speedway including radio interviews, advertisements and special recognition during the races.
- Sponsorship of promotional events at the Altoona Curve, Minor League Baseball Team.
- Development of a signature event in partnership with Hearth and Home entitled the Warm Your Hearth...Touch a Heart Campaign featuring television advertisements, annual reception, and silent auction and matching donations from Hearth and Home.

- Peoples' employee support is encouraged through donations that are made on "Casual Fridays."
- Pittsburgh Pirates "Bring on the Heat" campaign where Peoples pledges a donation to Dollar Energy Fund for each strikeout.

Customers referred to the Universal Service Programs are screened for Dollar Energy Fund eligibility and referred to the program. Training is conducted for Customer Service Supervisors and representatives so that they can make referrals to eligible customers.

Identification of Eligible Customers

See information outlined under Customer Assistance Program.

Integration of Programs

See Integration Methods as outlined under the Customer Assistance Program.

AQUA SM

An Essential Utilities Company

Customer Assistance Programs

Aqua Assistance Programs

Household incomes up to 200% FPL for all programs

Customer Assistance Program (CAP)

- Monthly discounts based on income
- Any balance owed at the time of enrollment is frozen from collections.
- $40 credits towards those prior balances when monthly bills are paid.

Aqua Aid Hardship Fund

- Grants up to $500 to help with high bills from water leaks or arrears

Leak Repair & Conservation

- Repairs for common household leaks that increase water bills.
- Easy to install conservation kits available.

CAP Discounts

	Water	Water	Wastewater	Wastewater
	Fixed Charge	Volumetric	Fixed Charge	Volumetric
Tier 1 (0 - 50% FPL)	100%	85%	85%	85%
Tier 2 (51 - 100% FPL)	100%	75%	75%	75%
Tier 3 (101 - 150% FPL)	100%	50%	65%	50%
Tier 4 (151 - 200% FPL)	100%	25%	50%	25%

All CAP customers enrolling with a balance automatically receive arrearage forgiveness benefits of $40 for each monthly payment made until their balance is completely forgiven.

AQUA AID
Bringing neighbors & needs together.

- Grants up to $500
- Income eligibility: 200% FPL (or 250% with special needs)
- One grant per program year (October through September)

Administered by Dollar Energy Fund

- Online applications available at: https://www.hardshiptools.org/MyApp/
- Or apply at a participating agency: https://www.hardshiptools.org/AgencyFinder.aspx

Leak Repair & Conservation Programs



Leak Repairs & Conservation

- Repairs prioritized for leaks that cause high bills or could lead to loss of service (i.e. water pit)
- Conservation kits provided to reduce usage.
- Homeowners and renters are eligible.

Contact our team at 412-208-6818 or AquaCAP@aquaamerica.com

CAUSE PA
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AW Response to CAUSE-PA Set 2

CAUSE-PA to J.A. 2-6

For each of the Companies, please provide the following information for each of the last three calendar years (2023, 2024, and 2025):

a. The annual budget and annual amount spent for usage reduction programs, conservation programs, or equipment repair and replacement programs.

b. The total number of customers who received usage reduction program services.

c. The amount budgeted and spent for administrative costs. In so doing, please separately identify those costs that are internal to the Companies or external.

d. If the annual budget set forth in subsection a. was exhausted in any of the three calendar years (2023, 2024, 2025), the number of applicants for usage reduction services who did not receive such services, despite being otherwise eligible.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

American Water understands this question to reference PAWC, and has responded accordingly:

PAWC provides water conservation kits and conservation education materials to H2O program participants who affirm they want to receive a kit.

a. The actual amount spent on purchasing conservation kits:

2023	$23,344
2024	$0.00
2025	$60,526

Note: no additional inventory was needed for 2024, therefore there was zero spend recorded. 2025 includes two orders for conservation kits.

b. The total number of PAWC customers who received conservation kits:

2023	1,195
2024	2,881
2025 (As of November 30, 2025	971

c. PAWC does not track administrative costs for conservation kits as a separate line item.
d. Any PAWC low-income customer who requests a conservation kit is mailed a kit. Inventory of conservation kits is maintained year over year and restocked as needed.

Please see Essential's response to CAUSE-PA 2-6 for their responsive information.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 9, 2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set II

CAUSE-JA-II-6

For each of the Companies, please provide the following information for each of the last three calendar years (2023, 2024, and 2025):

a. The annual budget and annual amount spent for usage reduction programs, conservation programs, or equipment repair and replacement programs.
b. The total number of customers who received usage reduction program services.
c. The amount budgeted and spent for administrative costs. In so doing, please separately identify those costs that are internal to the Companies or external.
d. If the annual budget set forth in subsection a. was exhausted in any of the three calendar years (2023, 2024, 2025), the number of applicants for usage reduction services who did not receive such services, despite being otherwise eligible.

Response:

Refer to CAUSE-JA-II-6_Attachment 1_EU for the response for Peoples Natural Gas and Aqua PA.

Responsible Witness(es):

Rita Black

Date: 02/09/2026

CAUSE-JA-II-6_Attachment 1_EU

Peoples Natural Gas

	2023					2024					2025				
	a. Annual budget	a. Annual Spend	b. Customers Served	c. Ext. Admin Costs	d. Budget Exhausted?	a. Annual budget	a. Annual Spend	b. Customers Served	c. Ext. Admin Costs	d. Budget Exhausted?	a. Annual budget	a. Annual Spend	b. Customers Served	c. Ext. Admin Costs	d. Budget Exhausted?
LIURP	$ 3,998,923	$ 3,888,328	317	$ 308,587	No	$ 3,153,252	$ 2,468,889	185	$ 201,879	No	$ 4,184,363	$ 2,717,240	169	$ 320,156	No
Emergency Repair	$ 1,042,938	$ 786,288	211	$ 57,459	No	$ 1,068,975	$ 1,296,693	336	$ 107,796	No	$ 1,500,000	$ 1,853,017	373	$ 159,332	No

Upon approval of Peoples' base rate proceeding in 2024, the rider calculation moved from a calendar basis to an October through September basis. As a result, Emergency Repair spending was renewed on October 1 of each year.
This is the reason for 2024 and 2025 calendar year spending appearing to exceed to the budget. In 2024, the program received $1,068,975 at the start of the calendar year, then was refreshed on October 1.
Similarly in 2025, the renewal of funding on October 1, 2025 allowed the program to remain open and continue to serve customers.

Aqua PA

	2023					2024					2025				
	a. Annual budget	a. Annual Spend	b. Customers Served	c. Ext. Admin Costs	d. Budget Exhausted?	a. Annual budget	a. Annual Spend	b. Customers Served	c. Ext. Admin Costs	d. Budget Exhausted?	a. Annual budget	a. Annual Spend	b. Customers	c. Ext. Admin	d. Budget Exhausted?
Repair & Conservation	$ 100,000	$ 13,754	4	$ -	No	$ 100,000	$ 59,688	$ 26	$ -	No	$ 250,000	$ 50,192	$ 47	$ 830	No
Conservation											$ 50,000	$ 17,000	255	$ -	No

Prior to 2025, the leak repairs and conservation program were under the same budget. In 2025, those budgets were separated and information for each program is shown separately beginning in 2025.

In 2023 and 2024, conservation kits provided to customers were from backstock of the former Helping Hand program. Receipt of kits were not tracked in a manner that allows for reporting on number of customers served. Beginning in 2025, conservation kits are tracked.
The conservation kit spend in 2025 is a prepayment of postage and handling.

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AW Response to CAUSE-PA Set 2

CAUSE-PA to J.A. 2-8

For each of the Companies, please describe how each part of their usage reduction program is funded. If funded by a reconcilable rider, please provide a copy of that rider. If funded by distribution rates, please provide a tariff reference and description of the rate including the amount included as the last approved rate case. Please also indicate which rate class of customers is assessed the rider and/or which class of customers has the costs allocated to them in rates. If allocated to more than one class of customers, please provide the allocators used for the allocation.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

American Water understands this question to reference PAWC, and has responded accordingly:

PAWC does not have a specific usage reduction program. PAWC does however provide conservation kits and conservation education materials to H2O program participants who affirm they want to receive a kit.

The cost of the conservation kits is funded through base rates. PAWC's rate design is guided by its class cost of service study.

Please see Essential's response to CAUSE-PA 2-8 for their responsive information.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 9, 2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET II
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Joint Applicants Response to CAUSE-PA Set II

CAUSE-JA-II-8 For each of the Companies, please describe how each part of their usage reduction program is funded. If funded by a reconcilable rider, please provide a copy of that rider. If funded by distribution rates, please provide a tariff reference and description of the rate including the amount included as the last approved rate case. Please also indicate which rate class of customers is assessed the rider and/or which class of customers has the costs allocated to them in rates. If allocated to more than one class of customers, please provide the allocators used for the allocation.

Response:

Peoples Natural Gas

The Company's Low Income Usage Reduction Program (LIURP) is funded through Rider Universal Service. A copy of which is provided as an attachment to CAUSE-JA-II-7. The Rider is assessed to residential, non-CAP participants.

Aqua PA

Aqua's leak repair and conservation kit programs are recovered through residential distribution rates. In the last case, the approved budgets were: $75,000 service line repairs; $175,000 for inside leak repairs and $50,000 for conservation kits.

Responsible Witness(es):

Rita Black

Date: 02/09/2026

CAUSE PA
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AW Response to CAUSE-PA Set 2

CAUSE-PA to J.A. 2-16

As of December 31st for each of the last three calendar years (2023, 2024, and 2025), how many residential customers does/did each the Companies serve?

Please provide this data in a live excel spreadsheet.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

American Water understands this question to reference PAWC, and has responded accordingly. PAWC recently answered a similar question in its pending base rate case at Docket No. R-2025-3057983.

	2023	**2024**	**2025**
PAWC Residential Customers	719,679	739,082	748,317

Please see CAUSE-PA 02-16_Attachment for live excel spreadsheet.

Please see Essential's response to CAUSE-PA 2-16 for their responsive information.

Responsible Witness: Matthew Prine, Vice President and Chief Customer Officer

Date: February 9, 2026

CAUSE-PA 02-16_Attachment_AW

	2023	**2024**	**2025**
PA Residential Customers	719,679	739,082	748,317

		No_Project	No_Project	No_Project		No_Project
		TradingPartner	TradingPartner	TradingPartner		TradingPartner
		USD	USD	USD		USD
		Final	Final	Final		Final
		Actual	Actual	Actual		Actual
		2023	2024	2025		2025
		Dec	Dec	Dec		Nov
		E24_Pennsylvania American	E24_Pennsylvania American	E24_Pennsylvania American		E24_Pennsylvania American
Residential customer connections/contracts	BD_Growth	-	-	-		-
Residential customer connections/contracts	Corporate	-	-	-		-
Residential customer connections/contracts	Sewer	90,276	105,592	106,818		106,215
Residential customer connections/contracts	Water	629,403	633,490	641,499		641,322
Residential customer connections/contracts	Service	719,679	739,082	748,317		747,537

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET II
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Joint Applicants Response to CAUSE-PA Set II

CAUSE-JA-II-16 As of December 31st for each of the last three calendar years (2023, 2024, and 2025), how many residential customers does/did each the Companies serve?

Please provide this data in a live excel spreadsheet.

Response:

Peoples Natural Gas

Please refer to CAUSE-JA-II-16_Attachment 1_EU.

Aqua

Please refer to CAUSE-JA-II-16_Attachment 1_EU.

Responsible Witness(es):

Michelle Parks

Date: 02/09/2026

Year	AQUA - PA Residential Customers		
	RES Accts 2-16	Confirmed Low Inc Accts	% of Conf Low Inc Accts 2-17
2023	405,079	21,274	5%
2024	437,872	24,772	6%
2025	452,017	27,050	6%

Year	Peoples Natural Gas		
	RES Accts 2-16	Confirmed Low Inc Accts	% of Conf Low Inc Accts 2-17
2023	656,820	124,577	19%
2024	658,523	122,774	19%
2025	660,419	121,703	18%

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AW Response to CAUSE-PA Set 2

CAUSE-PA to J.A. 2-17

As of the last day of the calendar year for each of the last three calendar years (2023, 2024, and 2025), what percentage of each Companies' residential customer were Confirmed Low Income Customers?

Please provide this information in a live excel spreadsheet.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

American Water understands this question to reference PAWC, and has responded accordingly:

Neither American Water nor PAWC track the requested information in the normal course of business. PAWC recently provided confirmed low-income customer amounts through November 2025 in its pending base rate case at Docket No. R-2025-3057983. The information provided there is attached as CAUSE-PA 02-17_Attachment_AW.

Please see Essential's response to CAUSE-PA 2-17 for their responsive information.

Responsible Witness: Matthew Prine, Vice President and Chief Customer Officer

Date: February 9, 2026

CAUSE-PA 02-17_Attachment_AW

PAWC

Date	Confirmed Low Income Customer Count	Customer Count	% of Confirmed Low Income Customers
202312	62,829	719,679	8.7%
202412	63,459	739,082	8.6%
202511	65,898	747,537	8.8%

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET II
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Joint Applicants Response to CAUSE-PA Set II

CAUSE-JA-II-17 As of the last day of the calendar year for each of the last three calendar years (2023, 2024, and 2025), what percentage of each Companies' residential customer were Confirmed Low Income Customers?

Please provide this information in a live excel spreadsheet.

Response:

Peoples Natural Gas & Aqua PA: Refer to the response provided to CAUSE-JA-II-16.

Responsible Witness(es):

Michelle Parks

Date: 02/09/2026

CAUSE PA
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AW Response to CAUSE-PA Set 2

CAUSE-PA to J.A. 2-19

For each of the last three calendar years (2023, 2024, and 2025) for each of the Companies, how many residential had their service terminated for nonpayment, disaggregated by the following customer segments:

a. All residential customers;

b. Residential customers, excluding confirmed low-income customers and customers enrolled in CAP;

c. Confirmed low income customers;

d. Confirmed low-income customers, excluding customers enrolled in CAP;

e. CAP customers.

Please provide this data in a live excel spreadsheet.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

American Water understands this question to reference PAWC, and has responded accordingly:

PAWC recently answered a similar question in its pending base rate case at Docket No. R-2025-3057983 regarding residential customers, confirmed low-income customers and Bill Discount Program customers. That information is provided as CAUSE-PA 02-19_Attachment. PAWC does not maintain in the normal course of business data regarding the number of terminations of customers on its arrearage forgiveness program**.**

Please see Essential's response to CAUSE-PA 2-19 for their responsive information.

Responsible Witness: Matthew Prine, Vice President and Chief Customer Officer

Date: February 9, 2026

CAUSE-PA 02-19_Attachment_AW

Water Only		Wasterwater Only		Combined	
Year and Month	**Residential customers terminated for nonpayment**	**Year and Month**	**Residential customers terminated for nonpayment**	**Year and Month**	**Residential customers terminated for nonpayment**
202301	715	202301	30	202301	158
202302	378	202302	17	202302	104
202303	357	202303	45	202303	142
202304	1,051	202304	97	202304	291
202305	1,270	202305	109	202305	484
202306	1,500	202306	100	202306	496
202307	1,162	202307	78	202307	459
202308	1,724	202308	71	202308	476
202309	874	202309	31	202309	295
202310	857	202310	3	202310	248
202311	1,205	202311	1	202311	347
202312	337	202312	0	202312	126
202401	511	202401	0	202401	177
202402	418	202402	15	202402	120
202403	467	202403	50	202403	163
202404	1,527	202404	63	202404	504
202405	1,710	202405	47	202405	471
202406	1,387	202406	32	202406	386
202407	1,649	202407	11	202407	469
202408	1,062	202408	15	202408	356
202409	879	202409	14	202409	302
202410	138	202410	0	202410	45
202411	0	202411	0	202411	0
202412	110	202412	0	202412	13
202501	590	202501	10	202501	100
202502	391	202502	14	202502	115
202503	479	202503	52	202503	211
202504	1,497	202504	46	202504	466
202505	1,297	202505	45	202505	431
202506	1,308	202506	64	202506	396
202507	1,491	202507	55	202507	514
202508	1,600	202508	85	202508	488
202509	1,440	202509	81	202509	479
202510	1,597	202510	58	202510	550
202511	973	202511	46	202511	208

CAUSE-PA 02-19_Attachment_AW

Water Only		Wasterwater Only		Combined	
Year and Month	**Low Income customers terminated for nonpayment**	**Year and Month**	**Low Income customers terminated for nonpayment**	**Year and Month**	**Low Income customers terminated for nonpayment**
202301	412	202301	17	202301	94
202302	214	202302	9	202302	58
202303	209	202303	14	202303	75
202304	605	202304	26	202304	179
202305	707	202305	39	202305	272
202306	852	202306	46	202306	309
202307	649	202307	43	202307	263
202308	959	202308	43	202308	262
202309	477	202309	22	202309	167
202310	504	202310	2	202310	153
202311	659	202311	1	202311	187
202312	206	202402	11	202312	77
202401	315	202403	34	202401	108
202402	246	202404	37	202402	63
202403	281	202405	31	202403	81
202404	801	202406	22	202404	268
202405	872	202407	5	202405	259
202406	759	202408	9	202406	222
202407	902	202409	8	202407	259
202408	595	202408	0	202408	235
202409	512	202409	0	202409	179
202410	66	202410	0	202410	31
202411	0	202411	0	202411	0
202412	69	202412	0	202412	8
202501	364	202501	7	202501	57
202502	230	202502	8	202502	64
202503	227	202503	23	202503	122
202504	809	202504	24	202504	249
202505	711	202505	22	202505	264
202506	717	202506	46	202506	215
202507	891	202507	29	202507	311
202508	978	202508	57	202508	304
202509	798	202509	56	202509	277
202510	944	202510	39	202510	329
202511	589	202511	33	202511	128

CAUSE-PA 02-19_Attachment_AW

Water Only		Wasterwater Only		Combined	
Year and Month	**BDP customers terminated for nonpayment**	**Year and Month**	**BDP customers terminated for nonpayment**	**Year and Month**	**BDP customers terminated for nonpayment**
202301	165	202301	6	202301	34
202302	78	202302	5	202302	22
202303	72	202303	7	202303	17
202304	200	202304	2	202304	67
202305	186	202305	10	202305	87
202306	217	202306	11	202306	85
202307	172	202307	12	202307	72
202308	245	202308	14	202308	75
202309	145	202309	6	202309	43
202310	147	202310	1	202310	43
202311	196	202311	0	202311	51
202312	65	202312	0	202312	28
202401	100	202401	0	202401	35
202402	78	202402	2	202402	22
202403	88	202403	11	202403	29
202404	224	202404	11	202404	80
202405	250	202405	9	202405	66
202406	200	202406	3	202406	70
202407	243	202407	1	202407	76
202408	156	202408	1	202408	55
202409	107	202409	2	202409	53
202410	10	202410	0	202410	3
202411	0	202411	0	202411	0
202412	15	202412	0	202412	2
202501	88	202501	1	202501	20
202502	51	202502	3	202502	9
202503	39	202503	4	202503	22
202504	97	202504	5	202504	44
202505	52	202505	4	202505	24
202506	51	202506	5	202506	28
202507	38	202507	0	202507	29
202508	53	202508	0	202508	24
202509	75	202509	1	202509	27
202510	69	202510	2	202510	34
202511	43	202511	3	202511	8

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set II

CAUSE-JA-II-19 For each of the last three calendar years (2023, 2024, and 2025) for each of the Companies, how many residential had their service terminated for nonpayment, disaggregated by the following customer segments:

a. All residential customers;
b. Residential customers, excluding confirmed low income customers and customers enrolled in CAP;
c. Confirmed low income customers;
d. Confirmed low income customers, excluding customers enrolled in CAP;
e. CAP customers.

Please provide this data in a live excel spreadsheet.

Response:

PEOPLES

PeoplesY ear End total DNP Completed for Residential Customers			
RESIDENTIAL CUSTOMERS	**2023**	**2024**	**2025**
	#Customers	**#Customers**	**#Customers**
1. All residential customers	22,426	21,851	19,747
2. Residential customers excluding Confirmed Low Income and CAP customers	9,518	9,031	8,975
3. Confirmed Low-Income customers	12,908	12,820	10,772
4. Confirmed Low-Income customers excluding CAP customers	7,023	6,443	5,938
5. CAP customers	5,885	6,377	4,834

Please see CAUSE-JA-II-19_Attachment 1_EU.

AQUA

AQUA Year End total DNP Completed for Residential Customers			
RESIDENTIAL CUSTOMERS	**2023**	**2024**	**2025**
	#Customers	**#Customers**	**#Customers**
a. All residential customers	7,666	10,704	8,802
b. Residential customers excluding Confirmed Low Income and CAP customers	4,283	6,597	5,108
c. Confirmed Low-Income customers	3,383	3,705	3,364
d. Confirmed Low-Income customers excluding CAP customers	3,383	3,303	3,034
e. CAP customers	0	402	330

Please see CAUSE-JA-II-19_Attachment 2_EU.

Responsible Witness(es):

Michelle Parks

Date: 02/09/2026

Peoples Year End total DNP Completed for Residential Customers			
RESIDENTIAL CUSTOMERS	**2023**	**2024**	**2025**
	#Customers	**#Customers**	**#Customers**
a. All residential customers	22,426	21,851	19,747
b. Residential customers excluding Confirmed Low Income and CAP customers	9,518	9,031	8,975
c. Confirmed Low-Income customers	12,908	12,820	10,772
d. Confirmed Low-Income customers excluding CAP customers	7,023	6,443	5,938
e. CAP customers	5,885	6,377	4,834

AQUA Year End total DNP Completed for Residential Customers			
RESIDENTIAL CUSTOMERS	**2023**	**2024**	**2025**
	#Customers	**#Customers**	**#Customers**
a. All residential customers	7,666	10,704	8,802
b. Residential customers excluding Confirmed Low Income and CAP customers	4,283	6,597	5,108
c. Confirmed Low-Income customers	3,383	3,705	3,364
d. Confirmed Low-Income customers excluding CAP customers	3,383	3,303	3,034
e. CAP customers	0	402	330

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 2

CAUSE-PA to J.A. 2-21

For each of the Companies, please provide the following:

a. What is the average annual income of customers currently identified as confirmed low-income customers?

b. What is the average annual income of customer enrolled in a Customer Assistance Program?

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

American Water understands this question to reference PAWC, and has responded accordingly:

PAWC recently answered this question in its pending base rate case at Docket No. R-2025-3057983.

a. The average annual income of PAWC's confirmed low-income customers is $11,387.21.

b. The average annual income of the Bill Discount Program customers for which PAWC has obtained income information is $21,350.65.

Please see Essential's response to CAUSE-PA 2-21 for their responsive information.

Responsible Witness: Matthew Prine, Vice President and Chief Customer Officer

Date: February 9, 2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set II

CAUSE-JA-II-21 For each of the Companies, please provide the following:

a. What is the average annual income of customers currently identified as confirmed low income customers?

b. What is the average annual income of customer enrolled in a Customer Assistance Program?

Response:

Peoples Natural Gas

a. $18,811.09

b. $16,080.62

Aqua PA

a. $18,376.68

b. $17,716.08

Responsible Witness(es):

Michelle Parks

Date: 02/09/2026

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 2

CAUSE-PA to J.A. 2-23

For each of the Companies as of the last day of the calendar year for each of the last three years (2023, 2024, and 2025), please provide the total dollars in debt and the average arrearage level for each of the following customer segments:

a. All residential customers;

b. Residential customers, excluding confirmed low; income customers and customers enrolled in CAP;

c. Confirmed low income customers;

d. Confirmed low-income customers, excluding customers enrolled in CAP;

e. CAP customers.

Please provide this data in a live Excel spreadsheet.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

American Water understands this question to reference PAWC, and has responded accordingly:

PAWC does not track the requested information regarding low-income customers in the normal course of business. PAWC recently answered these questions in its pending base rate case at Docket No. R-2025-3057983. The information provided there is attached as CAUSE-PA 02-23_Attachment_AW.

Please see Essential's response to CAUSE-PA 2-23 for their responsive information.

Responsible Witness: Matthew Prine, Vice President and Chief Customer Officer

Date: February 9, 2026

CAUSE-PA 02-23_Attachment_AW

	A. All residential customers	B. Residential customers, excluding confirmed low income customers	C. Confirmed low income customers	D. Confirmed low income customers, excluding H2O program participants	E. H2O program participants
Month	Total Balances	Total Balances	Total Balances	Total Balances	Total Balances
202301	$26,763,103	$8,777,391	$17,985,712	$12,141,212	$5,844,500
202302	$28,520,493	$8,111,135	$20,409,358	$14,430,959	$5,978,399
202303	$30,139,415	$8,125,826	$22,013,589	$15,384,723	$6,628,866
202304	$30,024,913	$10,705,468	$19,319,444	$13,636,295	$5,683,149
202305	$31,429,505	$10,386,166	$21,043,339	$15,138,335	$5,905,004
202306	$30,216,024	$10,067,601	$20,148,423	$14,289,891	$5,858,532
202307	$29,329,232	$10,373,493	$18,955,739	$13,559,144	$5,396,595
202308	$30,948,395	$9,670,728	$21,277,667	$15,059,647	$6,218,021
202309	$30,803,468	$11,876,521	$18,926,947	$13,342,302	$5,584,644
202310	$31,183,194	$9,388,813	$21,794,381	$15,664,826	$6,129,555
202311	$31,148,606	$10,577,540	$20,571,066	$14,316,993	$6,254,073
202312	$31,656,693	$11,445,315	$20,211,378	$14,161,479	$6,049,899
202401	$30,100,490	$8,473,867	$21,626,623	$15,214,946	$6,411,677
202402	$31,529,801	$7,950,455	$23,579,346	$16,904,218	$6,675,128
202403	$32,096,431	$9,363,079	$22,733,352	$16,143,139	$6,590,213
202404	$30,248,613	$9,153,896	$21,094,717	$14,938,795	$6,155,922
202405	$30,854,420	$10,930,116	$19,924,304	$14,104,899	$5,819,404
202406	$31,187,478	$11,610,854	$19,576,623	$13,942,685	$5,633,938
202407	$31,142,076	$10,474,603	$20,667,473	$14,902,140	$5,765,333
202408	$32,345,646	$12,816,678	$19,528,969	$13,962,133	$5,566,835
202409	$32,923,731	$12,659,262	$20,264,470	$14,759,146	$5,505,324
202410	$37,521,521	$15,111,309	$22,410,212	$16,774,112	$5,636,101
202411	$39,621,693	$17,512,833	$22,108,861	$16,555,000	$5,553,861
202412	$39,102,433	$14,748,024	$24,354,409	$18,420,281	$5,934,128
202501	$39,543,077	$15,662,678	$23,880,399	$17,946,401	$5,933,998
202502	$39,237,764	$15,057,064	$24,180,700	$18,910,320	$5,270,380
202503	$39,083,513	$15,868,058	$23,215,455	$17,837,838	$5,377,617
202504	$38,318,593	$16,995,751	$21,322,842	$16,489,186	$4,833,656
202505	$41,036,586	$23,190,474	$17,846,112	$15,063,927	$2,782,185
202506	$39,834,474	$19,614,160	$20,220,314	$17,539,083	$2,681,231
202507	$40,496,847	$21,017,107	$19,479,740	$16,947,726	$2,532,013
202508	$41,380,669	$23,584,378	$17,796,291	$15,413,856	$2,382,435
202509	$40,414,057	$22,766,333	$17,647,724	$15,139,017	$2,508,707
202510	$42,253,508	$24,974,430	$17,279,078	$14,948,409	$2,330,669
202511	$38,198,183	$22,728,239	$15,469,944	$13,626,907	$1,843,037

CAUSE-PA 02-23_Attachment_AW

Month	A. All residential customers		B. Residential customers, excluding confirmed low income customers		C. Confirmed low income customers		D. Confirmed low income customers, excluding H2O program participants		E. H2O program participants	
	Customer Arrearages									
Month	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
202301	$233.75	$90.64	$127.27	$74.12	$471.13	$161.60	$413.44	$134.04	$400.19	$144.14
202302	$233.35	$93.37	$133.60	$77.53	$479.49	$162.46	$418.40	$135.94	$419.27	$152.04
202303	$245.89	$96.18	$141.72	$78.97	$500.17	$176.95	$441.76	$153.07	$401.60	$137.70
202304	$243.90	$100.00	$140.11	$81.93	$484.31	$176.04	$436.78	$151.97	$405.70	$152.64
202305	$237.84	$106.11	$142.86	$90.66	$474.47	$181.56	$416.59	$165.82	$401.56	$143.32
202306	$240.15	$104.20	$140.81	$85.17	$468.82	$183.46	$405.44	$162.07	$407.26	$151.65
202307	$251.26	$112.56	$148.55	$90.80	$473.40	$194.50	$414.11	$173.04	$405.57	$156.10
202308	$248.01	$108.02	$142.75	$87.84	$485.28	$198.23	$427.36	$176.70	$417.00	$158.46
202309	$248.64	$106.09	$141.80	$84.18	$481.87	$196.96	$428.51	$175.62	$403.25	$155.70
202310	$248.83	$110.60	$147.40	$89.99	$476.51	$202.51	$429.85	$181.68	$398.74	$162.32
202311	$246.91	$104.02	$139.99	$82.59	$487.13	$197.68	$435.25	$175.32	$419.11	$161.88
202312	$237.00	$104.69	$135.02	$84.59	$455.78	$195.78	$415.02	$176.95	$390.64	$155.53
202401	$236.16	$102.55	$135.41	$82.47	$479.06	$202.05	$429.26	$182.74	$410.34	$159.97
202402	$237.36	$103.67	$137.72	$85.01	$486.85	$200.60	$436.76	$182.15	$419.52	$161.88
202403	$268.13	$110.60	$155.98	$88.24	$511.86	$212.51	$465.37	$191.16	$437.88	$166.05
202404	$257.67	$104.07	$150.46	$83.79	$498.57	$189.88	$449.33	$170.78	$432.11	$153.98
202405	$245.10	$104.13	$144.05	$83.78	$468.77	$186.01	$428.00	$171.73	$397.93	$148.43
202406	$243.57	$106.58	$144.60	$86.59	$462.86	$187.53	$426.18	$175.12	$389.37	$144.62
202407	$243.90	$111.58	$151.58	$90.96	$453.64	$192.22	$421.71	$178.97	$379.84	$150.43
202408	$244.36	$111.61	$149.91	$89.94	$450.05	$196.62	$418.98	$183.51	$384.60	$155.02
202409	$247.77	$118.30	$155.19	$94.43	$456.39	$209.35	$417.25	$198.73	$357.39	$157.99
202410	$221.61	$110.11	$150.48	$93.91	$417.20	$189.99	$393.40	$177.02	$336.04	$148.07
202411	$273.50	$134.88	$178.78	$103.30	$477.87	$242.44	$462.48	$234.35	$368.73	$175.84
202412	$274.97	$130.44	$176.34	$102.12	$491.50	$246.52	$479.28	$238.70	$371.18	$174.04
202501	$280.37	$129.86	$177.80	$101.41	$498.85	$246.61	$486.30	$237.20	$376.02	$178.85
202502	$307.85	$129.70	$207.80	$103.27	$519.47	$236.62	$477.84	$232.19	$344.06	$166.78
202503	$268.55	$120.26	$174.56	$98.35	$484.82	$230.91	$480.83	$226.23	$353.97	$161.77
202504	$271.78	$116.59	$179.82	$95.65	$472.36	$209.37	$476.19	$208.86	$344.79	$147.53
202505	$243.91	$118.29	$168.94	$96.86	$396.04	$207.17	$402.68	$208.53	$317.81	$148.20
202506	$255.52	$123.47	$175.78	$99.59	$431.83	$211.12	$437.12	$211.74	$316.55	$149.79
202507	$240.78	$125.51	$167.51	$100.90	$400.89	$217.26	$406.15	$217.44	$285.68	$146.74
202508	$237.51	$129.12	$169.92	$103.77	$382.95	$213.05	$387.83	$212.55	$272.34	$148.46
202509	$236.85	$130.45	$174.16	$107.03	$370.64	$205.71	$373.00	$205.09	$272.09	$150.83
202510	$232.35	$127.46	$173.85	$105.68	$360.28	$199.49	$363.63	$199.51	$257.02	$147.02
202511	$224.90	$124.15	$171.83	$103.80	$341.19	$182.55	$349.86	$183.64	$224.67	$126.44

Pennsylvania-American Water Company
Docket Nos. R-2025-3057983 (Water)
R-2025-3058051 (Wastewater)
CAUSE-PA Set 1

CAUSE-PA 01-035

Responsible Witness: Matthew Prine, Vice President and Chief Customer Office

Question:

From January 2023 to present, please provide the total dollars of debt, disaggregated by month and year, as of the last day of the month/year, for each of the following groups:

a. All residential customers;
b. Residential customers, excluding confirmed low income customers;
c. Confirmed low income customers;
d. Confirmed low income customers, excluding H2O program participants; and
e. H2O program participants.

If this data is unavailable as of the last day of the month/ year, please provide this data, disaggregated as requested, and specify at which point in the month/year these customer counts were calculated. Please provide this data in a live Excel spreadsheet.

Response:

Please refer to CAUSE-PA 01-035_Attachment for the total balances by month.

CAUSE-PA 01-035_Attachment

	A. All residential customers	B. Residential customers, excluding confirmed low income customers	C. Confirmed low income customers	D. Confirmed low income customers, excluding H2O program participants	E. H2O program participants
Month	Total Balances	Total Balances	Total Balances	Total Balances	Total Balances
202301	$26,763,103	$8,777,391	$17,985,712	$12,141,212	$5,844,500
202302	$28,520,493	$8,111,135	$20,409,358	$14,430,959	$5,978,399
202303	$30,139,415	$8,125,826	$22,013,589	$15,384,723	$6,628,866
202304	$30,024,913	$10,705,468	$19,319,444	$13,636,295	$5,683,149
202305	$31,429,505	$10,386,166	$21,043,339	$15,138,335	$5,905,004
202306	$30,216,024	$10,067,601	$20,148,423	$14,289,891	$5,858,532
202307	$29,329,232	$10,373,493	$18,955,739	$13,559,144	$5,396,595
202308	$30,948,395	$9,670,728	$21,277,667	$15,059,647	$6,218,021
202309	$30,803,468	$11,876,521	$18,926,947	$13,342,302	$5,584,644
202310	$31,183,194	$9,388,813	$21,794,381	$15,664,826	$6,129,555
202311	$31,148,606	$10,577,540	$20,571,066	$14,316,993	$6,254,073
202312	$31,656,693	$11,445,315	$20,211,378	$14,161,479	$6,049,899
202401	$30,100,490	$8,473,867	$21,626,623	$15,214,946	$6,411,677
202402	$31,529,801	$7,950,455	$23,579,346	$16,904,218	$6,675,128
202403	$32,096,431	$9,363,079	$22,733,352	$16,143,139	$6,590,213
202404	$30,248,613	$9,153,896	$21,094,717	$14,938,795	$6,155,922
202405	$30,854,420	$10,930,116	$19,924,304	$14,104,899	$5,819,404
202406	$31,187,478	$11,610,854	$19,576,623	$13,942,685	$5,633,938
202407	$31,142,076	$10,474,603	$20,667,473	$14,902,140	$5,765,333
202408	$32,345,646	$12,816,678	$19,528,969	$13,962,133	$5,566,835
202409	$32,923,731	$12,659,262	$20,264,470	$14,759,146	$5,505,324
202410	$37,521,521	$15,111,309	$22,410,212	$16,774,112	$5,636,101
202411	$39,621,693	$17,512,833	$22,108,861	$16,555,000	$5,553,861
202412	$39,102,433	$14,748,024	$24,354,409	$18,420,281	$5,934,128
202501	$39,543,077	$15,662,678	$23,880,399	$17,946,401	$5,933,998
202502	$39,237,764	$15,057,064	$24,180,700	$18,910,320	$5,270,380
202503	$39,083,513	$15,868,058	$23,215,455	$17,837,838	$5,377,617
202504	$38,318,593	$16,995,751	$21,322,842	$16,489,186	$4,833,656
202505	$41,036,586	$23,190,474	$17,846,112	$15,063,927	$2,782,185
202506	$39,834,474	$19,614,160	$20,220,314	$17,539,083	$2,681,231
202507	$40,496,847	$21,017,107	$19,479,740	$16,947,726	$2,532,013
202508	$41,380,669	$23,584,378	$17,796,291	$15,413,856	$2,382,435
202509	$40,414,057	$22,766,333	$17,647,724	$15,139,017	$2,508,707
202510	$42,253,508	$24,974,430	$17,279,078	$14,948,409	$2,330,669
202511	$38,198,183	$22,728,239	$15,469,944	$13,626,907	$1,843,037

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set II

CAUSE-JA-II-23 For each of the Companies as of the last day of the calendar year for each of the last three years (2023, 2024, and 2025), please provide the total dollars in debt and the average arrearage level for each of the following customer segments:

a. All residential customers.
b. Residential customers, excluding confirmed low; income customers and customers enrolled in CAP.
c. Confirmed low income customers.
d. Confirmed low income customers, excluding customers enrolled in CAP.
e. CAP customers.

Please provide this data in a live Excel spreadsheet.

Response:

Aqua & Peoples Natural Gas

Refer to CAUSE-JA-II-23_Attachment 1_EU.

Responsible Witness(es):

Michelle Parks

Date: 02/09/2026

AQUA	All Residential Customers 2-23 A			Residential Customers excluding Conf Low Inc & CAP 2-23 B			Confirmed Low Income Customers 2-23 C			Confirmed Low Inc Customers excluding CAP 2-23 D			CAP Customer 2-23 E		
YEAR	Accts	Total DEBT	AVG Arreage	Accts	Total DEBT	AVG Arreage	Accts	Total DEBT	AVG Arreage	Accts	Total DEBT	AVG Arreage	Accts	Total DEBT	AVG Arreage
2023	309,511	$ 14,461,117.35	$ 46.72	290,758	$ 6,475,219.38	$ 22.27	18,753	$ 7,985,897.97	$ 425.85	16,849	$ 7,757,174.98	$ 460.39	1,904	$ 228,722.99	$ 120.13
2024	300,387	$ 14,201,675.35	$ 47.28	279,520	$ 5,997,993.29	$ 21.46	20,867	$ 8,203,682.06	$ 393.14	16,182	$ 7,407,218.51	$ 457.74	4,685	$ 796,463.55	$ 170.00
2025	322,154	$ 14,425,430.61	$ 44.78	299,821	$ 6,720,629.17	$ 22.42	22,333	$ 7,704,801.44	$ 345.00	16,076	$ 7,134,361.19	$ 443.79	6,257	$ 570,440.25	$ 91.17

PEOPLES	All Residential Customers 2-23 A			Residential Customers excluding Conf Low Inc & CAP 2-23 B			Confirmed Low Income Customers 2-23 C			Confirmed Low Inc Customers excluding CAP 2-23 D			CAP Customers 2-23 E		
Year	Accts	Total DEBT	AVG Arreage	Accts	Total DEBT	AVG Arreage	Accts	Total DEBT	AVG Arreage	Accts	Total DEBT	AVG Arreage	Accts	Total DEBT	AVG Arreage
2023	306,963	$ 64,255,888.62	$ 209.33	242,512	$ 33,201,628.05	$ 136.91	64,451	$ 31,054,260.57	$ 481.83	47,296	$ 16,690,982.99	$ 352.90	17,155	$ 14,363,277.58	$ 837.26
2024	320,117	$ 78,531,554.52	$ 245.32	247,766	$ 46,449,336.46	$ 187.47	72,351	$ 32,082,218.06	$ 443.42	51,246	$ 17,612,128.94	$ 343.68	21,105	$ 14,470,089.12	$ 685.62
2025	364,302	$ 104,501,519.18	$ 286.85	285,615	$ 65,679,631.82	$ 229.96	78,687	$ 38,821,887.36	$ 493.37	52,606	$ 21,170,892.46	$ 402.44	26,081	$ 17,650,994.90	$ 676.78

***Please note: accounts with credit balances were excluded from this query.**

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 2

CAUSE-PA to J.A. 2-30

For each of the Companies, please describe their residential reconnection fees and any circumstances under which their residential reconnection fees are waived. Please provide copies of all internal or external policy, memorandum, training materials, outreach materials, or other documents describing these processes and procedures.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

American Water understands this question to reference PAWC, and has responded accordingly:

As noted on page 39 of PAWC's tariff, PAWC charges $30 for a reconnection fee, which is applicable to all residential customers. Refer to CAUSE-PA 02-22_Attachment_CONFIDENTIAL_AW pages 34-40 for information regarding reconnects. Refer to page 41 of the attachment for information concerning special reconnect situations.

Please see Essential's response to CAUSE-PA to J.A. 02-30 for their responsive information.

Responsible Witness: Matthew Prine, Vice President and Chief Customer Officer

Date: February 9, 2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET II
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set II

CAUSE-JA-II-30 For each of the Companies, please describe their residential reconnection fees and any circumstances under which their residential reconnection fees are waived. Please provide copies of all internal or external policy, memorandum, training materials, outreach materials, or other documents describing these processes and procedures.

Response:

Peoples Natural Gas

The reconnection fee is $56 for residential customers. This fee is waived for low income customers, as noted on page 24 of the Company's tariff.

Aqua PA

The reconnection fee is $50 for residential customers. Customers requesting a waiver of the reconnection fee will have those requests reviewed by Aqua PA's collections department for approval/denial. Decisions on such waivers are made on a case-by-case basis.

Responsible Witness(es):

Rita Black

Date: 02/09/2026

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET III
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 3

CAUSE-PA to J.A. 3-2

For each of the Companies, please provide the following information as of December 31st for each of the last three calendar years (2023, 2024, and 2025):

a. What is the annual amount of hardship funding available to all customers?

b. What is the amount of contributions to each of the Company's hardship fund programs? Please also indicate the source(s) these contributions, and the projected annual contribution amount for each of these programs for 2026, 2027 and 2028, disaggregated by year, and the source(s) of contribution of these funds.

c. At the last day of the calendar year for each of the last three years (2023, 2024, and 2025), how much of the annual funding remained unspent?

d. What is the total annual amount of hardship funding spent, on average, over the past three calendar years (2023, 2024, and 2025)?

e. How many customers received a hardship fund grant for each of the past three calendar years (2023, 2024, and 2025)?

f. What is the average amount of the grant approved on a per customer basis for each of the past three calendar years (2023, 2024, and 2025)?

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

American Water understands this question to reference PAWC, and has responded accordingly:

PAWC recently answered a portion of these questions in its pending base rate case at Docket No. R-2025-3057983.

a. Refer to CAUSE-PA 03-02_Attachment AW.
b. Refer to CAUSE-PA 03-02_Attachment AW.

c. Refer to CAUSE-PA 03-02_Attachment_AW.
d. Refer to CAUSE-PA 03-02_Attachment_AW.
e. Refer to CAUSE-PA 03-01_Attachment_AW.
f. Refer to CAUSE-PA 03-02_Attachment_AW.

Please see Essential's response to CAUSE-PA 03-02 for their responsive information.

Responsible Witness: Matthew Prine, Vice President and Chief Customer Officer

Date: April 27, 2026

CAUSE-PA 03-02_Attachment_AW

Hardship Fund Sources

	PAWC		**Other**
	Water	Wastewater	
2023	$ 625,000	$ 125,000	$ 26,750
2024	$ 1,280,000	$ 270,000	$ 200,000
2025	$ 1,184,741	$ 270,000	$ 200,000
Projected			
2026	$ 1,254,000	$ 296,000	$ 200,000
2027	$ 1,180,000	$ 270,000	$ 200,000
2028	$ 1,180,000	$ 270,000	$ 200,000

CAUSE-PA 03-02_Attachment_AW

Hardship Fund Account Balance

	Water	Wastewater
12/31/2023	$ 314,457.00	$ 33,539.00
12/31/2024	$ 1,126,010.00	$ 257,982.00
12/31/2025	$ 930,101.00	$ 204,201.00

CAUSE-PA 03-02_Attachment_AW

Hardship Fund Amount Spent

	Water	Wastewater
12/31/2023	$ 1,088,077.00	$ 231,434.00
12/31/2024	$ 668,447.00	$ 45,557.00
12/31/2025	$ 1,580,650.00	$ 323,781.00

CAUSE-PA 03-02_Attachment_AW

Average Grant Amount History	Water: Central	Water: Northeast	Water: Northwest	Water: Southeast	Water: Southwest	Wastewater
2023	$ 283.26	$ 305.87	$ 272.02	$ 301.42	$ 273.69	$ 355.75
2024	$ 403.29					$ 394.32
2025	$ 332.03					$ 345.96

Pennsylvania-American Water Company
Docket Nos. R-2025-3057983 (Water)
R-2025-3058051 (Wastewater)
CAUSE-PA Set 1

CAUSE-PA 01-017

Responsible Witness: Max McClellan, Lead, Regulatory Analyst

Question:

From January 2023 to present, how many customers received a hardship grant through PAWC's H2O program, disaggregated by month and year (as of the last day of the month), and by the following Federal Poverty Level ranges:

a. 0-50% FPL;
b. 51-100% FPL;
c. 101-150% FPL; and
d. 151-200% FPL.

If this data is unavailable as of the last day of the month/ year, please provide this data, disaggregated as requested, and specify at which point in the month/year these customer counts were calculated. Please provide this data in a live Excel spreadsheet.

Response:

Please refer to CAUSE-PA 01-017_Attachment.

CAUSE-PA 01-017_Attachment

Central Region

	Total	0%-50%	Total	51-100%	Total	101%-150%	Total	151%-200%	
1/30/2023	$ 640	2	$ 124	1	$ 196	1	$ -	-	
2/28/2023	$ 1,432	3	$ -	-	$ 436	1	$ -	-	
3/31/2023	$ 5,082	16	$ 2,211	7	$ 1,956	8	$ 2,167	9	
4/30/2023	$ 3,155	11	$ 3,893	11	$ 2,237	6	$ 710	2	
5/31/2023	$ 2,461	7	$ 1,666	6	$ 2,568	7	$ 317	1	
6/30/2023	$ 2,565	7	$ 2,081	6	$ 2,538	8	$ 652	2	
7/31/2023	$ 1,505	6	$ 2,866	8	$ 368	2	$ 500	1	
8/31/2023	$ 2,002	5	$ 1,835	7	$ 1,221	5	$ -	-	
9/30/2023	$ 2,055	5	$ 2,581	8	$ 1,848	5	$ 1,014	3	
10/31/2023	$ 38,786	91	$ 33,172	79	$ 21,521	53	$ 9,844	24	
11/30/2023	$ 55,892	142	$ 37,386	97	$ 37,705	102	$ 14,907	38	
12/31/2023	$ 37,796	101	$ 27,635	70	$ 14,737	40	$ 7,912	23	
		396		300		238		103	1,037
1/31/2024	$ 36,072	87	$ 34,759	92	$ 18,839	50	$ 7,245	18	
2/29/2024	$ 24,735	63	$ 15,479	40	$ 16,033	41	$ 6,212	15	
3/31/2024	$ 27,081	67	$ 20,164	50	$ 15,599	39	$ 6,025	16	
4/30/2024	$ 55,972	129	$ 41,201	98	$ 33,707	82	$ 11,218	25	
5/31/2024	$ 42,845	102	$ 27,200	64	$ 15,896	39	$ 9,880	26	
6/30/2024	$ 6,519	14	$ 4,225	10	$ 1,774	4	$ 1,608	4	
7/31/2024	$ 6,784	16	$ 4,024	9	$ 1,794	4	$ 830	2	
8/31/2024	$ 11,251	26	$ 5,321	11	$ 2,000	4	$ 1,665	4	
9/30/2024	$ -	-	$ -	-	$ -	-	$ -	-	
10/31/2024	$ 10,158	24	$ 4,090	10	$ 4,626	10	$ 3,766	9	
11/30/2024	$ 36,568	92	$ 13,646	41	$ 15,180	43	$ 6,970	18	
12/31/2024	$ 15,420	43	$ 13,722	36	$ 14,940	39	$ 6,476	19	
		663		461		355		156	1,635
1/31/2025	$ 45,198	129	$ 38,315	109	$ 36,230	100	$ 15,331	44	
2/28/2025	$ 46,183	137	$ 36,098	102	$ 35,575	98	$ 9,248	30	
3/31/2025	$ 54,167	146	$ 33,386	95	$ 29,226	87	$ 16,186	56	
4/30/2025	$ 52,282	150	$ 28,031	91	$ 24,362	81	$ 11,572	37	
5/31/2025	$ 43,646	131	$ 27,119	83	$ 30,987	98	$ 12,530	41	
6/30/2025	$ 50,955	159	$ 32,421	110	$ 21,936	82	$ 16,079	45	
7/31/2025	$ 50,058	164	$ 42,124	136	$ 24,846	94	$ 12,513	45	
8/31/2025	$ 28,373	94	$ 24,504	84	$ 15,167	54	$ 10,134	38	
9/30/2025	$ 7,282	16	$ 5,632	12	$ 3,571	8	$ 1,500	3	
10/31/2025	$ 66,416	187	$ 48,705	133	$ 34,634	100	$ 14,170	46	
11/30/2025	$ 91,490	265	$ 57,490	164	$ 51,168	151	$ 21,032	68	
	$ 536,050		$ 373,825		$ 307,702		$ 140,295		821,822

Note: Beginning in October 2023, PAWC is no longer split by region. Data reported for October 2023 forward is operating company wide.

CAUSE-PA 01-017_Attachment

Northeast

	Total	0%-50%	Total	51-100%	Total	101%-150%	Total	151%-200%
1/30/2023	$ 7,185	28	$ 5,649	20	$ 1,674	6	$ 500	1
2/28/2023	$ 9,949	28	$ 7,534	19	$ 5,827	16	$ -	-
3/31/2023	$ 29,262	81	$ 28,631	76	$ 19,002	62	$ 5,562	20
4/30/2023	$ 23,428	59	$ 28,480	69	$ 16,806	46	$ 4,733	11
5/31/2023	$ 3,909	11	$ 1,277	4	$ 922	2	$ 954	3
6/30/2023	$ 2,917	7	$ 1,339	3	$ 1,565	4	$ -	-
7/31/2023	$ -	-	$ -	-	$ -	-	$ -	-
8/31/2023	$ 6,214	15	$ 5,346	15	$ 8,191	20	$ 500	1
9/30/2023	$ 14,076	37	$ 8,835	21	$ 8,136	24	$ 1,608	9

CAUSE-PA 01-017_Attachment

Northwest Region

	Total	0%-50%	Total	51-100%	Total	101%-150%	Total	151%-200%
1/30/2023	1,516	6	1,924	6	988	2	320	1
2/28/2023	1,117	4	958	3	154	1	1,231	4
3/31/2023	2,496	8	5,206	15	2,846	13	2,038	10
4/30/2023	3,534	10	4,181	13	2,774	10	1,109	3
5/31/2023	2,770	9	3,414	11	2,966	10	1,700	5
6/30/2023	2,560	8	4,748	16	3,569	13	896	2
7/31/2023	1,426	4	3,192	7	2,755	7	906	4
8/31/2023	3,876	13	2,098	7	2,442	9	2,318	6
9/30/2023	4,456	13	926	5	1,986	7	574	2

CAUSE-PA 01-017_Attachment

Southeast Region

	Total	0%-50%	Total	51-100%	Total	101%-150%	Total	151%-200%
1/30/2023	2,133	6	1,188	3	1,069	3	500	1
2/28/2023	958	2	1,371	3	926	2	500	1
3/31/2023	3,785	13	1,185	6	4,981	17	1,975	8
4/30/2023	3,119	7	1,620	6	3,927	10	1,305	4
5/31/2023	5,884	15	2,362	7	3,204	8	2,093	6
6/30/2023	2,861	8	3,272	8	1,745	6	1,560	4
7/31/2023	1,820	7	2,351	5	2,076	5	935	3
8/31/2023	891	2	225	1	980	3	301	1
9/30/2023	2,822	7	804	2	1,144	3	651	2

CAUSE-PA 01-017_Attachment

Southwest Region

	Total	0%-50%	Total	51-100%	Total	101%-150%	Total	151%-200%
1/30/2023	4,627	23	4,100	11	2,158	10	423	3
2/28/2023	7,630	19	6,104	17	2,805	7	1,159	4
3/31/2023	19,754	59	11,504	38	14,562	55	10,404	41
4/30/2023	13,951	44	14,473	45	9,732	32	7,668	24
5/31/2023	10,945	38	11,431	34	9,602	36	4,912	16
6/30/2023	10,893	33	16,874	47	9,923	35	5,890	20
7/31/2023	9,061	27	7,335	25	5,400	21	4,179	11
8/31/2023	9,147	30	6,907	23	4,789	20	5,321	16
9/30/2023	6,602	20	7,654	22	3,607	11	3,253	9

CAUSE-PA 01-017_Attachment

Wastewater

		Total	0%-50%		Total	51-100%		Total	101%-150%		Total	151%-200%		
1/31/2023	$	3,524.00	11	$	2,214.00	8	$	1,089.00	3	$	-	-		
2/28/2023	$	3,100.00	10	$	3,495.00	9	$	4,193.00	9	$	-	-		
3/31/2023	$	10,459.00	24	$	11,023.00	26	$	6,690.00	15	$	1,287.00	3		
4/30/2023	$	7,757.00	19	$	8,858.00	24	$	5,642.00	17	$	2,392.00	5		
5/31/2023	$	4,294.00	14	$	2,363.00	6	$	3,799.00	11	$	1,025.00	3		
6/30/2023	$	2,663.00	8	$	4,458.00	11	$	1,936.00	6	$	1,500.00	3		
7/31/2023	$	1,000.00	2	$	830.00	2	$	1,481.00	4	$	1,000.00	3		
8/31/2023	$	5,691.00	12	$	2,458.00	7	$	3,557.00	9	$	2,000.00	4		
9/30/2023	$	10,393.00	27	$	3,935.00	13	$	10,997.00	27	$	2,870.00	10		
10/31/2023	$	9,640.00	20	$	10,907.00	25	$	6,975.00	15	$	1,830.00	6		
11/30/2023	$	13,131.00	35	$	11,984.00	30	$	11,642.00	31	$	3,438.00	7		
12/31/2023	$	8,247.00	23	$	7,436.00	18	$	4,392.00	13	$	1,839.00	6		
			205			179			160			50		
1/31/2024	$	7,733.00	18	$	9,927.00	28	$	2,956.00	9	$	1,840.00	5		
2/29/2024	$	-	-	$	155.00	1	$	-	-	$	-	-		
3/31/2024	$	699.00	2	$	300.00	1	$	-	-	$	-	-		
4/30/2024	$	2,400.00	6	$	-	-	$	247.00	1	$	-	-		
5/31/2024	$	3,128.00	7	$	1,402.00	3	$	665.00	2	$	500.00	1		
6/30/2024	$	615.00	2	$	472.00	1	$	500.00	1	$	-	-		
7/31/2024	$	-	-	$	-	-	$	-	-	$	-	-		
8/31/2024	$	-	-	$	-	-	$	-	-	$	-	-		
9/30/2024	$	-	-	$	-	-	$	-	-	$	-	-		
10/31/2024	$	1,238.00	4	$	300.00	1	$	-	-	$	1,136.00	3		
11/30/2024	$	1,371.00	4	$	185.00	1	$	2,065.00	5	$	-	-		
12/31/2024	$	1,818.00	4	$	1,317.00	3	$	2,088.00	5	$	500.00	1		
			47			39			23			10		
1/31/2025	$	694.00	2	$	943.00	3	$	-	-	$	329.00	1		
2/28/2025	$	1,783.00	5	$	2,306.00	6	$	2,767.00	6	$	786.00	3		
3/31/2025	$	13,281.00	33	$	5,546.00	15	$	7,350.00	17	$	4,650.00	15		
4/30/2025	$	8,293.00	20	$	8,252.00	21	$	5,925.00	15	$	2,946.00	8		
5/31/2025	$	5,311.00	15	$	7,461.00	20	$	6,662.00	17	$	4,220.00	9		
6/30/2025	$	8,490.00	30	$	5,529.00	21	$	6,927.00	26	$	2,227.00	6		
7/31/2025	$	9,537.00	38	$	10,465.00	31	$	9,061.00	34	$	4,882.00	16		
8/31/2025	$	7,130.00	18	$	6,411.00	21	$	4,296.00	11	$	3,422.00	11		
9/30/2025	$	1,124.00	3	$	2,709.00	6	$	2,801.00	7	$	500.00	1		
10/31/2025	$	17,795.00	46	$	8,490.00	25	$	8,832.00	26	$	4,451.00	11		
11/30/2025	$	15,876.00	49	$	11,791.00	37	$	11,489.00	36	$	5,579.00	18		
			259			206			195			99	$	759.00

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET III
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set III

CAUSE-JA-III-2 For each of the Companies, please provide the following information as of December 31st for each of the last three calendar years (2023, 2024, and 2025):

a. What is the annual amount of hardship funding available to all customers?
b. What is the amount of contributions to each of the Company's hardship fund programs? Please also indicate the source(s) these contributions, and the projected annual contribution amount for each of these programs for 2026, 2027 and 2028, disaggregated by year, and the source(s) of contribution of these funds.
c. At the last day of the calendar year for each of the last three years (2023, 2024, and 2025), how much of the annual funding remained unspent?
d. What is the total annual amount of hardship funding spent, on average, over the past three calendar years (2023, 2024, and 2025)?
e. How many customers received a hardship fund grant for each of the past three calendar years (2023, 2024, and 2025)?
f. What is the average amount of the grant approved on a per customer basis for each of the past three calendar years (2023, 2024, and 2025)?

Response:

Peoples Natural Gas

a. Refer to CAUSE-JA-III-2_Attachment 1_EU.

b. Contributions to the fund available for grants are shown by type in CAUSE-JA-III-2_Attachment 1_EU. As shareholder contributions provide both direct grants to customers and cover the administrative costs of the program, the full shareholder contribution for each year and projections through 2028 are shown in the table below.

Year	Shareholder Contribution
2023	$840,000
2024	$965,000
2025	$965,000
2026	$965,000
2027	$965,000
2028	$965,000

c. Refer to Attachment CAUSE-JA-III-2_Attachment 1_EU.

d. Refer to Attachment CAUSE-JA-III-2_Attachment 1_EU.

e. Refer to Attachment CAUSE-JA-III-2_Attachment 1_EU.

f. Refer to Attachment CAUSE-JA-III-2_Attachment 1_EU.

Aqua PA

Prior to November of 2025, Aqua Aid was managed in-house. Beginning in November of 2025, Dollar Energy Fund became the administrator of the fund.

a. 2023: $127,044.36; 2024: $270,834.04; 2025: $478,460.09

b. 2023: $0; 2024: $145,000; 2025: $275,000. Projections:

Year	Shareholder Contributions
2026	$275,000
2027	$250,000
2028	$250,000

c. 2023: $125,834.04; 2024: $203,460.90; 2025: Refer to Attachment CAUSE-JA-III-2__Attachment 1_EU.

d. 2023: $7,914.70; 2024: $120,305.39; 2025: $244,819.02

e. 2023: 11; 2024: 204; 2025: 459

f. 2023: $719; 2024: $589; 2025: $533

Responsible Witness(es):

Rita Black

Date: 02/09/2026

Peoples Natural Gas

Description	Additions	Grants	Balance	Number of Grants	Percentage Remaining	Average Grant Amount
Beginning Balance October 1, 2022	$ 522.00	$ -	$ 522.00			
October 1, 2022 Letter of Agreement Addition	$ 1,266,056.00	$ -	$ 1,266,578.00		100.00%	
Grants October 1, 2022 - October 31, 2022	$ -	$ 145,386.00	$ 1,121,192.00	341	88.52%	$ 426.35
Grants November 1, 2024 - November 31, 2022	$ -	$ 68,576.00	$ 1,052,616.00	151	83.11%	$ 454.15
Grants December 1, 2024 - December 31, 2022	$ -	$ 14,910.00	$ 1,037,706.00	31	81.93%	$ 480.97
Balance January 1, 2023	$ 1,037,706.00	$ -	$ 1,037,706.00		81.93%	
Grants January 1, 2023 - January 31, 2023	$ -	$ 4,000.00	$ 1,033,706.00	8	81.61%	$ 500.00
Grants February 1, 2023 - February 28, 2023	$ -	$ 1,000.00	$ 1,032,706.00	2	81.54%	$ 500.00
Grants March 1, 2023 - March 31, 2023	$ -	$ 37,282.00	$ 995,424.00	78	78.59%	$ 477.97
Grants April 1, 2023 - April 30, 2023	$ -	$ 187,380.00	$ 808,044.00	424	63.80%	$ 441.93
Grants May 1, 2023 - May 31, 2023	$ -	$ 295,214.00	$ 512,830.00	696	40.49%	$ 424.16
Grants June 1, 2023 - June 30, 2023	$ -	$ 417,298.00	$ 95,532.00	1,028	7.54%	$ 405.93
Transfer - Peoples Gas	$ 73,690.00	$ -	$ 169,222.00	-	12.63%	
Grants July 1, 2023 - July 31, 2023	$ -	$ 169,222.00	$ -	398	0.00%	$ 425.18
Grants August 1, 2023 - August 31, 2023	$ -	$ -	$ -	-		
Grants September 1, 2023 - September 30, 2023	$ -	$ -	$ -	-		
October 1, 2023 Letter of Agreement Addition	$ 1,398,457.00	$ -	$ 1,398,457.00		100.00%	
Grants October 1, 2023 - October 31, 2023	$ -	$ 104,904.00	$ 1,293,553.00	252	92.50%	$ 416.29
Grants November 1, 2023 - November 31, 2023	$ -	$ 57,926.00	$ 1,235,627.00	135	88.36%	$ 429.08
Grants December 1, 2023 - December 31, 2023	$ -	$ 10,760.00	$ 1,224,867.00	22	87.59%	$ 489.09
		$ 1,284,986.00		3,043		$ 422.28
Balance January 1, 2024	$ 1,224,867.00	$ -	$ 1,224,867.00		87.59%	
Grants January 1, 2024 - January 31, 2024	$ -	$ 2,000.00	$ 1,222,867.00	4	87.44%	$ 500.00
Grants February 1, 2024 - February 28, 2024	$ -	$ 2,000.00	$ 1,220,867.00	4	87.30%	$ 500.00
Grants March 1, 2024 - March 31, 2024	$ -	$ 32,776.00	$ 1,188,091.00	98	84.96%	$ 334.45
Grants April 1, 2024 - April 30, 2024	$ -	$ 178,092.00	$ 1,009,999.00	463	72.22%	$ 384.65
Grants May 1, 2024 - May 31, 2024	$ -	$ 277,810.00	$ 732,189.00	742	52.36%	$ 374.41
Grants June 1, 2024 - June 30, 2024	$ -	$ 254,690.00	$ 477,499.00	669	34.14%	$ 380.70
Grants July 1, 2024 - July 31, 2024	$ -	$ 220,108.00	$ 257,391.00	580	18.41%	$ 379.50
Grants August 1, 2024 - August 31, 2024	$ -	$ 233,112.00	$ 24,279.00	628	1.74%	$ 371.20
Grants September 1, 2024 - September 30, 2024	$ -	$ 24,279.00	$ -	52	0.00%	$ 466.90
October 1, 2024 Letter of Agreement Addition	$ 1,399,098.00	$ -	$ 1,399,098.00		100.00%	
Grants October 1, 2024 - October 31, 2024	$ -	$ 158,270.00	$ 1,240,828.00	392	88.69%	$ 403.75
Grants November 1, 2024 - November 31, 2024	$ -	$ 56,866.00	$ 1,183,962.00	133	84.62%	$ 427.56
Grants December 1, 2024 - December 31, 2024	$ -	$ 14,256.00	$ 1,169,706.00	29	83.60%	$ 491.59
		$ 1,454,259.00		3,794		$ 383.30
Balance January 1, 2025	$ 1,169,706.00	$ -	$ 1,169,706.00		83.60%	
Grants January 1, 2025 - January 31, 2025	$ -	$ 12,956.00	$ 1,156,750.00	26	82.68%	$ 498.31
Grants February 1, 2025 - February 28, 2025	$ -	$ 1,500.00	$ 1,155,250.00	3	82.57%	$ 500.00
Grants March 1, 2025 - March 31, 2025	$ -	$ 114,236.00	$ 1,041,014.00	291	74.41%	$ 392.56
Grants April 1, 2025 - April 30, 2025	$ -	$ 313,922.00	$ 727,092.00	776	51.97%	$ 404.54
Grants May 1, 2025 - May 31, 2025	$ -	$ 490,878.00	$ 236,214.00	1,207	16.88%	$ 406.69
Grants June 1, 2025 - June 30, 2025	$ -	$ 236,214.00	$ -	605	0.00%	$ 390.44
Grants July 1, 2025 - July 31, 2025	$ -	$ -	$ -	-	0.00%	
Grants August 1, 2025 - August 31, 2025	$ -	$ -	$ -	-	0.00%	
Grants September 1, 2025 - September 30, 2025	$ -	$ -	$ -	-	0.00%	
October 1, 2025 Letter of Agreement Addition	$ 1,282,682.00	$ -	$ 1,282,682.00		100.00%	
Grants October 1, 2025 - October 31, 2025	$ -	$ 171,744.00	$ 1,110,938.00	413	86.61%	$ 415.85
Grants November 1, 2025 - November 31, 2025	$ -	$ 139,494.00	$ 971,444.00	318	75.74%	$ 438.66
Grants December 1, 2025 - December 31, 2025	$ -	$ 13,638.00	$ 957,806.00	29	74.67%	$ 470.28
		$ 1,494,582.00		3,668		407.47

Program Funding Breakdown

	Utility	Customer	Dollar Energy Fund	Total
October 1, 2022 Letter of Agreement Addition	$ 633,028.00	$ 225,000.00	$ 408,028.00	$ 1,266,056.00
October 1, 2023 Letter of Agreement Addition	$ 710,669.00	$ 245,000.00	$ 442,788.00	$ 1,398,457.00
October 1, 2024 Letter of Agreement Addition	$ 835,235.00	$ 235,000.00	$ 328,863.00	$ 1,399,098.00
October 1, 2025 Letter of Agreement Addition	$ 845,682.00	$ 237,000.00	$ 200,000.00	$ 1,282,682.00

Peoples Gas

Description	Additions	Grants	Balance	Number of Grants	Percentage Remaining	Average Grant Amount
Beginning Balance October 1, 2022	$ 3,716.00	$ -	$ 3,716.00			
October 1, 2022 Letter of Agreement Addition	$ 109,520.00	$ -	$ 113,236.00		100.00%	
Grants October 1, 2024 - October 31, 2022	$ -	$ 8,478.00	$ 104,758.00	18.00	92.51%	$ 471.00
Grants November 1, 2024 - November 31, 2022	$ -	$ 9,738.00	$ 95,020.00	21.00	83.91%	$ 463.71
Grants December 1, 2024 - December 31, 2022	$ -	$ 3,170.00	$ 91,850.00	7.00	81.11%	$ 452.86
Balance January 1, 2023	$ 91,850.00	$ -	$ 91,850.00		81.11%	
Grants January 1, 2025 - January 31, 2023	$ -	$ 1,000.00	$ 90,850.00	2.00	80.23%	$ 500.00
Grants February 1, 2025 - February 28, 2023	$ -	$ -	$ 90,850.00	-	80.23%	
Grants March 1, 2025 - March 31, 2023	$ -	$ 1,898.00	$ 88,952.00	4.00	78.55%	$ 474.50
Grants April 1, 2025 - April 30, 2023	$ -	$ 15,262.00	$ 73,690.00	33.00	65.08%	$ 462.48
Grants May 1, 2025 - May 31, 2023	$ -	$ -	$ 73,690.00	-	65.08%	
		$ 18,160.00		39.00		$ 465.64

Balance transferred to Peoples Natural Gas, reporting as one utility June 2023

Program Funding Breakdown

	Utility	Customer	Dollar Energy Fund	Total
October 1, 2022 Letter of Agreement Addition	$ 54,760.00	$ 20,000.00	$ 34,760.00	$ 109,520.00

Description	Additions	Grants	Aqua Balance	Number of Grants	Percentage Remaining	Average Grant Amount
November 2025 Letter of Agreement Addition	$ 179,439.00	$ -	$ 179,439.00		100.00%	
Grants November 1, 2025 - November 31, 2025	$ -	$ 9,781.00	$ 169,658.00	22.00	94.55%	$ 444.59
Grants December 1, 2025 - December 31, 2025	$ -	$ 15,060.00	$ 154,598.00	32.00	86.16%	$ 470.63
		$ 24,841.00		54.00		$ 460.02

Program Funding Breakdown

	Utility
November 2025 Letter of Agreement Addition	$ 179,439.00

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET III
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 3

CAUSE-PA to J.A. 3-13

Please describe in detail what service line and/or leak repair assistance Aqua and PAWC provide to each of the following customer segments:

a. Residential customers;

b. Confirmed low income customers;

c. CAP customers.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

PAWC does not have a customer-side service line repair assistance program or a customer-side leak repair assistance program. Please refer to Essential's response to CAUSE-PA to J.A. 3-13 for their responsive information.

Responsible Witness: Cheryl Norton, Executive Vice President, Chief Operating Officer

Date: February 9, 2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET III
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set III

CAUSE-JA-III-13 Please describe in detail what service line and/or leak repair assistance Aqua and PAWC provide to each of the following customer segments:

a. Residential customers;
b. Confirmed low income customers;
c. CAP customers.

Response:

a. Aqua PA's leak repair program is limited to documented low income customers only.

b. Aqua PA's leak repair program covers the full cost of needed repairs to outdoor service lines and inside leaks for confirmed low income customers who have provided documented proof of income, proof of homeownership and a signed landlord permission form, where applicable.

c. Aqua PA's leak repair program covers the full cost of needed repairs to outdoor service lines and inside leaks for CAP participants. CAP participants are required to provide proof of home ownership or a signed landlord permission form where applicable.

Responsible Witness(es):

Rita Black

Date: 02/09/2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET III
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set III

CAUSE-JA-III-14 Please specifically describe how the Companies inform customers about the availability and benefits of the programs described in response to CAUSE-PA to J.A. 3-13. Please also describe how the Companies screen for eligibility in each of these programs or assistance offerings.

Response:

Aqua PA has implemented a Leak and Conservation Awareness Plan that was reviewed with its Aqua Assistance Collaborative on 5/21/205. The slide pertaining the Plan is attached as exhibit CAUSE-JA-III-14_Attachment 1_EU. Under the plan, dedicated social media, web page enhancements and a direct mail piece were developed and implemented. Additionally, door hangers are distributed by field personnel on a regular basis, CSRs have been trained in identifying and referring eligible customers for assistance, and Aqua has participated in external facing opportunities to increase awareness in the community. Examples of these efforts include: BeUtilityWise; presentation given to the Mercer County Housing Coalition; presentation to the PA Department of Community and Economic Development/WAP network; and others. Aqua's assistance team also identifies high users and makes multiple attempts to reach these customers and offer the services.

Responsible Witness(es):

Rita Black

Date: 02/09/2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET III
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set III

CAUSE-JA-III-18 Assuming that Peoples Gas treats an identical number of low income units as will be treated through LIURP in the current fiscal year, and assuming no unit will be retreated, please indicate the number of years it would take to treat 100% of the low income units identified in the above requested needs assessment(s).

Response:

The needs assessment conducted by the independent evaluator in 2017 did not identify a specified number of households that were potentially eligible for LIURP services. Further, the Company's eligibility requirements have changed since the 2017 evaluation. Specifically, the usage threshold for participation in LIURP was reduced from 140 to 120 MCF annually.

The Company does have a LIURP report it produces annually that identifies potentially eligible accounts based on income and usage as housed in its customer information system. Using that report as a proxy for a needs assessment, 5,860 households are identified in the report as potentially LIURP eligible. Assuming 300 homes are weatherized annually, it would take roughly 19 years to weatherize all properties if such properties were eligible.

Responsible Witness(es):

Rita Black

Date: 02/09/2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET III
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set III

CAUSE-JA-III-19 As of December 31st for each of the last three calendar years (2023, 2024, and 2025), disaggregated by year, what was the average annual residential bill savings for each of the Companies' usage reduction and leak repair assistance programs? Please provide copies of any studies, reports, or other documents relied upon for this calculation.

Response:

Peoples Natural Gas

To identify savings from LIURP, usage for the year following the implementation year is compared to the annual usage of the year prior to implementation of measures. For those homes weatherized in 2023, the percentage saved for Peoples Natural Gas was 12.7% while the percentage saved for Peoples Gas was 8.13%. Results for 2024 and 2025 are not yet available. The annual LIURP report for 2024 is currently in development and will be provided to the Commission no later than its due date of April 30, 2026. At that time, a supplemental response sharing those results will be provided.

The Company does not track savings from the emergency repair program.

Aqua PA

The Company did not track savings from its leak repair and conservation kits in 2023 or 2024. In 2025, the Company initiated a tracking process. As usage reductions are typically tracked 90 days following the measures, savings from late 2025 are not yet reflected.

2025 115,400 gallons

Responsible Witness(es):

Rita Black

Date: 02/09/2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET III
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set III

CAUSE-JA-III-29 Please describe in detail how each of the Companies coordinate its usage reduction and/or leak repair assistance with each of the following:

a. Other universal service programs provided by the Companies;
b. LIURP and energy efficiency programs offered by other utilities;
c. Other local, state, and/or federal energy efficiency and/or usage reduction programs;
d. Local, state, and/or federal home repair programs;
e. Local, state, and/or federal weatherization programs.

If any Company does not coordinate its usage reduction and/or leak repair assistance with any of these program types, please explain in detail why not.

Response:

Peoples Natural Gas

a. All LIURP customers are reviewed for referral into CAP, if they are not already participating in the program. Customers are also mailed LIHEAP applications to encourage participation.

b. The Company's LIURP administrator screens customers for eligibility to participate in other usage reduction programs offered by utilities the administrator services and coordination of jobs is provided wherever possible.

c. The Company's LIURP administrator works with other weatherization program administrators to identify job coordination opportunities.

d. The Company's LIURP administrator refers customers in need of home repairs that are beyond the scope of Peoples' program to other programs and providers.

e. Refer to the response to 'c'.

Aqua PA

a. All leak repair customers are enrolled into the Company's CAP to obtain the benefits of bill discounts and arrearage forgiveness, if needed.

b. The Company does not currently coordinate with utility LIURPs.

c. The Company does not currently coordinate with state/local usage reduction programs.

d. The Company refers customers in need of home repairs that are beyond the scope of the Company's program to other programs and providers.

e. Refer to the response to 'c'.

To increase awareness of the program and to initiate program coordination opportunities, the Company provided a presentation to the WAP network that was attended by more than 100 participating agency representatives.

Responsible Witness(es):

Rita Black

Date: 02/09/2026

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER WORKS COMPANY, INC. - SET IV
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 4

CAUSE-PA to J.A. 4-8

For each of the Companies, as of December 31st for each of the last three calendar years (2023, 2024, and 2025), please indicate:

a. How many reconnection fees have been assessed to residential customers?

b. What was the total dollar amount of reconnection fees charged to residential customers?

c. How many residential customers requested to have their reconnection fees waived?

d. How many reconnection fees were waived, if any, for residential customers?

e. How many reconnection fees were assessed to confirmed low income customers by the Company?

f. What was the total dollar amount of reconnection fees charged to confirmed low income customers?

g. How many confirmed low income customers requested to have their reconnection fees waived?

h. How many reconnection fees were waived, if any, for confirmed low income customers?

Please provide this data in a live Excel spreadsheet.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows: American Water understands this question to reference PAWC, and has responded accordingly:

a. See CAUSE-PA 04-08_Attachment 1_AW.
b. See CAUSE-PA 04-08_Attachment_1_AW.

c-d. PAWC does not typically waive reconnection fees. Refer to CAUSE-PA 02-22 Attachment _CONFIDENTIAL_AW pages 34-40 for information regarding reconnections. Refer to page 41 of the attachment for information concerning special

reconnect situations. Neither American Water nor PAWC track instances where fees are waived.

e-h. Neither American Water nor PAWC maintains the requested breakdown of reconnection fees.

Responsible Witness: Matthew Prine, Vice President, Chief Customer Officer

Date: April 17, 2026

Pennsylvania American Water
A-2025-3058927
CAUSE-PA 04-08 Attachment 1_AW
Customer Reconnections

		2023	2024	2025
a.	Number of Reconnection fees charged	6,237	5,784	7,868
b.	Dollar amount of Reconnection Fees	187,111	173,530	236,040

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET 4
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set 4

CAUSE-PA to J.A. 4-8. For each of the Companies, as of December 31st for each of the last three calendar years (2023, 2024, and 2025), please indicate:

a. How many reconnection fees have been assessed to residential customers?

b. What was the total dollar amount of reconnection fees charged to residential customers?

c. How many residential customers requested to have their reconnection fees waived?

d. How many reconnection fees were waived, if any, for residential customers?

e. How many reconnection fees were assessed to confirmed low-income customers by the Company?

f. What was the total dollar amount of reconnection fees charged to confirmed low-income customers?

g. How many confirmed low-income customers requested to have their reconnection fees waived?

h. How many reconnection fees were waived, if any, for confirmed low-income customers?

Please provide this data in a live Excel spreadsheet.

Response:

Please see CAUSE-JA-04-08_EU_Attachment 1.

Responsible Witness(es):

Michelle Parks

Date: 04/17/2026

Aqua

Year	4-8.a	4-8.b	4-8.e	4-8.f
2023	4,988	245,300.00	2,380	117,700.00
2024	5,646	280,754.92	2,346	114,425.00
2025	6,028	296,750.00	2,465	122,000.00

Parts c, d, g, and h are unavailable in Banner

PEOPLES

Year	4-8.a	4-8.b
2023	17656	$425,792
2024	17659	$415,664
2025	15887	$408,226

Parts e, f – Peoples does not charge confirmed low-income customers reconnect fees.
Parts c, d, g, h – not available

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET 4
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set 4

CAUSE-PA to J.A. 4-9. See Response to CAUSE-PA 2-30 (EU). For each Peoples Gas and Aqua, please specifically describe all steps a low-income customer must take to obtain a waiver of a reconnection fee. Please also provide a copy of all current policies, procedures, or other documents, which describe the process for low-income customers to receive a waiver of a reconnection fee.

Response:

Aqua PA:

Aqua does not offer a general waiver of the reconnection fee based on income. Customers may contact Aqua to request that the billed reconnection fee be waived. Those requests are reviewed by Aqua PA's collections department for approval or denial. Decisions on such waivers are made on a case-by-case basis.

Peoples:

Customer service representatives are trained to update income and occupancy information from all customers during the reconnection process. If the income and occupancy information provided by the customer places them at or below 150% Federal Poverty Level, the reconnection fee is automatically waived by the billing system

Responsible Witness(es):

Michelle Parks

Date: 04/17/2026

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER WORKS COMPANY, INC. - SET IV
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 4

CAUSE-PA to J.A. 4-15

See Responses to CAUSE-PA to J.A. 2-4. For each of the Companies, please specifically describe:

a. How each Company screens for eligibility each of the assistance programs or program components.

b. How each Company refers customers for enrollment in each of the assistance programs or program components set forth in the responses to CAUSE-PA to J.A. 2-4.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows: American Water understands this question to reference PAWC, and has responded accordingly:

Refer to CAUSE-PA 02-22_AW_Attachment_CONFIDENTIAL_AW, section "Dollar Energy Grants", pages 28-30 for call center training materials regarding screening eligibility for assistance programs. PAWC will refer customers to apply to Dollar Energy to determine eligibility for its assistance programs. A customer may apply online at https://www.dollarenergy.org/myapp/, by calling 1-888-282-6816, by going to a Community Based Organization, or by completing a paper application that can be obtained by contacting Pennsylvania American Water.

Responsible Witness: Matthew Prine, Vice President, Chief Customer Officer

Date: April 17, 2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET 4
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set 4

CAUSE-PA to J.A. 4-15. See Responses to CAUSE-PA to J.A. 2-4. For each of the Companies, please specifically describe:

a. How each Company screens for eligibility each of the assistance programs or program components.

b. How each Company refers customers for enrollment in each of the assistance programs or program components set forth in the responses to CAUSE-PA to J.A. 2-4.

Response:
Peoples Natural Gas

a. Customers are screened during common interactions such as starting new service, collections and payment arrangement calls, calls regarding failing heating systems or gas leak repair issues, high bill concerns, and other similar calls or contacts. Customers are asked if they would like to provide their household income verbally to determine their eligibility for the Company's programs.
b. Customers identified as potentially eligible are advised of any requirements to participate in the programs (i.e., provide income documentation if applicable) and are offered a referral. Referrals occur as follows based on program type. Customers may be offered a number of programs from one interaction.
    i. CAP – Callers can be directly transferred to the Company's administrator, Dollar Energy Fund, or they may be offered information on how to apply online or given the phone number to call to apply if they prefer.
    ii. Hardship Fund – customers are offered information on the nearest agency to apply for the grant or the online application process, as they prefer.
    iii. Emergency Repair – Customer information is emailed to the Community Assistance Programs team, and the customer is then contacted directly to discuss their heating system/gas line issue and documentation required to participate.
    iv. LIURP – Customer information is emailed to the Community Assistance Programs team who reviews and sends all required information to the LIURP administrator for outreach to the customer.
    v. CARES – Customer information is emailed to the Community Assistance Programs team, who then contacts the customer directly.

Aqua PA

a. Customers are screened during common interactions such as starting new service, collections and payment arrangement calls, and calls regarding high bills (i.e., potential water leaks). Customers are asked if they would like to provide their household income verbally to determine their eligibility for the Company's programs.
b. Customers identified as potentially eligible are advised of any requirements to participate in the programs (i.e., providing income documentation, if applicable) and are offered a referral. Referrals can be made in a number of ways:
    i. CAP – Callers can be directly transferred to the Company's administrator, Dollar Energy Fund, or they may be offered information on how to apply online or given the phone number to call to apply if they prefer.
    ii. Hardship Fund and Repair Program – customers are provided information on how to contact the Community Assistance Programs team directly by email or phone.

Responsible Witness(es):

Rita F. Black

Date: 04/17/2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET 4
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set 4

CAUSE-PA to J.A. 4-21. For each of the Companies, as of December 31st for each of the last three calendar years (2023, 2024, and 2025), how many customers did the Company serve, disaggregated by the county of the customers' service address and the following customer segments:

a. Residential customers;

b. Residential customers, excluding confirmed low income customers and customers enrolled in CAP;

c. Confirmed low income customers;

d. Confirmed low income customers, excluding customers enrolled in CAP;

e. CAP customers.

Please provide this data in a live Excel spreadsheet.

Response:

Please see CAUSE-JA-04-21_EU_Attachment 1.

Responsible Witness(es):

Whitney Kellett

Date: 04/17/2026

Peoples

	2023					
County	a. RES	b. Excld CLI and CAP	c. CLI	d. CLI excl CAP	e. CAP	
ALLEGHENY COUNTY	369,162	297,504	65,392	34,937	36,721	
ARMSTRONG COUNTY	17,919	13,848	3,706	2,452	1,619	
BEAVER COUNTY	18,007	14,178	3,486	2,160	1,669	
BERKS COUNTY	1	1	-	-	-	
BLAIR COUNTY	30,068	21,799	7,365	4,076	4,193	
BUTLER COUNTY	45,943	40,464	4,992	3,304	2,175	
CAMBRIA COUNTY	25,523	18,050	6,773	3,558	3,915	
CHESTER COUNTY	1	1	-	-	-	
CLARION COUNTY	674	513	145	86	75	
CLEARFIELD COUNTY	18	13	5	4	1	
FAYETTE COUNTY	2,972	2,231	688	448	293	
GREENE COUNTY	4,783	3,876	848	593	314	
INDIANA COUNTY	14,430	11,562	2,600	1,751	1,117	
JEFFERSON COUNTY	5,488	4,257	1,112	647	584	
LAWRENCE COUNTY	4,084	3,509	512	345	230	
MERCER COUNTY	4,468	3,689	700	494	285	
Not assigned	21	18	3	-	3	
SOMERSET COUNTY	1,553	1,372	170	116	65	
VENANGO COUNTY	90	59	30	25	6	
WASHINGTON COUNTY	20,404	17,676	2,526	1,652	1,076	
WESTMORELAND COUNTY	82,943	69,137	12,530	8,144	5,662	
YORK COUNTY	1	1	-	-	-	
Grand Total	**648,553**	**523,758**	**113,583**	**64,792**	**60,003**	

Peoples

	2024					
County	a. RES	b. Excld CLI and CAP	c. CLI	d. CLI excl CAP	e. CAP	
ALLEGHENY COUNTY	369,574	299,444	64,290	34,122	36,008	
ARMSTRONG COUNTY	17,896	13,918	3,622	2,387	1,591	
BEAVER COUNTY	18,050	14,307	3,409	2,103	1,640	
BERKS COUNTY	1	1	-	-	-	
BLAIR COUNTY	30,091	22,031	7,209	3,978	4,082	
BUTLER COUNTY	46,734	41,371	4,915	3,206	2,157	
CAMBRIA COUNTY	25,531	18,210	6,658	3,460	3,861	
CHESTER COUNTY	1	1	-	-	-	
CLARION COUNTY	671	516	139	84	71	
CLEARFIELD COUNTY	18	14	4	3	1	
FAYETTE COUNTY	2,967	2,243	673	430	294	
GREENE COUNTY	4,757	3,887	810	561	309	
INDIANA COUNTY	14,412	11,570	2,587	1,722	1,120	
JEFFERSON COUNTY	5,486	4,295	1,072	611	580	
LAWRENCE COUNTY	4,090	3,521	507	346	223	
MERCER COUNTY	4,474	3,712	692	490	272	
Not assigned	1,565	1,391	165	115	59	
SOMERSET COUNTY	94	60	33	27	7	
VENANGO COUNTY	20,547	17,865	2,488	1,620	1,062	
WASHINGTON COUNTY	1	1	-	-	-	
WESTMORELAND COUNTY	83,239	69,785	12,270	7,947	5,507	
YORK COUNTY	1	1	-	-	-	
Grand Total	**650,200**	**528,144**	**111,543**	**63,212**	**58,844**	

Peoples

	2025				
County	a. RES	b. Excld CLI and CAP	c. CLI	d. CLI excl CAP	e. CAP
ALLEGHENY COUNTY	370,147	302,477	62,297	33,492	34,178
ARMSTRONG COUNTY	17,883	14,004	3,547	2,342	1,537
BEAVER COUNTY	18,093	14,438	3,340	2,071	1,584
BERKS COUNTY	1	1	-	-	-
BLAIR COUNTY	30,088	22,306	6,980	3,932	3,850
BUTLER COUNTY	47,419	42,209	4,787	3,119	2,091
CAMBRIA COUNTY	25,561	18,440	6,503	3,413	3,708
CHESTER COUNTY	1	1	-	-	-
CLARION COUNTY	669	514	138	83	72
CLEARFIELD COUNTY	19	15	4	3	1
FAYETTE COUNTY	2,963	2,253	660	417	293
GREENE COUNTY	4,733	3,895	779	536	302
INDIANA COUNTY	14,421	11,681	2,490	1,666	1,074
JEFFERSON COUNTY	5,497	4,276	1,109	645	576
LAWRENCE COUNTY	4,096	3,558	478	326	212
MERCER COUNTY	4,498	3,751	680	492	255
Not assigned	1,567	1,398	161	116	53
SOMERSET COUNTY	94	63	30	26	5
VENANGO COUNTY	20,624	18,040	2,405	1,569	1,015
WASHINGTON COUNTY	1	1	-	-	-
WESTMORELAND COUNTY	83,575	70,547	11,915	7,785	5,243
YORK COUNTY	1	1	-	-	-
Grand Total	**651,951**	**533,869**	**108,303**	**62,033**	**56,049**

Aqua

	2023					
County	a. RES	b. Excld CLI and CAP	c. CLI	d. CLI excl CAP	e. CAP	
Adams	310	308	3	3	-	
Beaver	2,368	2,368	-	-	-	
Berks	2,154	2,122	43	42	4	
Bradford	5,115	4,791	433	397	93	
Bucks	41,057	39,848	1,598	1,551	140	
Carbon	1	1	-	-	-	
Chester	71,783	71,121	896	836	99	
Clarion	108	108	-	-	-	
Clearfield	2,335	2,284	66	64	9	
Columbia	799	774	44	41	9	
Crawford	1,056	1,040	20	19	1	
Cumberland	343	339	4	4	-	
Delaware	150,279	140,224	12,260	11,947	1,040	
Forest	576	551	38	35	5	
Juniata	54	52	2	2	-	
Lackawanna	1,304	1,242	84	77	15	
Lawrence	707	663	55	54	2	
Lehigh	435	433	4	3	2	
Luzerne	6,108	5,953	223	210	29	
Mckean	431	408	32	29	3	
Mercer	18,906	16,805	2,670	2,527	300	
Monroe	1,604	1,529	98	93	9	
Montgomery	114,448	112,154	2,985	2,871	218	
Northampton	76	73	5	5	-	
Northumberland	15,009	13,043	2,496	2,381	377	
Philadelphia	56	55	1	1		
Pike	5,155	5,037	164	154	16	
Schuylkill	4,466	4,304	273	245	50	
Snyder	1,253	1,212	62	55	11	
Sullivan	1	1	-	-	-	
Susquehanna	82	74	9	9		
Venango	821	787	50	44	13	
Warren	323	300	33	31	8	
Wayne	2,248	2,152	122	115	24	
Wyoming	711	662	65	62	11	
Grand Total	**452,482**	**432,818**	**24,838**	**23,907**	**2,488**	

Aqua

	2024					
County	a. RES	b. Excld CLI and CAP	c. CLI	d. CLI excl CAP	e. CAP	
Adams	301	299	4	3	1	
Beaver	2,569	2,569	-	-	-	
Berks	2,145	2,107	52	47	8	
Bradford	5,161	4,794	444	347	129	
Bucks	41,075	39,644	1,906	1,582	419	
Carbon	1	1	-	-	-	
Chester	72,784	72,021	1,062	888	223	
Clarion	121	121	-	-	-	
Clearfield	2,381	2,325	78	59	26	
Columbia	812	772	54	38	23	
Crawford	1,062	1,045	24	21	3	
Cumberland	339	335	6	5	1	
Delaware	150,287	139,527	13,701	11,903	3,428	
Forest	574	542	46	38	11	
Juniata	52	50	3	3	-	
Lackawanna	1,332	1,259	102	76	33	
Lawrence	687	635	69	57	27	
Lehigh	433	428	9	6	4	
Luzerne	6,192	6,014	262	198	90	
Mckean	418	390	33	28	14	
Mercer	19,259	16,888	3,056	2,500	1,087	
Monroe	1,614	1,531	108	86	36	
Montgomery	115,166	112,564	3,534	3,035	765	
Northampton	75	71	6	3	4	
Northumberland	15,086	12,843	2,776	2,145	930	
Philadelphia	54	53	2	2	-	
Pike	5,206	5,061	187	163	31	
Schuylkill	4,742	4,467	452	359	115	
Snyder	1,252	1,199	67	52	17	
Sullivan	1	1	-	-	-	
Susquehanna	82	76	7	6	1	
Venango	843	802	53	37	20	
Warren	303	272	41	32	12	
Wayne	2,220	2,115	141	108	38	
Wyoming	717	659	77	59	23	
Grand Total	**455,346**	**433,480**	**28,362**	**23,886**	**7,519**	

Aqua

	2025				
County	a. RES	b. Excld CLI and CAP	c. CLI	d. CLI excl CAP	e. CAP
Adams	310	303	8	8	1
Beaver	2,887	2,886	4	4	-
Berks	2,143	2,105	50	43	10
Bradford	5,097	4,732	461	360	148
Bucks	41,026	39,375	2,011	1,593	547
Carbon	-	-	-	-	-
Chester	73,747	72,837	1,179	950	291
Clarion	129	128	3	3	
Clearfield	2,370	2,299	85	60	33
Columbia	812	762	59	36	25
Crawford	1,090	1,069	29	23	8
Cumberland	337	333	7	6	1
Delaware	149,603	137,599	14,501	11,474	4,453
Forest	568	527	53	42	16
Juniata	56	53	3	3	-
Lackawanna	1,323	1,241	104	73	36
Lawrence	693	626	80	48	38
Lehigh	440	433	9	6	4
Luzerne	6,201	5,967	316	217	119
Mckean	418	388	36	22	16
Mercer	19,522	16,901	3,203	2,298	1,349
Monroe	1,602	1,509	110	77	44
Montgomery	115,235	112,169	3,860	3,082	1,044
Northampton	76	70	6	2	4
Northumberland	14,994	12,635	2,954	2,144	1,138
Philadelphia	56	54	2	2	1
Pike	5,229	5,066	207	174	40
Schuylkill	4,647	4,228	585	448	195
Snyder	1,260	1,204	72	54	25
Sullivan	1	1	-	-	-
Susquehanna	79	73	11	10	1
Venango	862	814	69	47	28
Warren	302	272	41	32	20
Wayne	2,240	2,117	146	118	42
Wyoming	710	655	70	53	25
Grand Total	**456,065**	**431,431**	**30,334**	**23,512**	**9,702**

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER WORKS COMPANY, INC. - SET IV
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 4

CAUSE-PA to J.A. 4-26

As of December 31st for each of the last three calendar years (2023, 2024, and 2025), how many customers does/ did Aqua and PAWC serve, respectively, disaggregate by service type (i.e. water only, wastewater only, combined) and the following customer segments:

a. All residential customers;

b. Residential customers, excluding confirmed low income customers and customers enrolled in CAP;

c. Confirmed low income customers;

d. Confirmed low income customers, excluding customers enrolled in CAP;

e. CAP customers.

Please provide this data in a live excel spreadsheet.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows: American Water understands this question to reference PAWC, and has responded accordingly:

PAWC recently answered a similar question in its pending base rate case at Docket No. R-2025-3057983. The information provided there can be found in CAUSE-PA 04-26_Attachment_AW.

Please refer to Essential's response to CAUSE-PA 04-26 for their responsive information.

Responsible Witness: Matthew Prine, Vice President, Chief Customer Officer

Date: April 17, 2026

Pennsylvania-American Water Company
CAUSE-PA 04-26_AW
Docket A-2025-3058927

		Residential Customer Count
	Water	
December	2023	629,403
December	2024	633,490
November	2025	641,322
	Wastewater	
December	2023	90,276
December	2024	105,592
November	2025	106,215
	Dual	
December	2023	63,566
December	2024	79,024
November	2025	79,859
	Water Only	
December	2023	565,837
December	2024	554,466
November	2025	561,463
	Wastewater Only	
December	2023	26,710
December	2024	26,568
November	2025	26,356

Pennsylvania-American Water Company
CAUSE-PA 04-26_AW
Docket A-2025-3058927

Date	Confirmed Low Income Customer Count
202312	62,829
202412	63,459
202511	65,898

Pennsylvania-American Water Company
CAUSE-PA 04-26_AW
Docket A-2025-3058927

	BDP Customer Count		
	Water Only	**Wastewater Only**	**Combined Services**
Dec-23	**24,569**	**1,215**	**3,712**
Dec-24	**25,199**	**1,386**	**4,025**
Nov-25	**15,358**	**1,256**	**3,352**

CAUSE PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER WORKS COMPANY, INC. - SET IV
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 4

CAUSE-PA to J.A. 4-31

For each of the Companies, as of December 31st for each of the last three calendar years (2023, 2024, and 2025), disaggregated by the following customer segments, please provide the mean and median residential customers usage:

a. Residential customers;

b. Residential customers, excluding confirmed low income customers and customers enrolled in CAP;

c. Confirmed low income customers;

d. Confirmed low income customers, excluding customers enrolled in CAP;

e. CAP customers.

For Aqua and PAWC, please additionally disaggregate by service type (i.e. water only, wastewater only, combined).

Please provide this data in a live Excel spreadsheet.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows: American Water understands this question to reference PAWC, and has responded accordingly:

PAWC recently answered a similar question in its pending base rate case at Docket No. R-2025-3057983. The information provided there is attached: CAUSE-PA 04-31_Attachment.

Responsible Witness: Matthew Prine, Vice President, Chief Customer Officer

Date: April 17, 2026

Pennsylvania American Water
A-2025-3058927
CAUSE-PA 04-31 Attachment
Mean and Median Usage (in Gallons) of Residential Customers for Selected Segments

Customers receiving Water Service Only

	A. All residential customers		B. Residential customers, excluding confirmed low income customers		C. Confirmed low income customers		D. Bill Discount Program participants, excluding H20 program participants		E. H2O program participants	
Year-Month	mean residential customer usage	median residential customer usage	mean residential customer usage	median residential customer usage	mean residential customer usage	median residential customer usage	mean residential customer usage	median residential customer usage	mean residential customer usage	median residential customer usage
202301	3710	3100	3704	3100	3981	3200	3980	3200	4088	3600
202302	3182	2700	3175	2700	3484	2800	3182	2800	3701	3100
202303	2973	2500	2966	2500	3252	2600	2973	2600	3320	3050
202304	3467	3000	3460	3000	3805	3000	3467	3000	3999	3900
202305	3129	2600	3125	2600	3289	2700	3129	2700	3530	3150
202306	4007	3100	4007	3100	3982	3100	4007	3100	4384	3850
202307	3733	3000	3729	3000	3901	3100	3733	3100	4282	3600
202308	3341	2700	3333	2700	3682	2800	3341	2800	4243	3400
202309	3776	3100	3769	3100	4067	3200	3776	3200	4613	3800
202310	3173	2600	3165	2600	3510	2700	3173	2700	3816	3300
202311	3166	2700	3159	2700	3469	2800	3166	2800	3722	3200
202312	3269	2800	3259	2800	3692	2900	3269	2900	4154	3400
202401	3441	2900	3433	2900	3812	3000	3804	3000	4624	3500
202402	3250	2700	3239	2700	3717	3000	3250	3000	4136	3500
202403	3135	2600	3125	2600	3584	2900	3135	2900	3878	3400
202404	3085	2700	3075	2700	3530	2900	3085	2900	3936	3500
202405	3313	2800	3303	2800	3737	3000	3313	3000	4402	3500
202406	3819	3100	3808	3100	4295	3300	3819	3300	4693	3800
202407	3742	2900	3735	2900	4026	3100	3742	3100	4355	3500
202408	3666	2900	3658	2900	4017	3100	3666	3100	4785	3700
202409	3727	3000	3716	3000	4213	3300	3727	3200	4773	3900
202410	3252	2600	3242	2600	3708	2900	3252	2900	4297	3500
202411	3363	2800	3351	2800	3882	3100	3363	3100	5145	4000
202412	3204	2700	3192	2700	3722	3000	3204	2900	5447	3800
202501	3509	3000	3493	3000	4199	3300	4186	3300	5502	4050
202502	3384	2800	3366	2800	4182	3200	3384	3200	4927	4050
202503	3000	2500	2985	2500	3671	2900	3000	2800	3892	3700
202504	3050	2600	3035	2600	3684	2900	3050	2900	4824	3550
202505	3281	2800	3266	2800	3911	3100	3281	3100	4751	4000
202506	3461	2900	3446	2800	4105	3200	3461	3200	4763	3700

* Mean and median customer usages are based on premise-level data.
** Low-income customer usage is based on premises of customers that were low-income participants as of 6/30/25.

Pennsylvania American Water
A-2025-3058927
CAUSE-PA 04-31 Attachment
Mean and Median Usage (in Gallons) of Residential Customers for Selected Segments

Customers receiving Wastewater Service Only

	A. All residential customers		B. Residential customers, excluding confirmed low income customers		C. Confirmed low income customers		D. Bill Discount Program participants, excluding H20 program participants		E. H2O program participants	
Year-Month	mean residential customer usage	median residential customer usage	mean residential customer usage	median residential customer usage	mean residential customer usage	median residential customer usage	mean residential customer usage	median residential customer usage	mean residential customer usage	median residential customer usage
202301	3250	2400	3240	2400	3629	3000	3631	3000	3375	3250
202302	3565	2400	3524	2400	5108	3000	3565	3000	4314	5000
202303	3361	2300	3336	2300	4304	3000	3361	3000	2843	2000
202304	2965	2000	2945	2000	3739	3000	2965	3000	2620	3000
202305	3226	2300	3203	2300	4071	3000	3226	3000	3771	5000
202306	3187	2300	3188	2300	3162	3000	3187	3000	3543	5000
202307	3401	2600	3389	2500	3869	3000	3401	3000	3060	3000
202308	3434	2300	3416	2300	4119	3000	3434	3000	3714	5000
202309	3381	2400	3364	2400	4064	3000	3381	3000	2750	3000
202310	3427	2400	3390	2400	4739	3000	3427	3000	3188	2950
202311	3331	2200	3312	2200	4079	3000	3331	3000	2700	2650
202312	3032	2100	3020	2100	3493	3000	3032	3000	2757	2900
202401	3360	2400	3336	2400	4245	3000	4246	3000	4143	5000
202402	3237	2200	3221	2200	3836	3000	3237	3000	3300	4000
202403	3007	2000	2992	2000	3552	3000	3007	3000	2871	3000
202404	2993	2100	2970	2100	3825	3000	2993	3000	2800	3000
202405	3135	2300	3116	2200	3866	3000	3135	3000	3120	3000
202406	3024	2100	2998	2100	3956	3000	3024	3000	4914	5000
202407	3346	2300	3325	2300	4115	3050	3346	3000	3929	4000
202408	3515	2500	3482	2400	4714	3150	3515	3100	3257	4000
202409	3273	2200	3252	2200	4037	3000	3273	3000	2950	3500
202410	3353	2400	3318	2300	4596	3450	3353	3500	2814	3000
202411	2940	2000	2913	2000	3960	3000	2940	3000	3057	3000
202412	3081	2100	3058	2100	4001	3000	3081	3000	3720	6000
202501	3466	2500	3420	2450	5154	3750	5155	3700	5129	5000
202502	3284	2300	3249	2300	4620	3000	3284	3000	3000	3000
202503	3109	2000	3077	2000	4265	3000	3109	3000	4029	4000
202504	3164	2100	3142	2100	4008	3000	3164	3000	2925	2650
202505	2905	2000	2886	2000	3581	3000	2905	3000	3414	4000
202506	3307	2300	3278	2200	4362	3000	3307	3000	5514	6000

* Mean and median customer usages are based on premise-level data.
** Low-income customer usage is based on premises of customers that were low-income participants as of 6/30/25.

Pennsylvania American Water
A-2025-3058927
CAUSE-PA 04-31 Attachment
Mean and Median Usage (in Gallons) of Residential Customers for Selected Segments

Customers receiving Water & Wastewater Service

	A. All residential customers		B. Residential customers, excluding confirmed low income customers		C. Confirmed low income customers		D. Bill Discount Program participants, excluding H20 program participants		E. H2O program participants	
Year-Month	mean residential customer usage	median residential customer usage	mean residential customer usage	median residential customer usage	mean residential customer usage	median residential customer usage	mean residential customer usage	median residential customer usage	mean residential customer usage	median residential customer usage
202301	3642	3000	3608	3000	4378	3500	4385	3500	4004	3250
202302	3234	2600	3200	2600	3975	3100	3954	3100	5082	3400
202303	2990	2500	2965	2500	3540	3000	3545	3000	3304	2800
202304	3402	2900	3369	2900	4120	3400	4120	3400	4122	3800
202305	2988	2500	2968	2500	3416	3000	3416	3000	3376	3000
202306	3440	2800	3412	2800	4048	3300	4049	3300	3990	3400
202307	3565	2900	3532	2900	4284	3500	4284	3500	4271	3700
202308	3185	2600	3132	2600	4331	3100	4345	3100	3622	3000
202309	3597	3000	3553	2900	4568	3600	4567	3600	4668	3900
202310	3002	2500	2970	2400	3715	3000	3718	3000	3570	3200
202311	3046	2600	3011	2500	3808	3100	3808	3100	3800	3500
202312	3052	2600	3031	2600	3502	3000	3490	3000	4122	3300
202401	3267	2800	3226	2700	4180	3400	4168	3400	4788	3700
202402	3099	2600	3054	2600	4067	3200	4034	3200	5859	3300
202403	2963	2500	2929	2400	3696	3100	3676	3100	4757	3100
202404	2988	2500	2947	2500	3866	3100	3869	3100	3708	3200
202405	3144	2600	3103	2600	4032	3300	4032	3300	4004	3500
202406	3451	2900	3409	2800	4354	3400	4350	3400	4567	3700
202407	3364	2700	3322	2700	4261	3400	4255	3400	4578	3700
202408	3272	2700	3230	2600	4170	3400	4160	3400	4697	3500
202409	3422	2800	3375	2800	4444	3600	4436	3600	4886	3850
202410	2901	2400	2866	2400	3660	3000	3657	3000	3833	3500
202411	3125	2600	3092	2600	3842	3200	3836	3200	4182	3200
202412	2950	2500	2910	2400	3843	3000	3844	3000	3768	3600
202501	3350	2800	3305	2700	4320	3400	4328	3400	3882	3700
202502	3100	2500	3059	2500	3992	3200	4000	3200	3534	3300
202503	2837	2300	2799	2300	3667	3000	3668	3000	3627	3500
202504	2858	2400	2807	2400	3947	3000	3951	3000	3719	3600
202505	3059	2600	3016	2500	3996	3300	3997	3300	3948	3950
202506	3204	2600	3158	2600	4224	3300	4228	3300	4000	3900

* Mean and median customer usages are based on premise-level data.
** Low-income customer usage is based on premises of customers that were low-income participants as of 6/30/25.

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET 4
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set 4

CAUSE-PA to J.A. 4-31. For each of the Companies, as of December 31st for each of the last three calendar years (2023, 2024, and 2025), disaggregated by the following customer segments, please provide the mean and median residential customers usage:

a. Residential customers;

b. Residential customers, excluding confirmed low income customers and customers enrolled in CAP;

c. Confirmed low income customers;

d. Confirmed low income customers, excluding customers enrolled in CAP;

e. CAP customers.

For Aqua and PAWC, please additionally disaggregate by service type (i.e. water only, wastewater only, combined).

Please provide this data in a live Excel spreadsheet.

Response

Please see CAUSE-JA-04-31_EU_Attachment 1.

Responsible Witness(es):

Whitney Kellett

Date: 04/17/2026

Aqua

		4-31.a		4-31.b		4-31.c		4-31.d		4-31.e	
Year	ServTyp	Avg Usage	Median Usage	Avg Usage	Median Usage	Avg Usage	Median Usage	Avg Usage	Median Usage	Avg Usage	Median Usage
2023	SW	430	368	428	367	471	374	488	389	243	174
2023	WT	520	380	507	374	633	389	623	386	335	136
2024	SW	459	386	457	384	458	350	480	367	304	208
2024	WT	470	382	458	376	534	390	482	344	482	343
2025	SW	442	372	439	370	414	307	437	337	280	199
2025	WT	444	373	435	367	482	388	443	353	433	319

Peoples

Mean MCF					
Year	A	B	C	D	E
2023	69.7	67.6	71.3	59.2	76.6
2024	65.8	64.0	68.3	60.0	74.4
2025	77.8	75.6	79.4	68.5	83.2

Median MCF					
Year	A	B	C	D	E
2023	64.9	63.1	65.6	54.3	69.2
2024	61.2	59.8	63.4	56.3	68.2
2025	72.7	70.8	73.8	64.4	75.6

CAUSE-PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER WORKS COMPANY, INC. - SET V
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 5

CAUSE-PA to J.A. 5-1

Please refer to Joint Applicants Statement 1 at 7-8. Please specifically describe what steps the Joint Applicants will take to ensure that a local operational presence is maintained in Pennsylvania, if the Merger is approved.

Response:

As noted in the Joint Applicants Statement No. 1 at 7-8, "While the corporate headquarters of the combined company will be in Camden, New Jersey, Essential's existing corporate offices in Bryn Mawr and Pittsburgh, Pennsylvania, will each continue to maintain a strong operational presence. In addition, day-to-day operations will continue to be locally managed by dedicated local employees serving our customers and living in and giving back to our communities".

American Water's commitments regarding local presence are part of American Water's longstanding approach to operating within its communities.

In this statement, "Day-to-day" operations refers to routine, continuous business operations necessary to continue to provide utility service, which include but are not limited to routine system operations and maintenance, meter reading and field service activities, system improvement and rehabilitation, and various compliance activities.

As used in the Joint Applicants Statement No. 1, "locally managed" means that the day-to-day utility operations of the Pennsylvania utilities will continue to be directed, overseen, and executed by management and staff who are physically located within Pennsylvania and who have direct responsibility for operating the systems, serving customers, and engaging with the communities in which they live and work. This includes maintaining local operational decision-making authority, retaining dedicated in-state employees who perform field operations, maintenance, and compliance activities, and ensuring that customers continue to receive service under the same Commission-approved tariffs and rates through a Pennsylvania-based operational structure.

Please see also the response to CAUSE-PA to J.A. 1-2.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: May 4, 2026

CAUSE-PA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER WORKS COMPANY, INC. - SET V
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to CAUSE-PA Set 5

CAUSE-PA to J.A. 5-5

Please refer to, e.g., Joint Applicants Statement 3 at 8: 8-16. If the proposed Merger is approved, please explain whether and to what extent information related to the Companies' low income customers could be shared across the Companies, including specifically between Peoples Gas and Pennsylvania American Water and/or Aqua Pennsylvania for the purposes of identification and enrollment of these customers in universal service programs.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

Pennsylvania American Water adopted the common application form approved by the Commission at Docket No. M-2023-3038944. As part of that application, customers identify their electric, water, and natural gas utilities and consent to their utilities sharing information with each other for the limited purpose of helping the customer enroll and/or recertify in the utilities' assistance programs.

While the Joint Applicants have only recently started having integration discussions and, therefore, have not yet specifically discussed the procedures for this information sharing, the Joint Applicants anticipate taking advantage of this type of information sharing post-closing where useful to facilitate customer enrollment in the customer assistance programs for which they are eligible.

Responsible Witness: Matthew Prine, Vice President, Chief Customer Officer

Date: May 4, 2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET 5
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set 5

CAUSE-PA to J.A. 5-5. Please refer to, e.g., Joint Applicants Statement 3 at 8: 8-16. If the proposed Merger is approved, please explain whether and to what extent information related to the Companies' low income customers could be shared across the Companies, including specifically between Peoples Gas and Pennsylvania American Water and/or Aqua Pennsylvania for the purposes of identification and enrollment of these customers in universal service programs.

Response:

Regarding the customer information system, while customer accounts may be housed within the same platform and system in the future, confidentiality requirements for customer data will not change. As separate entities, each Company is responsible for maintaining the confidentiality of its customer information and is unable to share such information without the express permission of the customer.

Currently, Pennsylvania American Water, Peoples Natural Gas, and Aqua PA utilize the CAP administration services of Dollar Energy Fund. Customers may verbally or otherwise authorize Dollar Energy Fund to use income documentation previously provided for one of the utility programs managed by Dollar Energy Fund to enroll or recertify in a program offered by another utility. The ability of the customer to authorize the use of their information will not be changed by the proposed merger.

Responsible Witness(es):

Rita F. Black

Date: 05/04/2026

COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS ON THE JOINT APPLICANTS - SET 5
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to CAUSE-PA Set 5

CAUSE-PA to J.A. 5-7. For each of the last three calendar years (2023, 2024, and 2025) for Peoples Gas, disaggregated by year, please indicate:

a. The total amount of budgeted Emergency Furnace and Line Repair Program (ERP) dollars;
b. How much total ERP funding was expended;
c. The total amount of ERP dollars spent for service delivery (e.g. measures, installation);
d. The total amount ERP dollars spent for program administration;
e. How much total ERP funding was rolled over to the following year.
f. How many ERP jobs were competed.

Please provide this information in a live Excel spreadsheet.

Response:

Please see CAUSE -JA-05-07_EU_Attachment 1. Please note that prior to the approval of Peoples' most recent petition regarding EFSLR funding (See Docket Nos. M-2018-3003177 and M-2020-3021343), Peoples' EFSLR did not include a provision to carry over unused funds. As that Petition included approval to begin carry over of funds, any unspent funds at the end of the current program year (September 30, 2026) will be carried over to the following program year.

Responsible Witness(es):

Rita F. Black

Date: 05/04/2026

CAUSE-JA-05-07_EU_Attachment 1

		2023		2024		2025
a	Annual program budget *	$ 1,042,938	$	1,068,975	$	1,500,000
b	Total Spent	$ 723,542	$	1,225,853	$	1,853,016
c	Measures/Services	$ 668,766	$	1,123,965	$	1,693,684
d	Administrative Fees	$ 54,776	$	101,888	$	159,332
e	Funds Rolled Over	$ -	$	-	$	-
f	Number of Completed Services	194		318		383
			$	1,225,853	$	1,853,016

* Please note: Data is provided as requested by calendar year, however, beginning in 2024, EFSLR, along with all other programs recovered through the Company's universal service rider follow an October through September reconciliation period.

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
THE JOINT APPLICANTS - SET 1
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set 1

OCA-JA-1-6 Provide all reports filed with the Securities and Exchange Commission ("SEC") regarding the proposed transaction. If no reports have been filed, please explain if and when the Joint Parties anticipate making such a filing with the SEC.

Response:

Please see OCA-JA-1-6_Attachment 1_EU through OCA-JA-1-6_Attachment 43_EU.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

Filed by American Water Works Company, Inc.
pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
under the Securities Exchange Act of 1934
Subject Company: Essential Utilities, Inc.
Commission File No.: 001-06659
Date: October 27, 2025

The following communication regarding the merger between American Water Works Company, Inc. and Essential Utilities, Inc. was sent to employees of American Water Works Company, Inc. on October 27, 2025.

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1. What was announced?

- We announced that American Water and Essential Utilities have entered into an agreement to combine in an all-stock, tax-free merger.
- The combined company will serve 4.7 million water and wastewater connections across 17 states and on 18 military installations.
- The combined company's expanded set of resources will strengthen its ability to solve water and wastewater challenges and bring customer-centric capabilities to existing and new customers and communities.
- Its enhanced scale will support continued investment in critical infrastructure, enabling the combined company to continue providing superior customer service at affordable rates.
- The transaction is expected to close by the end of the first quarter of 2027, subject to customary closing conditions and approvals.
- The combination will offer benefits for all our stakeholders, including our customers, employees, shareholders and the communities we serve.
- We look forward to bringing our two highly complementary companies together and to leveraging nearly 300 years of collective experience to provide safe, clean, reliable and affordable services to our customers.

2. Why are American Water and Essential Utilities merging?

- For nearly 140 years, both American Water and Essential have provided life's most critical need with a focus on safety, trust, environmental leadership, innovation, affordability, teamwork and high performance.
- This combination is the next milestone in our journey.
- As a leading regulated U.S. water and wastewater utility, together we will have an enhanced ability to deliver safe, clean, reliable and affordable water and wastewater services to existing and future customers.
- We will be positioned to help solve water and wastewater challenges and continue to safely and reliably support customers and communities, creating opportunities for employees and delivering value for shareholders.
- There will be no change in customer rates as a result of the merger, and American Water and Essential Utilities will be better able to maintain an average customer water bill that is affordable, supporting the economic prosperity of the more than 2,000 communities in which the combined company will operate.

3. Who is Essential Utilities?

- Essential Utilities is one of the largest regulated water, wastewater and natural gas providers in the U.S.
- Throughout Essential's nearly 140-year history, it has consistently led with purpose to shape a future rooted in sustainability, innovation, resilience and best-in-class service for its customers.
- Essential Utilities serves approximately 1.9 million connections across nine states under the Aqua Water and Peoples Gas brands. Their infrastructure makes them uniquely positioned to have an impact on improving reliability, quality of life and economic prosperity in the communities where they operate.
- Essential's values are closely aligned with ours. They are committed to safety, sustainable growth, operational excellence, superior customer experience and recognition as a top-tier employer, all while delivering safe, clean, reliable and affordable services in the communities in which they operate.

4. How do the cultures of American Water and Essential Utilities compare?

- Both American Water and Essential Utilities are outstanding companies, with closely aligned values centered on safety, growth, operational excellence, excellent customer experience and recognition as a top-tier employer, all while delivering safe, clean, reliable and affordable services in the communities in which we operate.
- We look forward to bringing our skilled workforces together.

5. How will this announcement affect my day-to-day? What does the merger mean for me?

- Between now and closing, which we expect will occur by the end of the first quarter of 2027, American Water and Essential Utilities will continue to operate as separate, independent companies and it is business as usual.
- During this period, roles, responsibilities and priorities will largely remain the same. Some employees will be asked to participate in integration planning activities. Otherwise, we should stay focused on providing safe, clean, reliable and affordable water and wastewater services for our customers.
- Following closing of the transaction, we believe we will be better positioned as a combined company, which will mean more opportunities for employees as well.
- In the meantime, we're counting on everyone to stay focused on delivering for our customers so we can continue the strong momentum that is underway.

6. Who will lead the combined company?

- Upon closing of the transaction, American Water President and CEO John Griffith will serve as President and CEO of the combined company.
- Essential CEO Chris Franklin will serve as Executive Vice Chair of the board of directors of the combined company and executive sponsor of the integration task force.
- The rest of the executive team will consist of proven leaders that reflect the strength and capabilities of both companies.

7. Where will the combined company be headquartered?

- The combined company will be headquartered in Camden, New Jersey.

8. Will there be any layoffs as a result of this transaction?

- There are no immediate changes to roles, responsibilities or reporting structure as a result of this announcement.
- As with any merger of this size, there will be some roles where both sides have overlapping functions or redundancies.
- Part of the integration planning process will be to determine how to most effectively bring together the talent from both sides.
- Please keep in mind it is still very early in the process and no decisions beyond executive team leadership have been made.
- It is clear that both companies recognize the deep bench of talent at our companies and our strong foundation.
- We are committed to treating everyone with respect, will be as transparent as possible and communicate with you on a consistent basis as we make progress.

9. Will the local utilities continue to operate under their current names? Will there be a rebranding?

- Our operating companies will do business under their current names until the transaction is complete. Our operating companies' names, post transaction, will be decided via our integration process and communicated when final.

10. When is the transaction expected to close?

- We expect the transaction to close by the end of the first quarter of 2027, subject to customary closing conditions, including, among others, approval from each company's shareholders, clearance under the Hart-Scott-Rodino Act, and regulatory approvals, including approval from the applicable public utility commissions.
- Until then, American Water and Essential Utilities will continue to operate as separate, independent companies and conduct business as usual.

11. What will be the name of the combined company?

- The combined company will continue to use the name "American Water."

12. Will any facilities be closing because of this transaction?

- It is still very early in the process, and there are additional details to be determined as we form an integration team to bring our two companies together. We will continue to assess the needs of the combined business as we work through completion of the transaction.

13. Are there any changes to reporting structures?

- Until the transaction closes, which we expect to occur by the end of the first quarter of 2027, American Water and Essential Utilities will continue to operate as separate, independent companies and conduct business as usual.
- Your reporting structure will remain the same during this time.

14. What does this mean for compensation and benefits programs?

- Employee compensation or benefits programs are continuing as usual as we progress to the merger closing, and the combined company does not anticipate any material changes to compensation or benefits as a result of the transaction.

15. Should I sell my shares?

Your ability to buy or sell stock up to the closing of the transaction remain subject to the terms of our existing plans and policies regarding purchases and sales of company stock.

16. Does the transaction have any impact on union contracts or collective bargaining agreements?

- Both companies value their union partnerships, and all union contracts will continue to be honored in accordance with their current terms.

17. What can employees expect between now and close of the transaction?

- The transaction is expected to close by the end of the first quarter of 2027, subject to customary closing conditions and approvals.
- Until the transaction closes, both American Water and Essential Utilities will continue to operate as independent, publicly traded companies and it remains business as usual.
- Over the coming months, we will be putting together plans on how best to bring our two companies together. This work will be supported by people from both companies.
- As our integration planning comes together, we will keep employees updated.

18. What should I tell customers about the transaction?

- We are operating as usual.
- We will continue to provide them with services they have come to expect from us and believe that they will benefit from the combined company leveraging proven strategies and an expanded set of resources.

19. What is the status of AW2030?

- AW2030 continues its progress. We have made significant strides to prepare to enhance our work processes, and the program will continue.

20. Will AW2030 now include Essential Utilities?

- We will continue the current scope for AW2030 for American Water only.

21. Will the timeline for AW2030 change?

- The timeline for AW2030 is not expected to change.

22. There are several open roles for AW2030. Are we still hiring for those positions?

- Yes. The scope of AW2030 will not change, and we continue to seek the best talent to shape the future of American Water.

23. We've completed work to map American Water's customer journeys. Will that work continue?

- American Water's efforts to map and enhance the customer journey are progressing. We've made significant strides in improving our customers' experiences, and our dedication to this work will continue.

24. What should I do if contacted by the press, financial analysts or investors?

- In accordance with our company policy, if you receive an inquiry from the media or another outside party, please direct them to Denise Venuti Free at denise.free@amwater.com.

25. What do I tell family/friends/customers/industry peers if they ask?

- You can tell them that while this is an exciting time for both companies, for now, we will continue to operate as two separate companies until the transaction closes.

26. What can I share on social media?

- As a public company, there are strict SEC rules that govern what and how we are able to share information on social media about this merger.
- It is ok to repost or "like" information posted by the company.
- However, employees should refrain from generating new content or commenting about the announcement so that we can all comply with SEC rules.
- Please review the Code of Ethics, Respect and Dignity in the Workplace Policy, Acceptable Technology Use Policy, and Violence Free Workplace Policy to help ensure social media activity meets the company's expectations and values.

27. Where can I learn more about the merger?

- For more information about the merger, please visit AmericanWaterEssentialUtilitiesMerger.com.
- Employees can also find additional information about the merger on Mysource, our intranet.

28. Who should I reach out to if I have additional questions?

- We are committed to transparent communication and keeping you informed as we work through this process.
- If you have any questions about what this development means for you, please reach out to your manager or submit questions to AskAW@amwater.com. We will do our best to cover submitted questions in future communications related to the transaction.

Cautionary Statement Regarding Forward-Looking Statements

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markets and sources of short-term liquidity; impacts of the proposed merger on the future settlement or settlements of a party's forward sale agreements, including potential adjustments to the forward sale price or other economic terms thereunder, and the amount of and the intended use of net proceeds from any such future settlement or settlements; the outcome and impact on other governmental and regulatory investigations; the filing of class action lawsuits and other litigation and legal proceedings related to the proposed merger; the ability to complete, and the timing and efficacy of, the design, development, implementation and improvement of technology and other strategic initiatives; each party's ability to comply with new and changing environmental regulations; regulatory, legislative, tax policy or legal developments; and impacts that future significant tax legislation may have on each such party and on its business, results of operations, cash flows and liquidity.

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management and personnel; (17) changes in tax laws that could adversely affect beneficial tax treatment of the proposed merger; (18) regulatory, legislative, local or municipal actions affecting the water and wastewater industries, which could adversely affect the parties' respective utility subsidiaries; and (19) other economic, business and other factors, including inflation and interest rate fluctuations. The foregoing factors should not be construed as exhaustive.

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Important Additional Information about the Proposed Merger and Where to Find It

In connection with the proposed merger, American Water will file a registration statement on Form S-4, which will include a document that serves as a prospectus of American Water with respect to the shares of American Water's common stock to be issued in the proposed merger and a joint proxy statement of American Water and Essential Utilities for their respective shareholders (the "joint proxy statement/prospectus"), and each party will file other documents regarding the proposed merger with the SEC. This communication is not a substitute for the registration statement, the joint proxy statement/prospectus or any other document that American Water or Essential Utilities may file with the SEC or mail to their respective shareholders in connection with the proposed merger. **BEFORE MAKING ANY VOTING OR INVESTMENT DECISION, INVESTORS AND SECURITY HOLDERS OF EACH PARTY ARE URGED TO READ CAREFULLY AND IN THEIR ENTIRETY THE REGISTRATION STATEMENT, THE JOINT PROXY STATEMENT/PROSPECTUS, ANY AMENDMENTS OR SUPPLEMENTS THERETO AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC OR INCORPORATED BY REFERENCE INTO THE REGISTRATION STATEMENT AND JOINT PROXY STATEMENT/PROSPECTUS WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION**. A definitive joint proxy statement/prospectus will be sent to American Water's and Essential Utilities' shareholders. Investors and security holders will be able to obtain the registration statement, the joint proxy statement/prospectus and the other documents filed regarding the proposed merger free of charge from the SEC's website or from American Water or Essential Utilities. The documents filed by American Water with the SEC may be obtained free of charge at American Water's investor relations website at ir.amwater.com or at the SEC's website at www.sec.gov. The documents filed by Essential Utilities with the SEC may be obtained free of charge at Essential Utilities website at essential.co or at the SEC's website at www.sec.gov. The information included on, or accessible through, American Water's or Essential Utilities' respective websites is not incorporated by reference into, and does not form a part of, this communication.

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Filed by Essential Utilities, Inc.
pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
under the Securities Exchange Act of 1934
Subject Company: Essential Utilities, Inc.
Commission File No.: 001-06659
Date: October 27, 2025

The following is a transcript of a video made for employees of Essential Utilities, Inc. on October 27, 2025.

WTRG Employee Video Transcript

Christopher Franklin – CEO, Essential Utilities

- Good morning. I have some important news to share with you. This weekend our board of directors made an important decision to combine Essential Utilities with American Water. I know this will come as a big surprise to most of you and I also know you will have a lot of questions. So, I want to provide you with some information and offer you the opportunity to join me live later this afternoon in a town hall meeting I will be hosting at 2pm eastern time.

- Those of you who know me well know how much this company and all of the people that work here, mean to me. I have built my career here. I've been at Essential almost all of my adult life, nearly 35 years.

- And I know many of you have been right here alongside of me each step of the way. We've achieved tremendous growth over the years – our market cap was only $100 million in 1992 and today, we're over $11 billion. Our employee base and the services that we provide our communities have matched that growth as well.

- I am incredibly proud of all that we have accomplished together. We've built a company that is known for its reliability, best-in-class operations and a supremely talented workforce.

- And we've created a culture based on our shared mission and values. Throughout it all, we remained unwavering in our commitment to each other and to the communities we serve.

- Now, as I reflect on my many years at the company, and in particular the last five years following the combination of Aqua and Peoples, I'm reminded of why we embarked on this journey in the first place.

- We set out to create one of the strongest, most innovative and customer-focused utilities in the United States

- I think it's fair to say that we've made tremendous progress together. But we're not all the way there.

- Our board and management team evaluated – over many months – the various options and potential paths we could take to secure as strong a future as possible for our company.

- We considered what we need to do as a standalone business, and over time it became clear that in order to achieve our vision, we needed a partner. That is where American Water came in.

- With nearly 300 years of combined experience, we will be better equipped to meet today's water, wastewater and natural gas challenges together.

- We'll reach more customers and deliver more value to them.

- We'll maintain a workforce of highly skilled teams and an advanced ability to retain… attract… and develop people who will be part of a larger… stronger… organization.

- And in our communities, we'll maintain our operational excellence and our civic leadership across the footprint. Each company's legacy of volunteerism and generous support of the communities we serve will remain core to who we are as a company.

- I have been asked to be executive sponsor for the integration team, which will include a dedicated group of professionals from both Essential and American Water that will develop a thoughtful plan to most effectively bring our two companies together. And we'll draw on the talent and expertise of many of you to help and drive that success of the combined company.

- I know many of you will have questions about how this merger will affect you and your colleagues. While we don't have all the answers to those questions today, I promise you that we will provide information as soon as decisions are made.

- I do want to provide you with some information and details as we know them today:

- First, we expect that it could take up to 18 months to achieve all the regulatory approvals we need to complete the transaction. And that means that nothing will change in terms of our independence or the way we run the company until those regulatory approvals are achieved.

- Both companies value our partnership with the unions, and all union contracts will continue to be honored.

- Peoples natural gas employees and the water and wastewater operations field employees for American Water and Essential will not see any transaction-related changes to their employment.

- We also know that the combined company will operate under the name American Water and its President and CEO, John Griffith, will continue to serve as CEO of the combined company, while Dan Schuller will be Executive Vice President and Chief Strategy Officer and Colleen Arnold will be President, Regulated Operations of the combined company. And of course, Mike Huwar will remain president of Peoples Gas and continue to lead the natural gas business.

- As for me, I'll also serve on the combined company's board as Executive Vice Chairman.

- The combined company will be headquartered in Camden, New Jersey, and our Bryn Mawr and Pittsburgh offices will each continue to maintain a strong operational presence long term.

- As we continue to thoughtfully plan for the integration of our two organizations, we are taking the approach that considers the person that best fits each role in the combined company and we will have a process to objectively make that determination.

- John and I have worked closely together to construct a plan so that the small number of people who may not have a role with the combined company after closing will be treated fairly for their contributions and their years of service.

- For more details on this, you can go to The Pipeline and look at the FAQ.

- I also want to note that once the transaction is complete, American Water has indicated it expects to conduct a review of strategic alternatives for the non-water and non-wastewater businesses.

- This means the company will look at all options to determine how we will best maximize the value of Peoples while positioning the company for long-term success.

- No decisions have been made and there is no assurance that any particular outcome will occur.

- We realize there is uncertainty related to this announcement, and I want to promise you that we will be as transparent as possible as decisions are made. You have my commitment that we will continue to operate our business with integrity, respect, and excellence. And I'm asking you for your continued commitment to your work, our customers, and our communities as we embark on this next chapter together.

- I know this is a lot to digest. I've tried to capture as much of this information in the email as I could and I look forward to answering as many questions as I can at the town hall meeting later this afternoon.

- So let me leave you with this – I am incredibly proud of you and of our company. The decision to combine was not taken lightly – the decision-making process was lengthy and thoughtful. And I truly believe when the dust settles, there will be excitement about what we can achieve with our new scale and our new partners!

- And we will keep you informed as we progress toward the closing.

- Thank you – and stay safe.

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Filed by Essential Utilities, Inc.
pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
under the Securities Exchange Act of 1934
Subject Company: Essential Utilities, Inc.
Commission File No.: 001-06659
Date: October 27, 2025

The following FAQ was sent to employees of Essential Utilities, Inc. on October 27, 2025

WTRG Employee FAQ

1. **What was announced?**
   - We announced that American Water and Essential Utilities have entered into an agreement to combine in an all-stock, tax-free merger.
   - The combined company will serve 4.7 million water and wastewater connections across 17 states and on 18 military installations.
   - The combined company's expanded set of resources will strengthen its ability to solve water and wastewater challenges and bring customer-centric capabilities to existing and new customers and communities.
   - Its enhanced scale will support continued investment in critical infrastructure, enabling the combined company to continue providing superior customer service at affordable rates.
   - The transaction is expected to close by the end of the first quarter of 2027, subject to customary closing conditions and approvals.
   - The combination will offer benefits for all our stakeholders, including our customers, employees, shareholders and the communities we serve.
   - We look forward to bringing our two highly complementary companies together and to leveraging nearly 300 years of collective experience to provide safe, clean, reliable and affordable services to our customers.

2. **Why are American Water and Essential Utilities merging?**
   - For nearly 140 years, both American Water and Essential have provided life's most critical need with a focus on safety, trust, environmental leadership, innovation, affordability, teamwork and high performance.
   - This combination is the next milestone in our journey.
   - As a leading regulated U.S. water and wastewater utility, together we will have an enhanced ability to deliver safe, clean, reliable and affordable water and wastewater services to existing and future customers.
   - We will be positioned to help solve water and wastewater challenges, and continue to safely and reliably support customers and communities, creating opportunities for employees and delivering value for shareholders.
   - There will be no change in customer rates as a result of the merger, and American Water and Essential Utilities will be better able to maintain an average customer water bill that is affordable, supporting the economic prosperity of the more than 2,000 communities in which the combined company will operate.

3. **Who is American Water?**
   - American Water is the largest regulated water and wastewater utility in the U.S.
   - For nearly 140 years, American Water has delivered for its customers and provided life's most critical needs with a focus on safety, trust, environmental leadership, affordability, teamwork and high performance.
   - American Water serves approximately 3.5 million connections with operations in 14 regulated states and on 18 military installations.
   - American Water has a similar culture to Essential. They are committed to focusing on safety and sustainability, while investing in their employees and communities for the benefit of all stakeholders.

4. **How do the cultures of American Water and Essential Utilities compare?**
   - Both American Water and Essential Utilities are outstanding companies, with closely aligned values centered on safety, growth, operational excellence, excellent customer experience and recognition as a top-tier employer, all while delivering safe, clean, reliable and affordable services in the communities in which we operate.
   - We look forward to bringing our skilled workforces together.

5. **How will this announcement affect my day-to-day? What does the merger mean for me?**
   - Between now and close, which we expect will occur by the end of the first quarter of 2027, American Water and Essential Utilities will continue to operate as separate, independent companies and it is business as usual.
   - During this period, roles, responsibilities and priorities will largely remain the same. Some employees will be asked to participate in integration planning activities. Otherwise, we should stay focused on providing safe, clean, reliable and affordable water and wastewater services for our customers.
   - Following closing of the transaction, we believe we will be better positioned as a combined company, which will mean more opportunities for employees as well.
   - In the meantime, we're counting on everyone to stay focused on delivering for our customers so we can continue the strong momentum that is underway.

6. **Who will lead the combined Company?**
   - Upon closing of the transaction, American Water President and CEO John Griffith will serve as President and CEO of the combined company.
   - Essential CEO Chris Franklin will serve as Executive Vice Chair of the board of directors of the combined company and executive sponsor of the integration task force.
   - The rest of the executive team will consist of proven leaders that reflect the strength and capabilities of both companies.

7. **Where will the combined Company be headquartered?**
   - The combined company will be headquartered in Camden, New Jersey.
   - Our Bryn Mawr and Pittsburgh offices will each continue to maintain a strong operational presence long term.

8. **What does the review of strategic alternatives for non-water and non-wastewater businesses mean for me?**
   - We announced our plan to conduct a review of strategic alternatives for the non-water and non-wastewater businesses upon close.
   - What that means is that we will look at all options to determine how we can maximize the value of the business while positioning it for long-term success.
   - No decisions have been reached and there is no assurance that any particular outcome will occur.
   - Importantly, your role and responsibilities do not change. We are operating as usual.

9. When do you expect to complete the review of strategic alternatives?

- The evaluation process would occur after the closing of the transaction, which is expected by the end of the first quarter of 2027.
- It would be premature to speculate as to a formal timetable and there is no assurance that any particular outcome will occur.

10. Will there be any layoffs as a result of this transaction?

- There are no immediate changes to roles, responsibilities or reporting structure as a result of this announcement.
- As with any merger of this size, there will be some roles where both sides have overlapping functions or redundancies.
- Part of the integration planning process will be to determine how to most effectively bring together the talent from both sides.
- Please keep in mind it is still very early in the process and no decisions beyond executive team leadership have been made.
- It is clear that both companies recognize the deep bench of talent at our companies and our strong foundation.
- We are committed to treating everyone with respect, will be as transparent as possible and communicate with you on a consistent basis as we make progress.

11. Will the local utilities continue to operate under their current names? Will there be a rebranding?

- Our operating companies will do business under their current names until the transaction is complete.
- Our operating companies' names, post transaction, will be decided via our integration process and communicated when final.

12. When is the transaction expected to close?

- We expect the transaction to close by the end of the first quarter of 2027, subject to customary closing conditions, including, among others, approval from each company's shareholders, clearance under the Hart-Scott-Rodino Act, and regulatory approvals, including approval from the applicable public utility commissions.
- Until then, American Water and Essential Utilities will continue to operate as separate, independent companies and conduct business as usual.

13. What will be the name of the combined company?

- The combined company will continue to use the name "American Water."

14. Will any facilities be closing because of this transaction?

- It is still very early in the process, and there are additional details to be determined as we form an integration team to bring our two companies together.
- We will continue to assess the needs of the combined business as we work through completion of the transaction.

15. Are there any changes to reporting structures?

- Until the transaction closes, which we expect to occur by the end of the first quarter of 2027, American Water and Essential Utilities will continue to operate as separate, independent companies and conduct business as usual.
- Your reporting structure will remain the same during this time.

16. What does this mean for compensation and benefits programs?

- Our compensation and benefit programs will remain in place prior to close.
- Our benefit enrollment for 2026 will launch November 10 as planned.
- We will continue with our other compensation programs in 2026, including annual merit reviews, short-term incentive and long-term incentive programs.
- For 2027, as we get nearer to close, we would share any changes that are relevant to programs.

17. Should I sell my shares?

- Decisions to buy or sell stock up to the closing of the transaction are subject to our usual policies regarding purchases and sales of company stock.

18. Does the transaction have any impact on union contracts or collective bargaining agreements?

- Both companies value their union partnerships, and all union contracts will continue to be honored in accordance with their current terms.

19. What can employees expect between now and close of the transaction?

- The transaction is expected to close by the end of the first quarter of 2027, subject to customary closing conditions and approvals.
- Until the transaction closes, both American Water and Essential Utilities will continue to operate as independent, publicly traded companies and it remains business as usual.
- Over the coming months, we will be putting together plans on how best to bring our two companies together. This work will be supported by people from both companies.
- As our integration planning comes together, we will keep employees updated.

20. What should I tell customers about the transaction?

- We are operating as usual.
- We will continue to provide them with services they have come to expect from us and believe that they will benefit from the combined company leveraging proven strategies and an expanded set of resources.

21. What happens to my stock in my 401k plan?

- Under the terms of the agreement, Essential Utilities shareholders will receive 0.305 shares of American Water for each share of Essential Utilities they own at the closing of the transaction. This includes stock held in the 401k plan.

22. Will there be changes to our 401k investments and programs?

- As we continue with normal business operations, our benefit programs will continue as we have them in place today.
- Pre-close, the transaction would not trigger a change in our 401k investments.
- Separately, our Essential Retirement Investment Committee regularly has an independent review of our 401k investments during the year to ensure we have a strong portfolio of investment options for employees.

23. What happens to my stock options, restricted stock units and performance stock units?

- Pre-close, your stock options, restricted stock units and performance stock units will continue to vest according to their grant schedule. More information on stock treatment at close is available in your plan documents in Merrill Lynch.

24. Do I need to exercise my vested stock options before the closing?

- You do not need to exercise your stock before the closing. You may hold or sell the stock as you normally would manage your portfolio.
- Upon closing, your vested WTRG options will be converted based on the exchange ratio to American Water vested stock. Under the terms of the agreement, Essential shareholders will receive 0.305 shares of American Water for each share of Essential they own at the closing of the transaction.

25. Will we get merit increases in 2026 and 2027 before the transaction closes?

- We will continue with our annual merit review process before the transaction close. For 2026, new merit increases will be effective April 1, 2026, as is our process. 2027 merit process and effectiveness will follow the same timing.

26. Will we get STI bonuses in 2026 and 2027 before the transaction closes?

- Our 2025 STI plan remains in effect for 2025. 2025 STI bonus payouts will occur in our normal timing of mid- March 2026. The 2026 STI payouts would follow similar timing.

27. Will I get to keep my company car?

- Yes. During the pre-close period, our companies will continue to operate as they do today. As we do at both companies today, if we are creating new roles or evaluating changes in responsibility, we review whether a company vehicle is required to perform the job functions and that review process will continue.

28. Will we get new uniforms?

- Once the plans for the company brands have been determined, information will be shared about uniforms. For now, there will be no changes- continue to wear your company-issued uniforms as you do today.

29. Can I apply to open positions at either company?

- Both companies will operate as usual, which also applies to recruitment activities.

30. Will I be offered the opportunity to work for the new company remotely?

- It is still too early to say whether there will be any changes to work and office schedules. More information will be shared during the integration process to bring the two companies together.

31. Will my current team be merged with a team at American Water? When?

- During the pre-close period, the companies will continue in their normal course of business and operate separately. More information will be shared during the integration process to bring the two companies together.

32. Will all of our technology (such as SAP) at Essential Utilities eventually transition to the tech platforms American Water has? When?

- It is still too early to say whether there will be any changes to technology platforms for either company. An integration team will be formed to evaluate how to bring both companies together and leverage best-in-class technology tools and services. More information will be shared during the integration process.

33. What should I do if contacted by the press, financial analysts or investors?

- In accordance with our company policy, if you receive an inquiry from the media or another outside party, please direct them to Dave Kralle at dmkralle@essential.co.

34. What do I tell family/friends/customers/industry peers if they ask?

- You can tell them that while this is an exciting time for both companies, for now, we will continue to operate as two separate companies until the transaction closes.

35. What can I share on social media?

- As a public company, there are strict SEC rules that govern what and how we are able to share information on social media about this merger.
- It is ok to repost or "like" information posted by the Company.
- However, employees should refrain from generating new content or commenting about the announcement so that we can all comply with SEC rules.

36. Where can I learn more about the merger?

- For more information about the merger, please visit AmericanWaterEssentialUtilitiesMerger.com.
- Employees can also find additional information about the merger on The Pipeline.

37. Who should I reach out to if I have additional questions?

- We are committed to transparent communication and keeping you informed as we work through this process.
- If you have any questions about what this development means for you, please reach out to your manager or submit questions to communications@essential.co. We will do our best to cover submitted questions in future communications related to the transaction.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements included in this communication are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. In some cases, these forward-looking statements can be identified by words with prospective meanings such as “intend,” “plan,” “estimate,” “believe,” “anticipate,” “expect,” “predict,” “project,” “propose,” “assume,” “forecast,” “outlook,” “future,” “pending,” “goal,” “objective,” “potential,” “continue,” “seek to,” “may,” “can,” “will,” “should” and “could,” or the negative of such terms or other variations or similar expressions. Forward-looking statements may relate to, among other things: statements about the benefits of the proposed merger, including future financial and operating results; the parties’ respective plans, objectives, expectations and intentions; the expected timing and likelihood of completion of the merger and related transactions; the results of any strategic review; expected synergies of the proposed merger; the timing and result of various regulatory proceedings related to the proposed merger, and other general rate cases, filings for infrastructure surcharges and other governmental agency authorizations and proceedings, and filings to address regulatory lag; the combined company’s ability to execute its current and long-term business, operational, capital expenditures and growth plans and strategies; the amount, allocation and timing of projected capital expenditures and related funding requirements; the future impacts of increased or increasing transaction and financing costs associated with the proposed merger or otherwise, as well as inflation and interest rates; each party’s ability to finance current and projected operations, capital expenditure needs and growth initiatives by accessing the debt and equity capital markets and sources of short-term liquidity; impacts of the proposed merger on the future settlement or settlements of a party’s forward sale agreements, including potential adjustments to the forward sale price or other economic terms thereunder, and the amount of and the intended use of net proceeds from any such future settlement or settlements; the outcome and impact on other governmental and regulatory investigations; the filing of class action lawsuits and other litigation and legal proceedings related to the proposed merger; the ability to complete, and the timing and efficacy of, the design, development, implementation and improvement of technology and other strategic initiatives; each party’s ability to comply with new and changing environmental regulations; regulatory, legislative, tax policy or legal developments; and impacts that future significant tax legislation may have on each such party and on its business, results of operations, cash flows and liquidity.

These forward-looking statements are predictions based on currently available information, the parties’ current respective expectations and assumptions regarding future events that American Water Works Company, Inc. (“American Water”) and Essential Utilities, Inc. (“Essential Utilities”) believe to be reasonable. They are not, however, guarantees or assurances of any outcomes, performance or achievements, and readers are cautioned not to place undue reliance upon them. You should not regard any forward-looking statement as a representation or warranty by American Water, Essential Utilities or any other person that the expectation, plan or objective expressed in such forward-looking statement will be successfully achieved in any specified time frame, or at all. The forward-looking statements are subject to a number of estimates and assumptions, and known and unknown risks, uncertainties and other factors. Actual results may differ materially from those discussed in the forward-looking statements included in this communication as a result of the factors discussed in American Water’s Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission (the “SEC”) on February 19, 2025 (available at: ir.amwater.com), Essential Utilities’ Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on February 27, 2025 (available at: essential.co), and each party’s other filings with the SEC, and additional risks and uncertainties, including with respect to (1) the parties’ ability to consummate the proposed merger pursuant to the terms of the definitive merger agreement or at all; (2) the ability to timely or at all obtain the requisite shareholder approvals with respect to each party; (3) each party’s requirement to obtain required governmental and regulatory approvals required for the proposed merger (and/or that such approvals may result in the imposition of burdensome or commercially undesirable conditions, including required dispositions, that could adversely affect the combined company or the expected benefits of the proposed merger); (4) an event, change or other circumstance that could give rise to the termination of the merger agreement; (5) the failure to satisfy or waive a condition to closing of the proposed merger on a timely basis or at all; (6) a delay in the timing to consummate the proposed merger; (7) the failure to integrate the parties’ businesses successfully; (8) the failure to fully realize cost savings and any other synergies from the proposed merger or that such benefits may take longer to realize than expected; (9) negative or adverse impacts of the announcement of the proposed merger on the market price of American Water’s or Essential Utilities’ common stock; (10) the risk of litigation related to the proposed merger; (11) disruption from the proposed merger making it more difficult to maintain relationships with customers, employees, contractors, suppliers, regulators, vendors, elected officials, governmental agencies, or other stakeholders; (12) the diversion of each party’s management’s time and attention from operations of such party; (13) the challenging macroeconomic environment, including disruptions in the water and wastewater utility industries; (14) the ability of each party to manage its respective existing operations and financing arrangements on favorable terms or at all, including with respect to future capital expenditures and investments, operation and maintenance costs; (15) changes in environmental laws and regulations regarding each party’s respective operations that may adversely impact such party’s businesses or increase the cost of operations; (16) changes in each party’s key management and personnel; (17) changes in tax laws that could adversely affect beneficial tax treatment of the proposed merger; (18) regulatory, legislative, local or municipal actions affecting the water and wastewater industries, which could adversely affect the parties’ respective utility subsidiaries; and (19) other economic, business and other factors, including inflation and interest rate fluctuations. The foregoing factors should not be construed as exhaustive.

These forward-looking statements are qualified by, and should be read together with, the risks and uncertainties set forth above and the risk factors included in American Water’s and Essential Utilities’ respective annual and quarterly reports as filed with the SEC, and readers should refer to such risks, uncertainties and risk factors in evaluating such forward-looking statements. Any forward-looking statements speak only as of the date this communication is first used or given. Neither American Water nor Essential Utilities has any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as otherwise required by the federal securities laws. New factors emerge from time to time, and it is not possible for American Water or Essential Utilities to predict all such factors. Furthermore, it may not be possible to assess the impact of any such factor on American Water’s or Essential Utilities’ businesses, viewed independently or together, or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

Important Additional Information about the Proposed Merger and Where to Find It

In connection with the proposed merger, American Water will file a registration statement on Form S-4, which will include a document that serves as a prospectus of American Water with respect to the shares of American Water's common stock to be issued in the proposed merger and a joint proxy statement of American Water and Essential Utilities for their respective shareholders (the "joint proxy statement/prospectus"), and each party will file other documents regarding the proposed merger with the SEC. This communication is not a substitute for the registration statement, the joint proxy statement/prospectus or any other document that American Water or Essential Utilities may file with the SEC or mail to their respective shareholders in connection with the proposed merger. **BEFORE MAKING ANY VOTING OR INVESTMENT DECISION, INVESTORS AND SECURITY HOLDERS OF EACH PARTY ARE URGED TO READ CAREFULLY AND IN THEIR ENTIRETY THE REGISTRATION STATEMENT, THE JOINT PROXY STATEMENT/PROSPECTUS, ANY AMENDMENTS OR SUPPLEMENTS THERETO AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC OR INCORPORATED BY REFERENCE INTO THE REGISTRATION STATEMENT AND JOINT PROXY STATEMENT/PROSPECTUS WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION**. A definitive joint proxy statement/prospectus will be sent to American Water's and Essential Utilities' shareholders. Investors and security holders will be able to obtain the registration statement, the joint proxy statement/prospectus and the other documents filed regarding the proposed merger free of charge from the SEC's website or from American Water or Essential Utilities. The documents filed by American Water with the SEC may be obtained free of charge at American Water's investor relations website at ir.amwater.com or at the SEC's website at www.sec.gov. The documents filed by Essential Utilities with the SEC may be obtained free of charge at Essential Utilities website at essential.co or at the SEC's website at www.sec.gov. The information included on, or accessible through, American Water's or Essential Utilities' respective websites is not incorporated by reference into, and does not form a part of, this communication.

Participants in the Solicitation

American Water, Essential Utilities and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from American Water's and Essential Utilities' respective shareholders in connection with the proposed merger. Information about the directors and executive officers of American Water, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in American Water's definitive proxy statement for its 2025 Annual Meeting of Shareholders, which was filed with the SEC on March 27, 2025, including under the headings "Compensation Discussion and Analysis," "Director Compensation," "Equity Compensation Plan Information," and "Certain Beneficial Ownership Matters." To the extent holdings of American Water's common stock by the directors and executive officers of American Water have changed or do change from the amounts of American Water's common stock held by such persons as reflected therein, such changes have been or will be reflected on Initial Statements of Beneficial Ownership of Securities on Form 3 ("Form 3"), Statements of Changes in Beneficial Ownership on Form 4 ("Form 4") or Annual Statements of Changes in Beneficial Ownership of Securities on Form 5 ("Form 5"), in each case filed with the SEC. Information about the directors and executive officers of Essential Utilities, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in Essential Utilities' definitive proxy statement for its 2025 Annual Meeting of Shareholders, which was filed with the SEC on March 25, 2025, including under the headings "Director Compensation" and "Compensation Discussion and Analysis." To the extent holdings of Essential Utilities' common stock by the directors and executive officers of Essential Utilities have changed or do change from the amounts of Essential Utilities' common stock held by such persons as reflected therein, such changes have been or will be reflected on Forms 3, Forms 4 or Forms 5, in each case filed with the SEC. Additionally, information regarding the respective directors and executive officers of American Water and Essential Utilities and other participants in each respective proxy solicitation and a description of their direct and indirect interests in the proposed merger, by security holdings or otherwise, will be contained in the registration statement and joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed merger when such materials become available. Investors and security holders should read the registration statement and joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. Investors may obtain free copies of these documents from American Water and Essential Utilities as indicated above.

No Offer or Solicitation

This communication is for informational purposes and is not intended to, and shall not, constitute an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote for approval, nor shall there be any offer or sale of securities or solicitation of any vote or approval in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Filed by American Water Works Company, Inc.
pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
under the Securities Exchange Act of 1934
Subject Company: Essential Utilities, Inc.
Commission File No.: 001-06659
Date: November 20, 2025

The following information was posted to the American Water Works Company, Inc. ("American Water") intranet site on November 20, 2025, which information discusses the merger between American Water and Essential Utilities, Inc.:

Why does our stock price seem to be on a downward trend since the announcement?

It's typical for the acquiring company in a public company merger to experience some softness in its stock price following the announcement of the merger. We also believe there was a rotation by investors from water utilities to electric utilities the week of the merger announcement, as several electric utilities increased their long-term earnings growth outlooks.

In what way would the merger change open roles at the company?

Both American Water and Essential Utilities are outstanding companies, with closely aligned values centered on safety, growth, operational excellence, excellent customer experience and recognition as a top-tier employer, all while delivering safe, clean, reliable and affordable services in the communities in which they operate. That will not change. The integration planning process will include a review of ongoing personnel needs. Prior to completion of the merger, our roles, responsibilities, and priorities for existing and open roles will largely remain the same.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements included in this communication are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. In some cases, these forward-looking statements can be identified by words with prospective meanings such as "intend," "plan," "estimate," "believe," "anticipate," "expect," "predict," "project," "propose," "assume," "forecast," "outlook," "future," "pending," "goal," "objective," "potential," "continue," "seek to," "may," "can," "will," "should" and "could," or the negative of such terms or other variations or similar expressions. Forward-looking statements may relate to, among other things: statements about the benefits of the proposed merger, including future financial and operating results; the parties' respective plans, objectives, expectations and intentions; the expected timing and likelihood of completion of the merger and related transactions; the results of any strategic review; expected synergies of the proposed merger; the timing and result of various regulatory proceedings related to the proposed merger, and other general rate cases, filings for infrastructure surcharges and other governmental agency authorizations and proceedings, and filings to address regulatory lag; the combined company's ability to execute its current and long-term business, operational, capital expenditures and growth plans and strategies; the amount, allocation and timing of projected capital expenditures and related funding requirements; the future impacts of increased or increasing transaction and financing costs associated with the proposed merger or otherwise, as well as inflation and interest rates; each party's ability to finance current and projected operations, capital expenditure needs and growth initiatives by accessing the debt and equity capital markets and sources of short-term liquidity; impacts of the proposed merger on the future settlement or settlements of a party's forward sale agreements, including potential adjustments to the forward sale price or other economic terms thereunder, and the amount of and the intended use of net proceeds from any such future settlement or settlements; the outcome and impact on other governmental and regulatory investigations; the filing of class action lawsuits and other litigation and legal proceedings related to the proposed merger; the ability to complete, and the timing and efficacy of, the design, development, implementation and improvement of technology and other strategic initiatives; each party's ability to comply with new and changing environmental regulations; regulatory, legislative, tax policy or legal developments; and impacts that future significant tax legislation may have on each such party and on its business, results of operations, cash flows and liquidity.

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Participants in the Solicitation

American Water, Essential Utilities and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from American Water's and Essential Utilities' respective shareholders in connection with the proposed merger. Information about the directors and executive officers of American Water, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in American Water's definitive proxy statement for its 2025 Annual Meeting of Shareholders, which was filed with the SEC on March 27, 2025, including under the headings "Compensation Discussion and Analysis," "Director Compensation," "Equity Compensation Plan Information," and "Certain Beneficial Ownership Matters." To the extent holdings of American Water's common stock by the directors and executive officers of American Water have changed or do change from the amounts of American Water's common stock held by such persons as reflected therein, such changes have been or will be reflected on Initial Statements of Beneficial Ownership of Securities on Form 3 ("Form 3"), Statements of Changes in Beneficial Ownership on Form 4 ("Form 4") or Annual Statements of Changes in Beneficial Ownership of Securities on Form 5 ("Form 5"), in each case filed with the SEC. Information about the directors and executive officers of Essential Utilities, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in Essential Utilities' definitive proxy statement for its 2025 Annual Meeting of Shareholders, which was filed with the SEC on March 25, 2025, including under the headings "Director Compensation" and "Compensation Discussion and Analysis." To the extent holdings of Essential Utilities' common stock by the directors and executive officers of Essential Utilities have changed or do change from the amounts of Essential Utilities' common stock held by such persons as reflected therein, such changes have been or will be reflected on Forms 3, Forms 4 or Forms 5, in each case filed with the SEC. Additionally, information regarding the respective directors and executive officers of American Water and Essential Utilities and other participants in each respective proxy solicitation and a description of their direct and indirect interests in the proposed merger, by security holdings or otherwise, will be contained in the registration statement and joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed merger when such materials become available. Investors and security holders should read the registration statement and joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. Investors may obtain free copies of these documents from American Water and Essential Utilities as indicated above.

No Offer or Solicitation

This communication is for informational purposes and is not intended to, and shall not, constitute an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote for approval, nor shall there be any offer or sale of securities or solicitation of any vote or approval in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

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AW Response to OCA Set 1

OCA-JA-I-9 Cost allocations.

a. Provide all proposed cost allocations developed by AWWC and EU to allocate shared service costs between existing AWWC operations and the merged operations of EU if the proposed acquisition is approved.

b. Explain in detail and provide all plans to integrate AWWC and EU utility operations, including but not limited to customer billing, meter reading, accounting, insurance, legal, pipeline risk assessments, pipeline replacement and executive management.

c. If the proposed transaction is approved, please identify and explain in detail how the cost of each shared service will be allocated and charged to existing AWWC utility operations and newly merged operations of EU.

d. To the extent that documents responsive to parts a through c above, are in the possession of either or all of the Joint Applicants, provide the applicable documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

a. Specific decisions regarding cost allocation have not yet been determined. The Joint Applicants have filed a proposed Service Company Agreement and Financial Service Agreement and cost allocation of shared costs will be consistent with the terms of those agreements. See Exhibit D to the Joint Application.

The Joint Applicants have not yet established integration plans. Please see the response to OCA-JA-I-56 for information regarding the integration committee established by American Water and Essential Utilities. However, with respect to executive management, as indicated in the Merger announcement dated October 27, 2025:

> Upon closing of the transaction, Mr. Griffith will serve as President and Chief Executive Officer of the combined company, and Mr. Franklin will serve as Executive Vice Chair of the board of directors of the combined company. Mr. Franklin will also serve as executive sponsor of the integration task force. David Bowler, American Water Executive Vice President and CFO, will serve as Executive Vice President and Chief Financial Officer, and all existing executive team members of American Water who report to the CEO will continue to do so post-close. Additionally, Daniel Schuller, Essential Executive Vice President and CFO, will serve as Executive Vice President and Chief Strategy Officer; Colleen Arnold, President of Essential Aqua Water, will serve as President, Regulated Operations; and Michael Huwar, President of Peoples Natural Gas, will remain President and continue to lead the natural gas business.[1]

Please also see response to OCA-JA-I-56 for information regarding the integration committee established by American Water and Essential Utilities.

b. Please see response to subsection a above.

c. See Exhibit D to the Joint Application for the form Affiliate Interest Agreements.

d. Not applicable.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

[1] Available at https://cdn.prod.website-files.com/68f5a19c5ba7fc64d4747ece/68fea0fcee6826ba26e74eb3_American%20Water%20Press%20Release%20102725.pdf

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AW Response to OCA Set 1

OCA-JA-I-10 Avoidance of harm to existing customers.

a. Provide all analyses conducted by or for the Parties that establishes that the proposed acquisition will result in no short-term or long-term harm to (1) existing customers of AWWC, or (2) existing customers of EU.

b. Provide all benefit-cost analyses conducted by or for the Parties that establishes that the proposed acquisition will result in net benefits to (1) existing customers of AWWC, or (2) existing customers of EU.

c. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

A-C. As detailed in the Joint Applicants' direct testimony, Joint Applicants expects the merger to result in benefits to its customers, including the customers of Aqua PA and Peoples, after the merger. The merger integration process is expected to lead to cost efficiencies in various functional areas. While there will be some costs to achieve Merger-related synergies, customers will realize benefits from those synergies as they are recognized in future rate cases in the form of costs that are lower than they would have been absent the Merger.

American Water has not conducted or had conducted for it the requested analyses. Please see Essential response to OCA-JA-I-10 for their response.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

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AW Response to OCA Set 1

OCA-JA-I-12 Rebranding.

a. Please provide an estimated timeframe and envisioned process AWWC and EU will undertake to rebrand the corporation.

b. Identify, quantify and explain the costs that AWWC and EU anticipates for corporate rebranding. Show the dollar amounts of the costs that are expected and describe in detail how AWWC will account for those rebranding costs.

c. Will AWWC request recovery for any rebranding costs from Pennsylvania ratepayers? If so, explain fully and identify the anticipated amounts and time frame. If not, explain fully why not.

d. What are AWWC's intentions of attempting to recover such rebranding related costs from ratepayers in future rate cases? Explain fully.

Response:

a. The Joint Applicants have only recently started having integration discussions and therefore, the timing and process for rebranding has not yet been determined.
b. Rebranding costs may include but are not limited to changes to vehicles, uniforms, facility signs, etc. The costs of rebranding have not yet been determined and may vary depending on the timing and process identified through the integration planning process.
c. American Water's request for cost recovery of rebranding costs will depend on the timing and process identified through the integration planning process.
    - If the costs are incurred immediately following the closing of the Merger, they will be deemed transaction-related costs. As noted in Exhibit C to the Joint Application, Aqua PA, Aqua PA WW and Peoples "will not seek recovery in rates of: any transaction costs incurred in connection with the Merger by American Water [], Essential [] or their subsidiaries[.]"
    - If the costs are incurred in the normal course of business (for example changing logos on uniforms as uniforms are replaced), these costs are not transaction costs and they will be included with all other costs for which Aqua PA, Aqua PA WW or Peoples may seek cost recovery in the future.
d. Please see response to subsection c.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

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AW Response to OCA Set 1

OCA-JA-I-13 Synergy savings.

a. Provide all estimates of synergy savings, by year, estimated to occur due to the integration of EU's operations with AWWC's existing utility operations.

b. Provide all estimates, by year, of costs to achieve the integration of EU's and AWWC's existing operations.

c. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

a-c. The Joint Applicants have only recently started having integration discussions and therefore have not yet established estimates for synergy savings or costs to achieve.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

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AW Response to OCA Set 1

OCA-JA-I-14 Synergies.

a. Have the Joint Applicants projected or had projected on their behalf, any potential synergies resulting from the proposed merger?

b. Identify and provide all workpapers and supporting documents that were used to produce all quantifications shown in this document including but not limited to the preliminary synergy benefits and costs to achieve. If not, explain why not.

Response:

a.-b. American Water has not projected potential synergies resulting from the Merger. Certain assumptions regarding potential synergies (or efficiencies) were made by Bank of America, based on similar historical merger proceedings, when providing a financial analysis of the transaction. Please OCA-JA-I-5_Attachment_HIGHLY CONFIDENTIAL.

Please see Essential response to OCA-JA-I-14 for their response.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

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Joint Applicants Response to OCA Set I

OCA-JA-I-14 Synergies.

a. Have the Joint Applicants projected or had projected on their behalf, any potential synergies resulting from the proposed merger?

b. Identify and provide all workpapers and supporting documents that were used to produce all quantifications shown in this document including but not limited to the preliminary synergy benefits and costs to achieve. If not, explain why not.

Response:

Please see the Direct Testimony of Colleen Arnold and Daniel J. Schuller. Essential does not have any further documents responsive to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

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AW Response to OCA Set 1

OCA-JA-I-16 Cost Savings. Do the Joint Applicants intend to eventually consolidate any of the existing Pennsylvania utility operations as a result of the merger? If so, please provide a detailed description of any such plans as well as projected cost savings.

Response:

The Joint Applicants have not made a determination regarding the consolidation of any existing Pennsylvania utility operations at this time and consolidation is not part of the transaction for which the Joint Applicants seek approval in this proceeding. If the Joint Applicants decide to merge any utility operations in the future, the respective utilities will, as required by law, seek approval from the Pennsylvania Public Utility Commission to do so through a new and separate application in the future.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

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AW Response to OCA Set 1

OCA-JA-I-18 Definitions. Please define, and if applicable, distinguish the following terms:

a. costs to achieve

b. transaction costs

c. transition costs

d. solicitation costs

e. merger integration costs

f. goodwill

g. acquisition premium

h. golden parachute payments

i. retention bonuses

Response:

American Water does not maintain definitions for each of these terms, unless specifically defined within an agreement or other such document. Unless otherwise noted, definitions below reflect American Water's general understanding of each of the requested terms.

a. ***Costs to achieve:*** Expenses incurred to realize anticipated benefits from a transaction or strategic initiative, such as cost savings or synergies. These are typically one-time costs, like consulting fees, IT system changes, or restructuring expenses.
b. ***Transaction costs:*** Direct costs associated with executing a transaction, such as legal fees, investment banking fees, due diligence expenses, and regulatory filing costs.
c. ***Transition costs:*** Transition costs include costs to achieve (see above) and merger integration costs (see below).
d. Solicitation costs: Costs incurred to solicit proxies from shareholders in connection with obtaining shareholder approval associated with a transaction, which may consist of costs incurred in connection with (i) preparing, printing and filing of proxy statements/prospectuses and other shareholder materials, (ii) mailing and delivery of such shareholder materials (including postage, freight and shipping), (iii) tabulation of votes in connection with the meeting of shareholders, (iv) holding the shareholder meeting, and

(v) fees paid to, and reimbursed costs and expenses of, proxy solicitors engaged with respect to the shareholder meeting. In this case, solicitation costs are considered transaction costs.

e. ***Merger integration costs:*** Costs of combining two businesses into a single entity post-merger. These include IT integration, process alignment, and workforce restructuring.
f. ***Goodwill:*** In utility acquisitions, an intangible asset that may result from a business combination when there is a difference between the purchase price and the fair value of the identified assets.
g. ***Acquisition Premium:*** American Water understands the term "acquisition premium" to refer to a "Utility Plant Acquisition Adjustment" as defined in Account 114 of the NARUC Uniform System of Accounts.
h. ***Golden parachute payments:*** The term "golden parachute payment" refers to a "parachute payment", as defined by Section 280G(b)(2)(A) of the Internal Revenue Code of 1986, as amended, and related Treasury Regulations, all as in effect on the date hereof.
i. ***Retention bonuses:*** Payments offered to certain employees to incentivize them to remain with the company during or after a merger, acquisition, or restructuring period.

Date: February 2, 2026

Revised Response

f. ***Goodwill:*** In utility acquisitions, an intangible asset that may result from a business combination. Goodwill would equal the purchase price less fair value of identifiable assets acquired and liabilities assumed.

Revised Response Date: April 17, 2026

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer
Cheryl Norton, Executive Vice President and Chief Operating Officer

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AW Response to OCA Set 1

OCA-JA-1-25 Regulatory approvals.

a. Identify each regulatory jurisdiction where approval of the proposed transaction is required and identify the docket number in each jurisdiction in which the proposed transaction is being addressed.

b. Identify and explain the procedural schedules related to each regulatory review of the proposed transaction that was identified in the response to part a.

Response:

a. See chart below for the requested information.

State	Case Number	Statutory Deadline
Illinois	25-1057	November 5, 2026
Kentucky	2025-00408	April 21, 2026
New Jersey	WM25110628	N/A
North Carolina	W-218, Sub 643	N/A
Pennsylvania	A-2025-3058927, A2025-3059828 and A-2025-3058929	N/A
Texas	59020	N/A
Virginia	PUR-2025-00229	June 20, 2026

b. See chart above. The procedural schedules have not yet been established in all the proceedings. The procedural schedule for Pennsylvania is available at https://www.puc.pa.gov/pcdocs/1911656.pdf. The procedural schedule for Kentucky is available at https://psc.ky.gov/pscscf/2025%20Cases/2025-00408//20260114_PSC_ORDER.pdf the procedural order Virginia is available at https://www.scc.virginia.gov/docketsearch/DOCS/8%402801!.PDF and the procedural schedule for Illinois is available at https://icc.illinois.gov/docket/P2025-1057/documents/375420/files/658258.pdf.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

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AW Response to OCA Set 1

OCA-JA-I-34

Please identify the total estimated transition and implementation costs following the completed acquisition for each entity by category (including, but not limited to, severance costs, accounting system changes, etc.). Include anticipated journal entries, journal entry descriptions and amounts.

Response:

The Joint Applicants have only recently started having integration discussions and therefore, total estimated transition and implementation costs are not available at this time. Please see response to OCA-JA-I-56 for information regarding the integration committee established by American Water and Essential Utilities. Transition and implementation costs will be captured within appropriate line items on financial statements. At this time, there are no anticipated journal entries, journal entry descriptions or amounts.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

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AW Response to OCA Set 1

OCA-JA-1-42

Please identify, and provide the source material showing, how many persons EU and AWWC and their subsidiaries employs at each owned and leased facility and work site located in Pennsylvania: (1) in total and separately for each entity, (2) in full-time equivalent ("FTE") positions separately for each entity at each work location; (3) through contractors and subcontractors separately for each entity at each work location.

Response:

For Essential employees at a worksite located in Pennsylvania, please see Essential response to OCA-JA-I-42.

As of January 2026,

(1) Total AWWC employees at a worksite located in Pennsylvania: 1,349,
Pennsylvania-American Water Company ("PAWC") employees at a worksite located in Pennsylvania: 1,235,
American Water Service Company, Inc. ("Servco") employees at a worksite located in Pennsylvania: 114.
(2) Total full-time equivalent positions at a worksite located in Pennsylvania: 1,347.5,
PAWC full-time equivalent positions at a worksite located in Pennsylvania: 1,233.5,
Servco full-time equivalent positions at a worksite located in Pennsylvania: 114.
(3) The total number of contractors currently employed at American Water is 2,469. The number of contractors separated by work location is not available.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

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Joint Applicants Response to OCA Set I

OCA-JA-I-42 Please identify, and provide the source material showing, how many persons EU and AWWC and their subsidiaries employs at each owned and leased facility and work site located in Pennsylvania : (1) in total and separately for each entity , (2) in full-time equivalent ("FTE") positions separately for each entity at each work location; (3) through contractors and subcontractors separately for each entity at each work location.

Response:

Please see OCA-JA-I-42_Attachment 1_EU.

Responsible Witness(es):

Colleen Arnold

Michael Huwar

Date: 02/02/2026

Total employee FTE count

Pennsylvania	Total Employee FTE Count
Aqua	712
Essential	211
PNG	1429
Grand Total	**2352**

Total Employee FTEs count by location

Pennsylvania	Total Employee FTE Count by location
Aqua	**712**
PA Beaver Falls	5
PA Bristol	6
PA Bryn Mawr	221
PA Crawford	1
PA Crum Creek	16
PA DuBois	9
PA Emlenton	2
PA Fern Hill	5
PA Great Valley	50
PA Greenville	5
PA Honesdale	15
PA Ingrams Mill	7
PA Iron Works	1
PA Kennett Square (New Garde	8
PA Limerick	8
PA Marienville	1
PA Media Plant	6
PA Neshaminy	15
PA NORTH SHORE - 375	4
PA Pickering Creek	37
PA Pittsburgh	3
PA Ridley	8
PA Roaring Creek Local Office	22
PA Roaring Creek Plant	6
PA Royersford	2
PA Sayre	7
PA Sharon Local Office	17
PA Sharon Plant	11
PA Shenandoah Local Office	1
PA Shenandoah Plant	4
PA Springfield	117
PA White Haven	23
PA Willow Grove	69
Essential	**211**
PA AQUA REMOTE	4
PA Bryn Mawr	148
PA NORTH SHORE - 375	54
PA PEOPLES REMOTE	3
PA Springfield	2

PNG	1429
PA ALTOONA	48
PA APOLLO	4
PA BUTLER DISTRICT	43
PA BUTLER WAREHOUSE	1
PA DICE STATION	4
PA GIBSONIA	111
PA GINGERHILL	51
PA GIRTY STATION	7
PA GREENSBURG	104
PA GROVE CITY	20
PA HOPEWELL	43
PA INDIANA DISTRICT	34
PA JEFFERSON DISTRICT	11
PA JOHNSTOWN	60
PA KINTER COMPRESSOR ST	4
PA KISKI	85
PA MCKEESPORT	64
PA MCKEESPORT TRAINING (	5
PA MONONGAHELA	33
PA NORTH SHORE - 375	347
PA PEOPLES REMOTE	4
PA VALLEY	47
PA VALLEY STATION	12
PA WAYNESBURG SHOP	26
PA WILKINSBURG	166
PA WILKINSBURG B	95
Grand Total	**2352**

Total Contingent Worker count by location

Pennsylvania	Total Contingent Worker Count by location
Aqua	**9**
PA Bryn Mawr	8
PA NORTH SHORE - 375	1
Essential	**9**
PA Bryn Mawr	8
PA NORTH SHORE - 375	1
PNG	**5**
PA NORTH SHORE - 375	5
Grand Total	**23**

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AW Response to OCA Set 1

OCA-JA-I-54 Best practices.

a. Provide copies of any analyses or studies which the Joint Applicants used to analyze the best utility practices with respect to the proposed transaction.

b. Provide an explanation how the Joint Applicants will track or quantify any productivity gains or cost savings from the best utility practices subsequent to the completion of the transaction.

c. Provide an explanation how the Joint Applicants have tracked or quantified any productivity gains or cost savings from the best utility practices in prior mergers/acquisitions.

Response:

a. American Water does not have and did not rely upon the requested analyses or studies.

b. American Water expects to identify best practices of both utilities beginning with the integration process. The Joint Applicants have only recently started having integration discussions and therefore, the requested information is not available at this time.

c. American Water provides safe and reliable water and wastewater service to its customers. As an industry leader in areas like safety and environmental compliance, these best practices are regularly implemented for American Water's subsidiaries' mergers and acquisitions. The requested tracking or quantification is not available. Please see Essential response to OCA-JA-I-54 for their responsive information.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

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Joint Applicants Response to OCA Set I

OCA-JA-I-54 Best practices.

a. Provide copies of any analyses or studies which the Joint Applicants used to analyze the best utility practices with respect to the proposed transaction.

b. Provide an explanation how the Joint Applicants will track or quantify any productivity gains or cost savings from the best utility practices subsequent to the completion of the transaction.

c. Provide an explanation how the Joint Applicants have tracked or quantified any productivity gains or cost savings from the best utility practices in prior mergers/acquisitions.

Response:

a. Studies were not conducted regarding the best practices of the Joint Applicants.

b. Metrics and/or Key Performance Indicators (KPIs) will continue to be tracked by the respective Applicant and later determined how to be integrated together to demonstrate the combined value of the two companies together.

c. Similarly, historical acquisitions are integrated into the KPI processes over a period of years, typically starting with regulatory compliance, such that the regulatory compliance of the Aqua company then includes and then measured against the industry KPIs including the acquisition(s).

Responsible Witness(es):

Colleen Arnold

Michael Huwar

Date: 02/02/2026

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AW Response to OCA Set 1

OCA-JA-1-55 Charitable contributions.

a. Identify the total amount of charitable contributions by category for AWWC and its subsidiaries for each of the years 2023, 2024 and for 2025. Identify the amount (1) in total and (2) the amounts for charities located within and operating in the Pennsylvania utility service territory.

b. Identify the total amount of charitable contributions by category for EU and its subsidiaries for each of the years 2023, 2024 and 2025. Identify the amount (1) in total and (2) the amounts for charities located within and operating in each Pennsylvania utility service territory.

c. Do the Joint Applicants commit to assuring that their combined amount of charitable contributions in each of the five years, post-acquisition, will be at least as much as the sum of the above-identified per utility amounts for 2024 and 2025? If not, explain fully why not and provide the projected post-acquisition annual charitable contributions.

Response:

a. The total amount of charitable contributions from 2023-2025 are shown below. For more details on Pennsylvania charitable contributions, please refer to OCA-JA-1-55_Attachment_AW.

Charitable Contributions				
	2023	2024	2025	3 Year Total
AWWC & Subs	$2,613,976	$2,128,283	$3,703,237	$8,445,497
Pennsylvania	$793,855	$639,208	$734,648	$2,167,711

b. Please see Essential response to OCA-JA-I-55.

c. As indicated in Exhibit C to the Joint Application, “American Water will continue to make charitable contributions at levels consistent with those historically provided by Aqua PA and Peoples in their service areas for the next two years after completion of the Merger and, thereafter, at levels consistent with American Water’s contributions in the areas it serves.”

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

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Joint Applicants Response to OCA Set I

OCA-JA-I-55 Charitable contributions.

a. Identify the total amount of charitable contributions by category for AWWC and its subsidiaries for each of the years 2023 , 2024 and for 2025. Identify the amount (1) in total and (2) the amounts for charities located within and operating in the Pennsylvania utility service territory.

b. Identify the total amount of charitable contributions by category for EU and its subsidiaries for each of the years 2023, 2024 and 2025. Identify the amount (1) in total and (2) the amounts for charities located within and operating in each Pennsylvania utility service territory.

c. Do the Joint Applicants commit to assuring that their combined amount of charitable contributions in each of the five years, post -acquisition, will be at least as much as the sum of the above-identified per utility amounts for 2024 and 2025? If not, explain fully why not and provide the projected post -acquisition annual charitable contributions.

Response:

a. Please see American Water's response to this request.

b. Please see OCA-JA-I-55_Attachment 1_EU.

c. Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

	2023
Row Labels	**Sum of Amount**
PA	**$ 4,809,578.50**
Aqua	**$ 2,659,786.76**
Arts and Culture (A/C)	$ 35,125.02
Community, Economic Growth/Development (C, EG/D)	$ 1,508,717.38
Diversity and Inclusion (D/I)	$ 30,500.00
Education (ED)	$ 261,410.42
Emergency Services (EMS)	$ 28,200.00
Environment	$ 414,586.00
Food Insecurity	$ 219,200.00
Health and Human Service (H/HS)	$ 161,947.94
Misc.	$ 100.00
Peoples	**$ 2,149,791.74**
Arts and Culture (A/C)	$ 40,785.00
Community, Economic Growth/Development (C, EG/D)	$ 329,500.00
Diversity and Inclusion (D/I)	$ 125,800.00
Education (ED)	$ 75,275.00
Emergency Services (EMS)	$ 236,800.00
Emergency Services (EMS); Health and Human Service (H/HS)	$ 68,500.00
Environment	$ 328,500.00
Food Insecurity	$ 83,677.00
Health and Human Service (H/HS)	$ 858,739.74
Misc.	$ 2,215.00
Grand Total	**$ 4,809,578.50**
TOTAL Essential Utilities	**$ 5,098,113.00**

	2024
Row Labels	**Sum of Amount**
PA	**$4,997,573.72**
Aqua	**$2,785,719.72**
Arts and Culture (A/C)	$103,252.00
Community, Economic Growth/Development (C, EG/D)	$463,940.50
Diversity and Inclusion (D/I)	$19,250.00
Education (ED)	$1,586,065.22
Emergency Services (EMS)	$42,000.00
Environment	$377,810.00
Food Insecurity	$39,000.00
Health and Human Service (H/HS)	$154,252.00
Misc.	$150.00

Peoples	**$2,211,854.00**
Arts and Culture (A/C)	$44,600.00
Community, Economic Growth/Development (C, EG/D)	$1,028,606.00
Diversity and Inclusion (D/I)	$130,500.00
Education (ED)	$138,340.00
Emergency Services (EMS)	$115,803.00
Environment	$266,000.00
Food Insecurity	$118,550.00
Health and Human Service (H/HS)	$355,225.00
Misc.	$14,230.00
Grand Total	**$4,997,573.72**
TOTAL Essential Utilities	**$5,250,259.72**

	2025	
Row Labels	**Sum of Amount**	
PA	**$**	**6,670,422.39**
Aqua	**$**	**4,195,053.03**
Arts and Culture (A/C)	$	79,280.00
Community, Economic Growth/Development (C, EG/D)	$	386,144.69
Diversity and Inclusion (D/I)	$	5,500.00
Education (ED)	$	1,862,080.53
Emergency Services (EMS)	$	1,111,020.00
Environment	$	297,680.00
Food Insecurity	$	245,000.00
Health and Human Service (H/HS)	$	208,247.81
Misc.	$	100.00
Peoples	**$**	**2,475,369.36**
Arts and Culture (A/C)	$	51,200.00
Community, Economic Growth/Development (C, EG/D)	$	1,088,261.00
Diversity and Inclusion (D/I)	$	8,250.00
Education (ED)	$	201,950.00
Emergency Services (EMS)	$	38,500.00
Environment	$	340,500.00
Food Insecurity	$	209,025.00
Health and Human Service (H/HS)	$	525,440.36
Misc.	$	12,243.00
Grand Total	**$**	**6,670,422.39**
TOTAL Essential Utilities		**$6,898,080.58**

Amount	Organization	Company	Check Date	Check #	Event State	County(ies	Primary Gi	Category 2	Category 3
$7,500.00	Williamson College of the Trades	Aqua	1/4/2023	7814	PA		Education (ED)		
$500.00	Norristown Islamic Society	Aqua	1/4/2023	7813	PA	Montgomer	Arts and Cu	Match	
$500.00	Ann's Heart	Aqua	1/4/2023	7816	PA	Chester Co	Health and	Match	Food Insecurity
$500.00	Water for People	Aqua	1/4/2023	7812	PA		Health and	Match	
$500.00	Arc Alliance, The	Aqua	1/4/2023	7810	PA		Health and	Match	
$100.00	Main Line Animal Rescue	Aqua	1/4/2023	7811	PA		Community	Match	
$10,000.00	Bonner Baseball	Aqua	1/13/2023	7820	PA	Delaware C	Education (ED)		
$25,000.00	Franklin Institute, The	Aqua	1/30/2023	7824	PA		Education (ED)		
$25,000.00	Franklin Institute, The	Aqua	1/30/2023	7825	PA		Education (ED)		
$15,000.00	Walnut Street Theatre	Aqua	1/30/2023	7826	PA		Arts and Culture (A/C)		
$10,000.00	Encore Series, Inc.	Aqua	1/30/2023	7827	PA		Arts and Culture (A/C)		
$10,000.00	Chester County Historical Society	Aqua	1/30/2023	7829	PA	Chester Co	Education (	Arts and Cu	Diversity and Inclusion (D/I)
$10,000.00	Cradles to Crayons	Aqua	1/30/2023	7830	PA	Bucks Cou	Health and Human Service (H/HS)		
$10,000.00	American Red Cross	Aqua	1/30/2023	7828	PA	Chester Co	Health and Human Service (H/HS)		
$2,575.00	Union League Legacy Foundation, The	Aqua	1/30/2023	7831	PA	Philadelphi	Education (ED)		
$1,000,000.00	Cobbs Creek Restoration and Community Foundation	Aqua	2/9/2023	7836	PA	Delaware C	Community	Education (	Diversity and Inclusion (D/I)
$10,000.00	WXPN	Aqua	2/9/2023	7841	PA	Bucks Cou	Diversity an	Arts and Cu	Community, Economic Growth/Development (C, EG/D)
$10,000.00	Horizons at The Episcopal Academy	Aqua	2/9/2023	7866	PA	Philadelphi	Education (	Diversity and Inclusion (D/I)	
$10,000.00	Natural Lands	Aqua	2/9/2023	7839	PA	Berks Cour	Environment		
$5,500.00	Congreso de Latinos Unidos	Aqua	2/9/2023	7867	PA	Philadelphi	Diversity an	Community, Economic Growth/Development (C, EG/D)	
$5,000.00	Laurel House	Aqua	2/9/2023	7832	PA	Montgomer	Health and Human Service (H/HS)		
$3,000.00	Keystone Human Services	Aqua	2/9/2023	7835	PA	Montgomer	Health and	Diversity and Inclusion (D/I)	
$2,000.00	Veterans Multi-Service Center	Aqua	2/9/2023	7840	PA	Bucks Cou	Health and Human Service (H/HS)		
$1,000.00	Athens Township Volunteer Fire Company	Aqua	2/9/2023	7842	PA	Bradford C	Emergency Services (EMS)		
$1,000.00	Bristol Consolidated Fire Company	Aqua	2/9/2023	7843	PA	Bucks Cou	Emergency Services (EMS)		
$1,000.00	Bristol Fire Co Station 51	Aqua	2/9/2023	7844	PA	Bucks Cou	Emergency Services (EMS)		
$1,000.00	Bryn Mawr Fire Company	Aqua	2/9/2023	7845	PA	Montgomer	Emergency Services (EMS)		
$1,000.00	Glenside Fire Company	Aqua	2/9/2023	7838	PA	Montgomer	Emergency Services (EMS)		
$1,000.00	Goshen Fire Company	Aqua	2/9/2023	7846	PA	Chester Co	Emergency Services (EMS)		
$1,000.00	Honesdale Fire Department	Aqua	2/9/2023	7847	PA	Monroe Co	Emergency Services (EMS)		
$1,000.00	King of Prussia Volunteer Fire Company	Aqua	2/9/2023	7848	PA	Montgomer	Emergency Services (EMS)		
$1,000.00	New Hanover Township Volunteer Fire & Rescue	Aqua	2/9/2023	7849	PA	Montgomer	Emergency Services (EMS)		
$1,000.00	Parkland Fire Company	Aqua	2/9/2023	7850	PA	Bucks Cou	Emergency Services (EMS)		
$1,000.00	Rocky Run Fire Company	Aqua	2/9/2023	7851	PA	Delaware C	Emergency Services (EMS)		
$1,000.00	Rose Tree Fire Company	Aqua	2/9/2023	7852	PA	Delaware C	Emergency Services (EMS)		
$1,000.00	Sandy Township Fire Department	Aqua	2/9/2023	7853	PA	Clearfield C	Emergency Services (EMS)		
$1,000.00	Shamokin Bureau of Fire	Aqua	2/9/2023	7854	PA	Northumbe	Emergency Services (EMS)		
$1,000.00	Sharon Fire Department	Aqua	2/9/2023	7855	PA	Mercer Cou	Emergency Services (EMS)		
$1,000.00	Springfield Fire Company	Aqua	2/9/2023	7856	PA	Delaware C	Emergency Services (EMS)		
$1,000.00	Valley Forge Fire Co.	Aqua	2/9/2023	7857	PA	Chester Co	Emergency Services (EMS)		
$1,000.00	West Bradford Fire Company	Aqua	2/9/2023	7858	PA	Chester Co	Emergency Services (EMS)		
$1,000.00	White Haven Fire Department	Aqua	2/9/2023	7859	PA	Luzerne Co	Emergency Services (EMS)		
$1,000.00	Willow Grove Fire Company	Aqua	2/9/2023	7860	PA	Bucks Cou	Emergency Services (EMS)		
$1,000.00	Friends of Heinz Refuge	Aqua	2/9/2023	7837	PA	Delaware C	Environmer	Education (ED)	
$500.00	White Haven Area Community Library	Aqua	2/9/2023	7834	PA	Luzerne Co	Education (ED)		
$2,000.00	West Chester University Foundation	Aqua	2/15/2023	7886	PA	Chester Co	Education (	Arts and Culture (A/C)	
$5,000.00	Roman Catholic High School	Aqua	3/6/2023	7887	PA	Philadelphi	Community, Economic Growth/Development (C, EG/D)		
$75,000.00	Pennsylvania Horticultural Society	Aqua	3/10/2023	7904	PA	Chester Co	Environment		
$30,000.00	Villanova University	Aqua	3/10/2023	7914	PA	Delaware C	Health and	Education (ED)	
$18,000.00	Chester-Ridley-Crum Watersheds Association	Aqua	3/10/2023	7911	PA	Delaware C	Environmer	Education (ED)	
$7,500.00	Perkiomen Watershed Conservancy	Aqua	3/10/2023	7910	PA	Montgomer	Environmer	Education (ED)	
$5,000.00	City Year Philadelphia	Aqua	3/10/2023	7918	PA	Philadelphi	Education (ED)		
$5,000.00	Salvation Army of Philadelphia	Aqua	3/10/2023	7917	PA	Philadelphi	Health and Human Service (H/HS)		
$2,500.00	Leukemia & Lymphoma Society	Aqua	3/10/2023	7909	PA	Philadelphi	Health and Human Service (H/HS)		

Amount	Organization	Company	Check Date	Check #	Event State	County(ies	Primary Gi	Category 2	Category 3
$2,436.00	Perkiomen Valley Trout Unlimited	Aqua	3/10/2023	7903	PA	Montgomer	Environment		
$2,000.00	Brandywine Red Clay Alliance	Aqua	3/10/2023	7915	PA	Chester Co	Environment		
$1,500.00	Darby Creek Valley Association	Aqua	3/10/2023	7902	PA	Delaware C	Environment		
$1,000.00	Lacawac Sanctuary & Field Station	Aqua	3/10/2023	7913	PA	Wayne Cou	Environmer	Education (ED)	
$1,000.00	Friends of Green Lane Park	Aqua	3/10/2023	7905	PA	Montgomer	Environmer	Education (ED)	
$500.00	Minority Health Center	Aqua	3/10/2023	7906	PA	Mercer Cou	Health and	Diversity and Inclusion (D/I)	
$250.00	Open Link, The	Aqua	3/10/2023	7916	PA	Montgomer	Health and	Human Service (H/HS)	
$5,000.00	Boy Scouts of America, Washington Crossing Council	Aqua	3/27/2023	7922	PA	Bucks Cou	Education (ED)		
$2,500.00	Angel Flight East	Aqua	3/27/2023	7927	PA	Montgomer	Health and	Human Service (H/HS)	
$2,200.00	Citizens Crime Commission	Aqua	3/27/2023	7923	PA	Bucks Cou	Emergency	Services (EMS)	
$1,500.00	Delaware County Transportation Mgt Assoc	Aqua	3/27/2023	7924	PA	Delaware C	Community,	Economic Growth/Development (C, EG/D)	
$1,250.00	Wissahickon Trails	Aqua	3/27/2023	7921	PA	Montgomer	Environment		
$1,000.00	Main Line Meals on Wheels	Aqua	3/27/2023	7925	PA	Chester Co	Food Insecurity		
$1,000.00	Greater Glenside Patriotic Association	Aqua	3/27/2023	7929	PA	Montgomer	Community,	Economic Growth/Development (C, EG/D)	
$1,000.00	Kelly Music For Life	Aqua	3/27/2023	7928	PA	Delaware C	Community,	Arts and Culture (A/C)	
$700.00	West Chester University Foundation	Aqua	3/27/2023	7926	PA	Chester Co	Education (ED)		
$5,500.00	World Affairs Council of Philadelphia	Aqua	4/6/2023	7945	PA	Berks Cour	Education (	Environment	
$5,000.00	Michael G. Fitzpatrick Foundation	Aqua	4/6/2023	7946	PA	Philadelphi	Education (ED)		
$5,000.00	Water Center at the University of Pennsylvania, The	Aqua	4/6/2023	7947	PA	Philadelphi	Education (	Education (ED)	
$3,000.00	Riverbend Environmental Educational Center	Aqua	4/6/2023	7948	PA	Delaware C	Environmer	Education (ED)	
$2,500.00	Main Line School Night	Aqua	4/6/2023	7949	PA	Delaware C	Diversity an	Education (ED)	
$155.00	Junior Achievement of Southeastern Pennsylvania	Aqua	4/6/2023	7950	PA	Delaware C	Education (	Match	
$100.00	LaSalle University	Aqua	4/6/2023	7951	PA	Bucks Cou	Education (	Match	
$20,000.00	Riddle HealthCare Foundation	Aqua	4/24/2023	7952	PA		Health and	Human Service (H/HS)	
$7,500.00	Bryn Mawr Hospital Foundation, The	Aqua	4/24/2023	7953	PA	Chester Co	Health and	Human Service (H/HS)	
$5,000.00	Shenango River Watchers	Aqua	4/24/2023	7954	PA	Mercer Cou	Environmer	Education (ED)	
$4,000.00	Junior Achievement of Southeastern Pennsylvania	Aqua	4/24/2023	7955	PA	Delaware C	Education (ED)		
$3,000.00	French & Pickering Creeks Conservation Trust Inc.	Aqua	4/24/2023	7956	PA	Chester Co	Environment		
$2,500.00	Community Food Warehouse	Aqua	4/24/2023	7965	PA	Mercer Cou	Food Insecurity		
$2,000.00	Devereux PA	Aqua	4/24/2023	7958	PA	Montgomer	Health and	Human Service (H/HS)	
$1,500.00	Senior Community Services	Aqua	4/24/2023	7960	PA	Delaware C	Health and	Human Service (H/HS)	
$1,500.00	Family Support Line	Aqua	4/24/2023	7959	PA	Delaware C	Health and	Human Service (H/HS)	
$1,000.00	Tookany/Tacony-Frankford Watershed Partnership	Aqua	4/24/2023	7964	PA	Montgomer	Environment		
$1,000.00	Mitzvah Circle Foundation	Aqua	4/24/2023	7963	PA	Montgomer	Health and	Human Service (H/HS)	
$1,000.00	Friends of the Wissahickon	Aqua	4/24/2023	7961	PA	Philadelphi	Environment		
$750.00	Foundation for Catholic Education	Aqua	4/24/2023	7966	PA	Philadelphi	Education (ED)		
$5,000.00	Bucks County Historical Society, The	Aqua	5/11/2023	7974	PA	Bucks Cou	Community,	Economic Growth/Development (C, EG/D)	
$5,000.00	Valley Youth House	Aqua	5/11/2023	7975	PA	Bucks Cou	Health and	Human Service (H/HS)	
$4,000.00	LuLu Shriners Charity Golf	Aqua	5/11/2023	7976	PA	Montgomer	Health and	Human Service (H/HS)	
$2,500.00	Amistad Law Project	Aqua	5/11/2023	7977	PA	Delaware C	Diversity and	Inclusion (D/I)	
$1,025.00	SuperKIDS of Montgomery County, Inc.	Aqua	5/11/2023	7978	PA	Montgomer	Health and	Human Service (H/HS)	
$1,000.00	Bryn Mawr Beautiful Foundation	Aqua	5/11/2023	7980	PA	Montgomer	Community,	Economic Growth/Development (C, EG/D)	
$1,000.00	Gilbertsville Fire and Rescue Company	Aqua	5/11/2023	7981	PA	Montgomer	Emergency	Services (EMS)	
$1,000.00	Welcome Project PA, The	Aqua	5/11/2023	7979	PA	Montgomer	Diversity and	Inclusion (D/I)	
$1,000.00	Narberth Ambulance	Aqua	5/11/2023	7982	PA	Delaware C	Emergency	Services (EMS)	
$500.00	Norristown Islamic Society	Aqua	5/11/2023	7984	PA	Montgomer	Diversity an	Match	Health and Human Service (H/HS)
$2,500.00	American Cancer Society-Philadelphia-19103	Aqua	5/22/2023	8006	PA	Philadelphi	Health and	Match	
$3,000.00	Media Arts Council	Aqua	5/30/2023	8017	PA	Delaware C	Arts and Culture (A/C)		
$3,000.00	Penn-Northwest Development Corporation	Aqua	6/9/2023	8032	PA	Mercer Cou	Community,	Economic Growth/Development (C, EG/D)	
$3,000.00	Tredyffrin Township Library Foundation	Aqua	6/9/2023	8029	PA	Chester Co	Education (	Environment	
$2,500.00	Independence Historical Trust	Aqua	6/9/2023	8031	PA	Philadelphi	Community,	Economic Growth/Development (C, EG/D)	
$2,500.00	Chester County Historical Society	Aqua	6/9/2023	8030	PA	Chester Co	Diversity and	Inclusion (D/I)	
$1,000.00	Rockledge Volunteer Fire Company #1	Aqua	6/9/2023	8028	PA	Montgomer	Emergency	Services (EMS)	
$750.00	American Water Works Association- PA Section	Aqua	6/9/2023	8033	PA		Health and	Human Service (H/HS)	

Amount	Organization	Company	Check Date	Check #	Event State	County(ies	Primary Gi	Category 2	Category 3
$150.00	Habitat for Humanity	Aqua	6/9/2023	8034	PA	Philadelphi	Health and	Match	
$50.00	STEM Academy Home & School Association	Aqua	6/9/2023	8035	PA	Chester Co	Education (	Match	
$150,000.00	Philadelphia Zoo, The	Aqua	6/27/2023	8043	PA		Environmer	Education (ED)	
$150,000.00	Share Food Program	Aqua	6/27/2023	8044	PA		Food Insecurity		
$12,500.00	Main Line Chamber Foundation	Aqua	6/27/2023	8041	PA	Delaware C	Community, Economic Growth/Development (C, EG/D)		
$5,550.00	Cradle of Liberty, BSA	Aqua	6/27/2023	8038	PA	Delaware C	Education (	Environment	
$5,000.00	Chester County Fund for Women and Girls	Aqua	6/27/2023	8037	PA	Chester Co	Diversity an	Education (ED)	
$5,000.00	Bucks County Housing Group	Aqua	6/27/2023	8036	PA	Bucks Cou	Food Insecurity		
$3,000.00	St. Norbert School	Aqua	6/27/2023	8045	PA		Education (ED)		
$2,000.00	Fostering Hope	Aqua	6/27/2023	8040	PA	Delaware C	Health and Human Service (H/HS)		
$2,000.00	One House at a Time	Aqua	6/27/2023	8042	PA	Bucks Cou	Health and Human Service (H/HS)		
$300.00	Firemen's Golf Fundraiser	Aqua	6/27/2023	8039	PA	Luzerne Co	Emergency Services (EMS)		
$2,500.00	Partnership for the Delaware Estuary, Inc.	Aqua	7/11/2023	8054	PA	Berks Cour	Environmer	Education (ED)	
$2,000.00	Pennsylvania Environmental Council	Aqua	7/11/2023	8055	PA		Environment		
$1,000.00	Schuylkill River Heritage Center	Aqua	7/11/2023	8057	PA	Chester Co	Community, Economic Growth/Development (C, EG/D)		
$1,000.00	Community Food Warehouse	Aqua	7/11/2023	8056	PA	Mercer Cou	Food Insecurity		
$20,000.00	Partnership for the Delaware Estuary, Inc.	Aqua	8/1/2023	8072	PA	Berks Cour	Environmer	Education (ED)	
$3,500.00	YMCA of Bucks and Hunterdon Counties	Aqua	8/1/2023	8071	PA	Bucks Cou	Health and	Education (ED)	
$3,000.00	Water Resources Assoc. of the Delaware River Basin	Aqua	8/1/2023	8070	PA	Philadelphi	Environment		
$2,750.00	Fred's Footsteps	Aqua	8/1/2023	8069	PA	Montgomer	Health and Human Service (H/HS)		
$1,500.00	Main Line Art Center	Aqua	8/1/2023	8068	PA	Montgomer	Arts and Cu	Food Insecurity	
$1,000.00	Global Water Alliance	Aqua	8/1/2023	8067	PA	Philadelphi	Health and Human Service (H/HS)		
$500.00	Elmwood Park Zoo	Aqua	8/1/2023	8064	PA	Montgomer	Environmer	Education (ED)	
$200.00	White Haven Lions Club Foundation	Aqua	8/1/2023	8063	PA	Luzerne Co	Community, Economic Growth/Development (C, EG/D)		
$45,000.00	Perkiomen Valley Trout Unlimited	Aqua	8/30/2023	8083	PA	Berks Cour	Environment		
$30,000.00	Berks Nature	Aqua	8/30/2023	8080	PA	Berks Cour	Environment		
$1,250.00	Wissahickon Trails	Aqua	8/30/2023	8086	PA	Montgomer	Environment		
$1,000.00	Delaware County Veterans Memorial Association	Aqua	8/30/2023	8087	PA	Delaware C	Community, Economic Growth/Development (C, EG/D)		
$250.00	Berks Nature	Aqua	8/30/2023	8081	PA	Berks Cour	Environment		
$2,500.00	Friends of the Tower Theater District	Aqua	9/6/2023	8101	PA	Delaware C	Community, Economic Growth/Development (C, EG/D)		
$2,500.00	Unite for HER	Aqua	9/12/2023	8110	PA	Chester Co	Health and Human Service (H/HS)		
$2,500.00	March of Dimes	Aqua	9/12/2023	8108	PA	Chester Co	Health and Human Service (H/HS)		
$1,000.00	Kamp for Kids Corporation	Aqua	9/12/2023	8109	PA	Bucks Cou	Health and	Diversity and Inclusion (D/I)	
$100,000.00	Curtain Call Collective	Aqua	10/2/2023	8111	PA	Chester Co	Community	Arts and Culture (A/C)	
$2,500.00	World Trade Center of Greater Philadelphia	Aqua	10/12/2023	8123	PA	Philadelphi	Community, Economic Growth/Development (C, EG/D)		
$2,500.00	Run for Heroes, Inc.	Aqua	10/12/2023	8124	PA	Delaware C	Emergency Services (EMS)		
$1,750.00	Pan American Association of Philadelphia	Aqua	10/12/2023	8122	PA	Philadelphi	Arts and Culture (A/C)		
$1,200.00	Brandywine Red Clay Alliance	Aqua	10/12/2023	8120	PA	Chester Co	Environment		
$1,000.00	Asian American Chamber of Commerce of Greater Philadelphia	Aqua	10/12/2023	8121	PA	Philadelphi	Diversity an	Community, Economic Growth/Development (C, EG/D)	
$100,000.00	Essential Initiatives Inc.	Aqua	10/23/2023	8150	PA		Community, Economic Growth/Development (C, EG/D)		
$25,000.00	DCCC Educational Foundation	Aqua	10/23/2023	8149	PA	Delaware C	Education (	Community, Economic Growth/Development (C, EG/D)	
$23,700.00	Pennsylvania Environmental Council	Aqua	10/23/2023	8148	PA	Chester Co	Environment		
$12,000.00	Riverbend Environmental Educational Center	Aqua	10/23/2023	8147	PA	Delaware C	Education (	Environment	
$10,000.00	Chester County Food Bank	Aqua	10/23/2023	8145	PA	Chester Co	Food Insecurity		
$7,500.00	Magee Rehabilitation Foundation	Aqua	10/23/2023	8146	PA	Philadelphi	Health and Human Service (H/HS)		
$2,500.00	Kennett Symphony	Aqua	10/23/2023	8139	PA	Chester Co	Arts and Culture (A/C)		
$2,000.00	Central Susquehanna Opportunities, Inc.	Aqua	10/23/2023	8134	PA	Northumbe	Food Insecurity		
$1,000.00	Wayne County Community Foundation	Aqua	10/23/2023	8129	PA	Wayne Cou	Food Insecurity		
$1,000.00	Youth Mentoring Partnership	Aqua	10/23/2023	8130	PA	Chester Co	Education (ED)		
$500.00	Devereux PA	Aqua	10/23/2023	8131	PA	Montgomer	Health and Human Service (H/HS)		
$500.00	Jenkins Arboretum	Aqua	10/23/2023	8125	PA	Chester Co	Community, Economic Growth/Development (C, EG/D)		
$500.00	Providence Animal Center	Aqua	10/23/2023	8126	PA	Delaware C	Community	Match	
$1,000.00	Franklin Square Capital Partners Foundation	Aqua	10/31/2023	8200	PA		Health and Human Service (H/HS)		
$5,000.00	YMCA - Greater Philadelphia	Aqua	11/13/2023	8210	PA	Bucks Cou	Education (ED)		

Amount	Organization	Company	Check Date	Check #	Event State	County(ies	Primary Gi	Category 2	Category 3
$1,000.00	White Haven United Methodist Church	Aqua	11/13/2023	8277	PA		Food Insecurity		
$200.00	Kennett Fire Company	Aqua	11/13/2023	8202	PA	Chester Co	Emergency	Match	
$100.00	Brandywine Valley SPCA	Aqua	11/13/2023	8201	PA		Misc.	Match	
$50,000.00	Philadelphia Soccer 2026	Aqua	11/30/2023	8230	PA		Community, Economic Growth/Development (C, EG/D)		
$5,000.00	Great Valley Community Organization	Aqua	11/30/2023	8232	PA	Chester Co	Health and	Diversity and Inclusion (D/I)	
$1,000.00	Mitzvah Circle Foundation	Aqua	11/30/2023	8231	PA	Montgomer	Health and	Human Service (H/HS)	
$500.00	Partnership for the Delaware Estuary, Inc.	Aqua	11/30/2023	8229	PA	Berks Cour	Environmer	Match	Education (ED)
$500.00	Arc Alliance, The	Aqua	11/30/2023	8233	PA	Bucks Cou	Health and	Match	
$1,000.00	Breathing Room Foundation	Aqua	12/21/2023	8246	PA	Montgomer	Health and	Match	
$1,000.00	Bringing Hope Home	Aqua	12/21/2023	8247	PA	Delaware C	Health and	Match	
$1,000.00	Domestic Violence Center of Chester County	Aqua	12/21/2023	8245	PA	Chester Co	Health and	Match	
$500.00	Ann's Heart	Aqua	12/21/2023	8249	PA	Chester Co	Health and	Match	
$ 20.00	AMERICAN CANCER SOCIETY	Aqua	11/10/2023		PA	PAC Match	Health and	Human Service (H/HS)	
$ 8.00	CALVARY LUTHERAN CHURCH	Aqua	11/10/2023		PA	PAC Match	Arts and Culture (A/C)		
$ 95.00	CARE LINK	Aqua	11/10/2023		PA	PAC Match	Health and	Human Service (H/HS)	
$ 320.19	CHOP	Aqua	11/10/2023		PA	PAC Match	Health and	Human Service (H/HS)	
$ 104.00	CHOP	Aqua	11/10/2023		PA	PAC Match	Health and	Human Service (H/HS)	
$ 52.00	CHOP	Aqua	11/10/2023		PA	PAC Match	Health and	Human Service (H/HS)	
$ 114.66	COUNTRY DAY SCHOOL OF THE SACRED HEART	Aqua	11/10/2023		PA	PAC Match	Education (ED)		
$ 30.00	FIRST BAPTIST CHURCH	Aqua	11/10/2023		PA	PAC Match	Arts and Culture (A/C)		
$ 22.00	JEWISH FEDERATION OF GREATER PHILA.	Aqua	11/10/2023		PA	PAC Match	Arts and Culture (A/C)		
$ 33.00	OUR LADY OF PEACE, CYO	Aqua	11/10/2023		PA	PAC Match	Arts and Culture (A/C)		
$ 388.47	RIDLEY EDUCATIONAL FOUNDATION	Aqua	11/10/2023		PA	PAC Match	Education (ED)		
$ 40.00	SPECIAL OLYMPICS OF DE/NEWARK	Aqua	11/10/2023		PA	PAC Match	Education (ED)		
$ 656.38	ST ANASTASIA SCHOOL BLDG EXPANSION FUND	Aqua	11/10/2023		PA	PAC Match	Education (ED)		
$ 1,290.29	WAYNE COUNTY COMMUNITY FOUNDATION	Aqua	11/10/2023		PA	PAC Match	Health and	Human Service (H/HS)	
$ 770.67	CHILDREN AND ADULT DISABILITY (CADES)	Aqua	11/10/2023		PA	PAC Match	Health and	Education (ED)	
$ 830.91	NEUMANN UNIVERSITY	Aqua	11/10/2023		PA	PAC Match	Education (ED)		
$ 649.45	ELLIOTT ACRES THERAPY RIDING	Aqua	11/10/2023		PA	PAC Match	Health and	Education (ED)	
$ 48.00	ST THOMAS OF VILLANOVA PARISH	Aqua	11/10/2023		PA	PAC Match	Arts and Culture (A/C)		
$ 734.02	STEPHEN SILLER TUNNEL TO TOWERS FOUNDATION	Aqua	11/10/2023		PA	PAC Match	Arts and Culture (A/C)		
$ 221.34	AMERICAN RED CROSS	Aqua	11/10/2023		PA	PAC Match	Health and	Human Service (H/HS)	
$ 37.50	URBAN LEAGUE OF PHILADELPHIA	Aqua	11/10/2023		PA	PAC Match	Community, Economic Growth/Development (C, EG/D)		
$ 287.88	Grays Ferry Community Council	Aqua	11/10/2023		PA	PAC Match	Community, Economic Growth/Development (C, EG/D)		
$ 56,500.00	BLOCS Scholarship LLC	Aqua	12/31/2023		PA	Looking int	Education (ED)		
$ 18,500.00	Catholic Education 20, LLC	Aqua	12/31/2023		PA	Looking int	Education (ED)		
$1,000.00	Brandywine Red Clay Alliance	Aqua	8/1/2023	8065	PA	Chester Co	Environment		
$6,000.00	Penn State - Great Valley	Aqua	8/30/2023	8085	PA	Chester Co	Education (ED)		
$3,000.00	Riddle HealthCare Foundation	Aqua	8/30/2023	8084	PA	Delaware C	Health and	Human Service (H/HS)	
$45,700.00	Together We Can-PA	Aqua	2/3/2023	1012	PA	Delaware C	Food Insecurity		
$10,500.00	Economy League	Aqua			PA	Philadelphi	Community, Economic Growth/Development (C, EG/D)		
$207,092.00	United Way of Greater Philadelphia & Southern NJ	Aqua	11/13/2023	8212	PA	Bucks Cou	Community	Education (ED)	
$70,000.00	United Way of Southwestern Pennsylvania	Peoples	1/4/2023	7817	PA		Health and	Human Service (H/HS)	
$65,500.00	Salvation Army Western Pennsylvania Division, The	Peoples	2/9/2023	7870	PA		Emergency	Health and	Human Service (H/HS)
$50,000.00	Tree Pittsburgh	Peoples	2/9/2023	7868	PA		Environment		
$40,000.00	Leadership Pittsburgh	Peoples	2/9/2023	7869	PA		Community, Economic Growth/Development (C, EG/D)		
$19,000.00	Destiny's Outreach	Peoples	2/9/2023	7880	PA	Cambria Co	Food Insecurity		
$15,000.00	Rostraver West Newton Emergency Services	Peoples	2/9/2023	7882	PA	Fayette Cou	Emergency	Health and	Human Service (H/HS)
$10,000.00	Stanley M Marks Blood Cancer Research Fund	Peoples	2/9/2023	7883	PA		Health and	Human Service (H/HS)	
$5,000.00	Monroeville Area Chamber Foundation	Peoples	2/9/2023	7878	PA		Community, Economic Growth/Development (C, EG/D)		
$5,000.00	Seeds of Faith Christian Academy	Peoples	2/9/2023	7885	PA	Indiana Cou	Education (	Community, Economic Growth/Development (C, EG/D)	
$5,000.00	Interfaith Community Food Pantry	Peoples	2/9/2023	7879	PA	Cambria Co	Food Insec	Health and	Human Service (H/HS)
$500.00	Kiski Area Baseball & Softball Association	Peoples	2/9/2023	7881	PA	Westmorel	Education (ED)		
$500.00	Richland Township Volunteer Fireman's Association	Peoples	2/9/2023	7871	PA	Cambria Co	Emergency	Services (EMS)	

Amount	Organization	Company	Check Date	Check #	Event State	County(ies	Primary Gi	Category 2	Category 3
$200.00	WCHS Baseball Boosters	Peoples	2/9/2023	7875	PA		Health and	Human Service (H/HS)	
$135.00	Carnegie Museums of Pittsburgh	Peoples	2/9/2023	7873	PA		Arts and Cu	Match	
$100.00	Leukemia & Lymphoma Society	Peoples	2/9/2023	7876	PA	Allegheny C	Health and	Match	
$51.74	American Heart Association Inc	Peoples	2/9/2023	7872	PA		Health and	Match	
$50.00	Making Strides Foundation	Peoples	2/9/2023	7874	PA	Allegheny C	Health and	Match	
$50.00	Making Strides Foundation Corporation	Peoples	2/9/2023	7877	PA	Westmorel	Health and	Match	
$65,000.00	Vibrant Pittsburgh	Peoples	3/6/2023	7888	PA		Diversity an	Community, Economic Growth/Development (C, EG/D)	
$50,000.00	Catholic Charities of the Diocese of Pittsburgh	Peoples	3/6/2023	7893	PA	Allegheny C	Health and	Food Insecurity	
$30,000.00	Keep Pittsburgh Running (P3R)	Peoples	3/6/2023	7889	PA	Allegheny C	Health and	Human Service (H/HS)	
$25,000.00	Pittsburgh Parks Conservancy	Peoples	3/6/2023	7892	PA	Allegheny C	Environment		
$20,000.00	Children's Hospital of Pittsburgh Foundation, The	Peoples	3/6/2023	7890	PA	Allegheny C	Health and	Human Service (H/HS)	
$10,000.00	Bike PGH	Peoples	3/6/2023	7894	PA	Allegheny C	Health and	Community, Economic Growth/Development (C, EG/D)	
$5,000.00	Capitol All-Stars, A project of TFEC, TFEC	Peoples	3/6/2023	7891	PA		Food Insecu	Arts and Culture (A/C)	
$3,000.00	Special Olympics Allegheny County	Peoples	3/6/2023	7901	PA	Allegheny C	Health and	Match	
$1,800.00	IATW Foundation	Peoples	3/6/2023	7896	PA	Allegheny C	Emergency	Services (EMS)	
$1,000.00	Sarah Heinz House	Peoples	3/6/2023	7895	PA	Allegheny C	Education (	Health and Human Service (H/HS)	
$1,000.00	Central Pennsylvania Community Foundation	Peoples	3/6/2023	7897	PA	Blair Count	Health and	Human Service (H/HS)	
$500.00	Jefferson-Morgan Centennial Lions Club	Peoples	3/6/2023	7898	PA	Greene Cou	Education (ED)		
$105.00	Metavivor Research and Support	Peoples	3/6/2023	7900	PA		Health and	Match	
$25.00	Greater Pittsburgh Community Food Bank	Peoples	3/6/2023	7899	PA	Allegheny C	Food Insecu	Match	
$46,000.00	Dollar Energy Fund	Peoples	3/10/2023	7920	PA	Allegheny C	Health and	Human Service (H/HS)	
$5,000.00	Pittsburgh Promise, The	Peoples	3/10/2023	7919	PA	Allegheny C	Education (ED)		
$76,000.00	Pittsburgh Zoo & PPG Aquarium	Peoples	3/27/2023	7930	PA	Allegheny C	Environment		
$14,000.00	Beaver County Chamber of Commerce	Peoples	3/27/2023	7931	PA	Beaver Cou	Community, Economic Growth/Development (C, EG/D)		
$10,000.00	Urban Impact Foundation	Peoples	4/6/2023	7933	PA	Allegheny C	Education (ED)		
$10,000.00	Rachel Carson Trail Conservancy, Inc, The	Peoples	4/6/2023	7932	PA	Allegheny C	Environment		
$7,500.00	Butler Economic Development Corporation	Peoples	4/6/2023	7934	PA	Butler Cou	Community, Economic Growth/Development (C, EG/D)		
$5,000.00	Soldiers & Sailors Memorial Hall & Museum Trust, Inc.	Peoples	4/6/2023	7935	PA	Allegheny C	Arts and Cu	Education (ED)	
$2,000.00	Commonwealth Building Officials	Peoples	4/6/2023	7937	PA	Allegheny C	Community, Economic Growth/Development (C, EG/D)		
$1,000.00	Dayton A&M Association	Peoples	4/6/2023	7938	PA	Armstrong	Community	Arts and Culture (A/C)	
$1,000.00	Goodwill of Southwestern Pennsylvania	Peoples	4/6/2023	7936	PA	Allegheny C	Health and	Human Service (H/HS)	
$1,000.00	North Hills Community Outreach	Peoples	4/6/2023	7939	PA	Allegheny C	Health and	Human Service (H/HS)	
$500.00	New Life Christian Ministries Inc.	Peoples	4/6/2023	7941	PA	Allegheny C	Arts and Cu	Match	Health and Human Service (H/HS)
$100.00	Jubilee Association, Inc.	Peoples	4/6/2023	7943	PA		Food Insecu	Match	Health and Human Service (H/HS)
$26.00	Special Olympics Allegheny County	Peoples	4/6/2023	7944	PA	Allegheny C	Health and	Match	
$40,000.00	National Aviary	Peoples	4/24/2023	7973	PA	Allegheny C	Environmer	Arts and Culture (A/C)	
$25,000.00	Big Brothers Big Sisters of Greater Pittsburgh	Peoples	4/24/2023	7970	PA	Allegheny C	Health and	Human Service (H/HS)	
$25,000.00	Magee-Womens Research Institute & Foundation	Peoples	4/24/2023	7969	PA	Allegheny C	Health and	Human Service (H/HS)	
$8,000.00	Leadership Washington County	Peoples	4/24/2023	7972	PA	Washingtor	Community, Economic Growth/Development (C, EG/D)		
$75,000.00	Leukemia Lymphoma Society	Peoples	5/11/2023	7986	PA	Allegheny C	Health and	Human Service (H/HS)	
$50,000.00	Riverlife	Peoples	5/11/2023	7987	PA	Allegheny C	Community, Economic Growth/Development (C, EG/D)		
$15,000.00	Laurel Highlands Council - Boy Scouts of America	Peoples	5/11/2023	7990	PA	Fayette Cou	Arts and Culture (A/C)		
$15,000.00	JDRF	Peoples	5/11/2023	7989	PA	Allegheny C	Health and	Human Service (H/HS)	
$15,000.00	YMCA of Greater Pittsburgh	Peoples	5/11/2023	7988	PA	Allegheny C	Health and	Human Service (H/HS)	
$10,000.00	Humane Animal Rescue of Pittsburgh (HARP)	Peoples	5/11/2023	7991	PA	Allegheny C	Community, Economic Growth/Development (C, EG/D)		
$10,000.00	Propel Schools Foundation	Peoples	5/11/2023	7992	PA	Allegheny C	Education (ED)		
$8,000.00	Westmoreland Agricultural Fair Association	Peoples	5/11/2023	7993	PA	Westmorel	Community	Arts and Culture (A/C)	
$7,000.00	National Kidney Foundation	Peoples	5/11/2023	7994	PA	Allegheny C	Health and	Human Service (H/HS)	
$2,500.00	Allegheny Township Volunteer Fire Co. #1	Peoples	5/11/2023	7996	PA	Armstrong	Emergency	Services (EMS)	
$2,500.00	Bethel TWP Volunteer Fire Department	Peoples	5/11/2023	7997	PA	Westmorel	Emergency	Services (EMS)	
$2,500.00	Derry Twp VFD Co. 1 of Brandenville	Peoples	5/11/2023	7998	PA	Westmorel	Emergency	Services (EMS)	
$2,500.00	Finleyville Volunteer Fire Department	Peoples	5/11/2023	7999	PA	Washingtor	Emergency	Services (EMS)	
$2,500.00	Herman Volunteer Fire Company	Peoples	5/11/2023	8000	PA	Butler Cou	Emergency	Services (EMS)	
$1,000.00	Catholic Charities Diocese of Kittanning	Peoples	5/11/2023	8001	PA	Armstrong	Arts and Culture (A/C)		

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$1,000.00	Paws Across Pittsburgh	Peoples	5/11/2023	8002	PA	Allegheny C	Community, Economic Growth/Development (C, EG/D)		
$1,000.00	Washington Area Humane Society	Peoples	5/11/2023	8003	PA	Washingtor	Community, Economic Growth/Development (C, EG/D)		
$500.00	Carsons Hope Charitable Trust	Peoples	5/11/2023	8004	PA	Westmorel	Health and Human Service (H/HS)		
$275.00	Camp Cadet of Cambria County	Peoples	5/11/2023	8005	PA	Cambria C	Education (ED)		
$15,000.00	Neighborhood Community Development Fund	Peoples	5/22/2023	8012	PA	Allegheny C	Community, Economic Growth/Development (C, EG/D)		
$2,000.00	Robins Home Inc.	Peoples	5/22/2023	8014	PA	Butler Cou	Health and Human Service (H/HS)		
$1,000.00	Indiana County Humane Society, Inc.	Peoples	5/22/2023	8010	PA	Indiana Co	Community, Economic Growth/Development (C, EG/D)		
$1,000.00	Punxsutawney Area Community Foundation	Peoples	5/22/2023	8013	PA	Jefferson C	Community, Economic Growth/Development (C, EG/D)		
$1,000.00	Laurel Highlands GSA	Peoples	5/22/2023	8011	PA	Cambria C	Diversity and Inclusion (D/I)		
$1,000.00	Indiana County Community Action Program, Inc.	Peoples	5/22/2023	8009	PA	Indiana Co	Health and	Food Insecurity	
$1,000.00	Twilight Wish Foundation - Butler County Chapter	Peoples	5/22/2023	8015	PA	Butler Cou	Health and	Arts and Culture (A/C)	
$1,000.00	Western PA Cares for Kids	Peoples	5/22/2023	8016	PA	Jefferson C	Health and Human Service (H/HS)		
$500.00	Greene County Historical Society	Peoples	5/22/2023	8008	PA	Greene Co	Arts and Culture (A/C)		
$27.00	American Cancer Society	Peoples	5/22/2023	8007	PA		Health and	Match	
$150,000.00	Allegheny Conference on Community Development	Peoples	6/9/2023	8019	PA	Allegheny C	Community, Economic Growth/Development (C, EG/D)		
$15,000.00	Pittsburgh Vintage Grand Prix Association	Peoples	6/9/2023	8022	PA	Allegheny C	Health and	Arts and Culture (A/C)	
$10,000.00	American Red Cross - Pittsburgh	Peoples	6/9/2023	8021	PA	Allegheny C	Emergency	Health and Human Service (H/HS)	
$5,000.00	Allegheny County Parks Foundation	Peoples	6/9/2023	8020	PA	Allegheny C	Environment		
$2,500.00	31st Ward Community Action Group	Peoples	6/9/2023	8018	PA	Allegheny C	Environment		
$500.00	Andrew Carnegie Free Library	Peoples	6/9/2023	8024	PA	Allegheny C	Education (	Match	
$500.00	Light of Life	Peoples	6/9/2023	8023	PA	Allegheny C	Food Insec	Match	Health and Human Service (H/HS)
$300.00	Hugh Lane Wellness Foundation	Peoples	6/9/2023	8025	PA	Allegheny C	Diversity an	Match	
$100.00	Wounded Warrior Project	Peoples	6/9/2023	8026	PA		Health and	Match	
$10,000.00	YWCA Greater Pittsburgh	Peoples	6/27/2023	8053	PA	Allegheny C	Health and	Diversity and Inclusion (D/I)	
$2,500.00	Adams Area Fire District, Inc.	Peoples	6/27/2023	8046	PA	Butler Cou	Emergency	Services (EMS)	
$2,500.00	Citizens Hose Co. #1	Peoples	6/27/2023	8047	PA	Allegheny C	Emergency	Services (EMS)	
$2,500.00	Duquesne Annex Volunteer Fire Company	Peoples	6/27/2023	8049	PA	Allegheny C	Emergency	Services (EMS)	
$2,500.00	Ford Cliff Volunteer Fire Company	Peoples	6/27/2023	8050	PA	Armstrong	Emergency	Services (EMS)	
$2,500.00	Harmony Fire District	Peoples	6/27/2023	8051	PA	Allegheny C	Emergency	Services (EMS)	
$1,000.00	Cystic Fibrosis Foundation Western Pennsylvania Chapter	Peoples	6/27/2023	8048	PA	Allegheny C	Health and Human Service (H/HS)		
$1,000.00	Ryan's Wings	Peoples	6/27/2023	8052	PA	Allegheny C	Health and Human Service (H/HS)		
$2,500.00	Folds of Honor Foundation	Peoples	7/11/2023	8060	PA	Mercer Cou	Education (ED)		
$2,500.00	Glade Run Lutheran Services	Peoples	7/11/2023	8061	PA	Butler Cou	Health and	Food Insecurity	
$1,000.00	Pennsylvania Women's Work	Peoples	7/11/2023	8062	PA	Allegheny C	Community, Economic Growth/Development (C, EG/D)		
$500.00	Fire & Iron Station 6	Peoples	7/11/2023	8059	PA	Allegheny C	Emergency	Match	
$40.00	Beaver County Humane Society	Peoples	7/11/2023	8058	PA	Beaver Cou	Misc.	Match	
$15,000.00	Chuck Noll Foundation	Peoples	8/1/2023	8078	PA	Allegheny C	Health and Human Service (H/HS)		
$15,000.00	Butler County Tourism Foundation	Peoples	8/1/2023	8077	PA	Butler Cou	Emergency	Community, Economic Growth/Development (C, EG/D)	
$1,000.00	Mon Valley Initiative	Peoples	8/1/2023	8076	PA	Allegheny C	Community, Economic Growth/Development (C, EG/D)		
$5,000.00	ALS Association Western Pennsylvania Chapter, The	Peoples	8/30/2023	8089	PA	Allegheny C	Health and Human Service (H/HS)		
$5,000.00	Evergreen After School Club	Peoples	8/30/2023	8090	PA	Indiana Co	Education (ED)		
$2,000.00	Zachary's Mission	Peoples	8/30/2023	8091	PA	Westmorel	Education (ED)		
$1,000.00	Orphans of the Storm	Peoples	8/30/2023	8100	PA	Armstrong	Misc.		
$1,000.00	Riding for the Cure	Peoples	8/30/2023	8099	PA	Butler Cou	Health and	Arts and Culture (A/C)	
$1,000.00	Butler County Humane Society	Peoples	8/30/2023	8092	PA	Butler Cou	Misc.		
$1,000.00	Camo Cares	Peoples	8/30/2023	8096	PA	Clarion Co	Emergency	Health and Human Service (H/HS)	
$1,000.00	Center for Community Resources Incorporated	Peoples	8/30/2023	8097	PA	Butler Cou	Community, Economic Growth/Development (C, EG/D)		
$1,000.00	Community Action Network for Drug Free Lifestyle Empowerment, Inc.	Peoples	8/30/2023	8098	PA	Butler Cou	Health and Human Service (H/HS)		
$1,000.00	US Catholic Conference of Bishops-Diocese of Pittsburgh Butler Catholic High School	Peoples	8/30/2023	8095	PA	Butler Cou	Arts and Culture (A/C)		
$1,000.00	Progressive Workshop of Armstrong County, Inc.	Peoples	8/30/2023	8094	PA	Armstrong	Community, Economic Growth/Development (C, EG/D)		
$1,000.00	Highlander Foundation	Peoples	8/30/2023	8093	PA	Cambria C	Education (ED)		
$25,000.00	Holiday Park Volunteer Fire Department	Peoples	9/12/2023	8102	PA	Allegheny C	Emergency	Services (EMS)	
$15,000.00	Scranton Area Community Foundation	Peoples	9/12/2023	8103	PA	Lackawann	Health and Human Service (H/HS)		
$25.00	New England Classic Charity Bike Tour INC.	Peoples	10/23/2023	8152	PA		Health and	Match	

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$5,000.00	Pittsburgh Metropolitan Area Hispanic Chamber of Commerce Foundation	Peoples	9/12/2023	8105	PA	Allegheny C	Diversity and Inclusion (D/I)		
$2,500.00	Leukemia & Lymphoma Society	Peoples	9/12/2023	8106	PA	Beaver Cou	Health and Human Service (H/HS)		
$2,500.00	Historic Harmony, Inc.	Peoples	9/12/2023	8107	PA		Arts and Culture (A/C)		
$1,000.00	Mission of Mercy Pittsburgh	Peoples	9/12/2023	8104	PA	Allegheny C	Health and Human Service (H/HS)		
$4,500.00	National Association of Corporate Directors (NACD) Three Rivers Chapter	Peoples	10/12/2023	8119	PA	Allegheny C	Diversity an	Community, Economic Growth/Development (C, EG/D)	
$3,000.00	East Allegheny Community Council	Peoples	10/12/2023	8112	PA	Allegheny C	Community, Economic Growth/Development (C, EG/D)		
$3,000.00	Pink Lemonade Stand Challenge, The	Peoples	10/12/2023	8118	PA	Allegheny C	Health and Human Service (H/HS)		
$100.00	ALS Association Western Pennsylvania Chapter, The	Peoples	10/12/2023	8113	PA	Allegheny C	Health and	Match	
$100.00	ALS Association Western Pennsylvania Chapter, The	Peoples	10/12/2023	8114	PA	Allegheny C	Health and	Match	
$100.00	ALS Association Western Pennsylvania Chapter, The	Peoples	10/12/2023	8115	PA	Allegheny C	Health and	Match	
$100.00	ALS Association Western Pennsylvania Chapter, The	Peoples	10/12/2023	8116	PA	Allegheny C	Health and	Match	
$50.00	ALS Association Western Pennsylvania Chapter, The	Peoples	10/12/2023	8117	PA	Allegheny C	Health and	Match	
$25,000.00	Greater Pittsburgh Community Food Bank	Peoples	10/23/2023	8176	PA	Butler Cou	Food Insecu	Diversity and Inclusion (D/I)	
$20,000.00	Light of Life	Peoples	10/23/2023	8175	PA	Allegheny C	Food Insecu	Health and Human Service (H/HS)	
$6,500.00	Pittsburgh Downtown Community Development Corporation	Peoples	10/23/2023	8174	PA	Allegheny C	Community, Economic Growth/Development (C, EG/D)		
$5,000.00	Greater Pittsburgh Community Food Bank	Peoples	10/23/2023	8173	PA	Allegheny C	Food Insecurity		
$2,500.00	Make A Wish Foundation-Gulf Tower	Peoples	10/23/2023	8172	PA	Allegheny C	Health and Human Service (H/HS)		
$1,500.00	Neighborhood Community Development Fund	Peoples	10/23/2023	8177	PA	Allegheny C	Community	Diversity and Inclusion (D/I)	
$1,000.00	Down Syndrome Association of Pittsburgh	Peoples	10/23/2023	8170	PA	Allegheny C	Health and Human Service (H/HS)		
$1,000.00	Autism Pittsburgh	Peoples	10/23/2023	8168	PA	Allegheny C	Health and Human Service (H/HS)		
$1,000.00	Karns City Communities That Care	Peoples	10/23/2023	8171	PA	Butler Cou	Education (ED)		
$1,000.00	Change for Cancer	Peoples	10/23/2023	8169	PA	Butler Cou	Health and Human Service (H/HS)		
$500.00	Cystic Fibrosis Foundation Western Pennsylvania Chapter	Peoples	10/23/2023	8167	PA	Allegheny C	Health and	Match	
$300.00	ALS Association Western Pennsylvania Chapter, The	Peoples	10/23/2023	8166	PA	Allegheny C	Health and	Match	
$150.00	Lighthouse Foundation, The	Peoples	10/23/2023	8165	PA	Allegheny C	Health and	Match	
$100.00	ALS Association Western Pennsylvania Chapter, The	Peoples	10/23/2023	8156	PA	Allegheny C	Health and	Match	
$100.00	ALS Association Western Pennsylvania Chapter, The	Peoples	10/23/2023	8157	PA	Allegheny C	Health and	Match	
$100.00	ALS Association Western Pennsylvania Chapter, The	Peoples	10/23/2023	8158	PA	Allegheny C	Health and	Match	
$100.00	ALS Association Western Pennsylvania Chapter, The	Peoples	10/23/2023	8159	PA	Allegheny C	Health and	Match	
$100.00	Leukemia & Lymphoma Society	Peoples	10/23/2023	8161	PA	Allegheny C	Health and	Match	
$100.00	Leukemia & Lymphoma Society	Peoples	10/23/2023	8162	PA	Allegheny C	Health and	Match	
$100.00	Leukemia & Lymphoma Society	Peoples	10/23/2023	8163	PA	Allegheny C	Health and	Match	
$100.00	Leukemia & Lymphoma Society	Peoples	10/23/2023	8164	PA	Allegheny C	Health and	Match	
$100.00	Kennedy's Kids	Peoples	10/23/2023	8160	PA	Armstrong	Health and	Match	
$75.00	Leukemia & Lymphoma Society	Peoples	10/23/2023	8155	PA	Allegheny C	Health and	Match	
$50.00	Leukemia & Lymphoma Society	Peoples	10/23/2023	8153	PA	Allegheny C	Health and	Match	
$50.00	Leukemia & Lymphoma Society	Peoples	10/23/2023	8154	PA	Beaver Cou	Health and	Match	
$25.00	Beaver County Humane Society	Peoples	10/23/2023	8151	PA	Beaver Cou	Misc.	Match	
$200,000.00	United Way of Southwestern Pennsylvania	Peoples	11/13/2023	8227	PA	Allegheny C	Health and	Match	
$25,000.00	Dress for Success Pittsburgh	Peoples	11/13/2023	8226	PA	Allegheny C	Health and	Community, Economic Growth/Development (C, EG/D)	
$12,500.00	Junior Achievement of Western PA	Peoples	11/13/2023	8225	PA		Education (ED)		
$7,500.00	Junior Achievement of Southeastern Pennsylvania	Peoples	11/13/2023	8224	PA	Delaware C	Education (ED)		
$1,000.00	Mid-Atlantic Mothers' Milk Bank, The	Peoples	11/13/2023	8217	PA	Allegheny C	Food Insecurity		
$500.00	Leukemia & Lymphoma Society	Peoples	11/13/2023	8216	PA	Allegheny C	Health and	Match	
$200.00	Leukemia & Lymphoma Society	Peoples	11/13/2023	8215	PA	Beaver Cou	Health and	Match	
$100.00	ALS Association Western Pennsylvania Chapter, The	Peoples	11/13/2023	8228	PA	Allegheny C	Health and	Match	
$100.00	Leukemia & Lymphoma Society	Peoples	11/13/2023	8214	PA	Allegheny C	Health and	Match	
$52.00	Light of Life	Peoples	11/13/2023	8213	PA	Allegheny C	Food Insecu	Match	
$70,000.00	United Way of Southwestern Pennsylvania	Peoples	11/30/2023	8240	PA	Allegheny C	Health and Human Service (H/HS)		
$50,000.00	Energy Innovation Center	Peoples	11/30/2023	8241	PA	Allegheny C	Diversity and Inclusion (D/I)		
$15,000.00	Frick Pittsburgh, The	Peoples	11/30/2023	8238	PA	Allegheny C	Arts and Cu	Diversity an	Community, Economic Growth/Development (C, EG/D)
$10,000.00	Butler County Tourism Foundation	Peoples	11/30/2023	8242	PA	Butler Cou	Emergency	Community, Economic Growth/Development (C, EG/D)	
$3,000.00	412 Food Rescue	Peoples	11/30/2023	8236	PA	Allegheny C	Food Insecurity		
$150.00	Leukemia & Lymphoma Society	Peoples	11/30/2023	8244	PA	Allegheny C	Health and	Match	

Amount	Organization	Company	Check Date	Check #	Event State	County(ies	Primary Gi	Category 2	Category 3
$100.00	Leukemia & Lymphoma Society	Peoples	11/30/2023	8239	PA	Allegheny C	Health and	Match	
$100.00	Kennedy's Kids	Peoples	11/30/2023	8243	PA	Allegheny C	Health and	Match	
$70,000.00	Allegheny Land Trust	Peoples	12/21/2023	8276	PA	Allegheny C	Environmer	Community, Economic Growth/Development (C, EG/D)	
$68,500.00	Salvation Army Western Pennsylvania Division, The	Peoples	12/21/2023	8250	PA		Emergency	Services (EMS); Health and Human Service (H/HS)	
$50,000.00	Homeville Volunteer Fire Company #1	Peoples	12/21/2023	8252	PA	Allegheny C	Emergency	Services (EMS)	
$50,000.00	Keep Pittsburgh Running (P3R)	Peoples	12/21/2023	8251	PA	Allegheny C	Health and	Community, Economic Growth/Development (C, EG/D)	
$50,000.00	Pittsburgh Parks Conservancy	Peoples	12/21/2023	8253	PA	Allegheny C	Environment		
$8,000.00	Hearth	Peoples	12/21/2023	8254	PA	Allegheny C	Health and	Food Insecı	Education (ED)
$5,000.00	Catholic Charities of the Diocese of Pittsburgh	Peoples	12/21/2023	8255	PA	Allegheny C	Health and	Human Service (H/HS)	
$5,000.00	Humane Society of Greene County	Peoples	12/21/2023	8256	PA	Greene Cou	Health and	Human Service (H/HS)	
$4,500.00	Learning Lamp, The	Peoples	12/21/2023	8257	PA	Cambria Cı	Education (ED)		
$2,500.00	Armstrong County Community Foundation	Peoples	12/21/2023	8263	PA	Armstrong	Education (ED)		
$2,500.00	Geeseytown Community Fire Co.	Peoples	12/21/2023	8258	PA	Blair Count	Emergency	Services (EMS)	
$2,500.00	Indiana Fire Association	Peoples	12/21/2023	8259	PA	Indiana Cou	Emergency	Services (EMS)	
$2,500.00	Knox Township Volunteer Fire Dept.	Peoples	12/21/2023	8260	PA	Jefferson C	Emergency	Services (EMS)	
$2,500.00	Lower Burrell VFC #3	Peoples	12/21/2023	8264	PA	Westmorel	Emergency	Services (EMS)	
$2,500.00	Presto Volunteer Fire Company	Peoples	12/21/2023	8265	PA	Allegheny C	Emergency	Services (EMS)	
$2,500.00	Rotary International-Butler Rotary	Peoples	12/21/2023	8266	PA	Butler Cou	Education (ED)		
$2,500.00	Volunteer Fire Department & Relief Association of Monessen	Peoples	12/21/2023	8261	PA	Westmorel	Emergency	Services (EMS)	
$2,500.00	William Penn Volunteer Firemen's Association	Peoples	12/21/2023	8262	PA	Allegheny C	Emergency	Services (EMS)	
$1,680.00	New England Classic Charity Bike Tour INC.	Peoples	12/21/2023	8268	PA		Health and	Match	
$1,000.00	Golden Tornado Scholastic Foundation, Inc, The	Peoples	12/21/2023	8269	PA	Butler Cou	Education (	Food Insecurity	
$1,000.00	Make-A-Wish (Punxsutawney)	Peoples	12/21/2023	8270	PA	Indiana Cou	Health and	Human Service (H/HS)	
$500.00	Achieva	Peoples	12/21/2023	8271	PA	Allegheny C	Education (	Match	
$500.00	Make A Wish Foundation-Gulf Tower	Peoples	12/21/2023	8272	PA	Allegheny C	Health and	Match	
$150.00	Amplify Church	Peoples	12/21/2023	8274	PA	Allegheny C	Arts and Cu	Match	
$150.00	Animal Friends Inc	Peoples	12/21/2023	8273	PA	Allegheny C	Misc.	Match	
$100.00	Salvation Army-NY, The	Peoples	12/21/2023	8275	PA		Health and	Match	

Amount	Organization	Date	Check Num	Company	State	County	Category 1	Category 2	Category 3	Org. Addres	Org. Addres	Org. Addres	PAC Org. C	PAC Org. St	PAC Org. Zip
$25,000.00	Foundation for Delaware County	1/29/2024	8289	Aqua	PA	Delaware C	Community,	Health and Human Serv		200 E. State Street, Suit	Media, PA 1	Media	PA		19063
$25,000.00	Franklin Institute, The	1/29/2024	8285	Aqua	PA		Education (ED)			222 North 20th Street	Philadelphi	Philadelphi	PA		19108-1194
$7,500.00	Williamson College of the Trades	1/29/2024	8286	Aqua	PA	Delaware C	Education (ED)			106 S. New Middletown	Media, PA 1	Media	PA		19063
$2,500.00	Foundation for Delaware County	1/29/2024	8288	Aqua	PA	Delaware C	Community,	Economic Growth/Dev		200 E. State Street, Suit	Media, PA 1	Media	PA		19063
$1,500.00	Education Foundation of Lower Merion	1/29/2024	8287	Aqua	PA	Montgomer	Education (ED)			Sean Hughe	P.O. Box 79	Narberth, P	Narberth	PA	19072
$250.00	Open Link, The	1/29/2024	8290	Aqua	PA	Montgomer	Health and Human Service (H/HS)			452 Penn Street	Pennsburg,	Pennsburg	PA		18073
$100.00	Pennsylvania State University, The	1/29/2024	8291	Aqua	PA		Education (	Match		329 Innovat	Suite 311	State Colle	State Colle	PA	16803
$50,000.00	Pennsylvania Environmental Council	2/13/2024	8317	Aqua	PA	Chester Co	Environment			1617 John F	Suite 543	Philadelphi	Philadelphi	PA	19107
$16,200.00	Walnut Street Theatre	2/13/2024	8316	Aqua	PA	Philadelphi	Arts and Culture (A/C)			825 Walnut Street		Philadelphi	Philadelphi	PA	19107
$10,000.00	Natural Lands	2/13/2024	8315	Aqua	PA	Berks Coun	Environment			Hildacy Far	1031 Palme	Media, PA 1	Media	PA	19063
$7,500.00	Valley Youth House	2/13/2024	8314	Aqua	PA	Delaware C	Health and Human Service (H/HS)			Attn: Advan	3400 High F	Bethlehem,	Bethlehem	PA	18017
$5,000.00	WeConservePA	2/13/2024	8313	Aqua	PA		Environment			610 N. 3rd S	Suite 301	Harrisburg,	Harrisburg	PA	17101
$1,000.00	Athens Township Volunteer Fire Company	2/13/2024	8294	Aqua	PA	Bradford C	Emergency Services (EMS)			150 Herrick Avenue		Sayre, PA 1	Sayre	PA	18840
$1,000.00	Bristol Consolidated Fire Company	2/13/2024	8295	Aqua	PA	Bucks Cou	Emergency Services (EMS)			250 Pond Street		Bristol, PA :	Bristol	PA	19007
$1,000.00	Bristol Fire Co Station 51	2/13/2024	8296	Aqua	PA	Bucks Cou	Emergency Services (EMS)			198 Wood Street		Bristol, PA :	Bristol	PA	19007
$1,000.00	Bryn Mawr Fire Company	2/13/2024	8297	Aqua	PA	Montgomer	Emergency Services (EMS)			901 Lancaster Avenue		Bryn Mawr,	Bryn Mawr	PA	19010
$1,000.00	Goshen Fire Company	2/13/2024	8298	Aqua	PA	Chester Co	Emergency Services (EMS)			1299 Boot Road		West Chest	West Chest	PA	19380
$1,000.00	Honesdale Fire Department	2/13/2024	8299	Aqua	PA	Wayne Cou	Emergency Services (EMS)			1205 North Main Street		Honesdale,	Honesdale	PA	18431
$1,000.00	King of Prussia Volunteer Fire Company	2/13/2024	8300	Aqua	PA	Montgomer	Emergency Services (EMS)			170 Allendale Road		King of Prus	King of Prus	PA	19406
$1,000.00	New Hanover Township Volunteer Fire & Rescue	2/13/2024	8301	Aqua	PA	Montgomer	Emergency Services (EMS)			2154 Swamp Pike		Gilbertsville	Gilbertsville	PA	19525
$1,000.00	Parkland Fire Company	2/13/2024	8302	Aqua	PA	Bucks Cou	Emergency Services (EMS)			831 Avenue D		Parkland, P	Parkland	PA	19047
$1,000.00	Rocky Run Fire Company	2/13/2024	8303	Aqua	PA	Delaware C	Emergency Services (EMS)			1174 Baltimore Pike		Media, PA 1	Media	PA	19063
$1,000.00	Rose Tree Fire Company	2/13/2024	8304	Aqua	PA	Delaware C	Emergency Services (EMS)			1275 N. Providence Roa		Media, PA 1	Media	PA	19063
$1,000.00	Sandy Township Fire Department	2/13/2024	8305	Aqua	PA	Clearfield C	Emergency Services (EMS)			P.O. Box 926		DuBois, PA	DuBois	PA	15801
$1,000.00	Shamokin Bureau of Fire	2/13/2024	8306	Aqua	PA	Northumbe	Emergency Services (EMS)			47 E. Lincoln Street		Shamokin,	Shamokin	PA	17872
$1,000.00	Sharon Fire Department	2/13/2024	8307	Aqua	PA	Mercer Cou	Emergency Services (EMS)			155 W. Connelly Blvd.		Sharon, PA	Sharon	PA	16146
$1,000.00	Springfield Fire Company	2/13/2024	8308	Aqua	PA	Delaware C	Emergency Services (EMS)			217 Saxer Avenue		Springfield,	Springfield	PA	19064
$1,000.00	Upper Moreland Volunteer Fire Company (previously Willow Grove)	2/13/2024	8312	Aqua	PA	Montgomer	Emergency Services (EMS)			227 Davisville Road		Willow Gro	Willow Gro	PA	19090
$1,000.00	Valley Forge Fire Co.	2/13/2024	8309	Aqua	PA	Chester Co	Emergency Services (EMS)			P.O. Box 62	630 Valley I	Valley Forg	Valley Forg	PA	19481
$1,000.00	West Bradford Fire Company	2/13/2024	8310	Aqua	PA	Chester Co	Emergency Services (EMS)			1305 W. Strasburg Roa		West Chest	West Chest	PA	19382
$1,000.00	White Haven Fire Department	2/13/2024	8311	Aqua	PA	Luzerne Co	Emergency Services (EMS)			212-214 N. Main Street		White Have	White Have	PA	18661
$500.00	CURE Epilepsy	2/13/2024	8293	Aqua	PA	Delaware C	Health and Human Service (H/HS)			PO Box 10572		Chicago, IL	Chicago	IL	60610
$16,000.00	Cradles to Crayons	2/25/2024	8326	Aqua	PA	Bucks Cou	Health and Human Service (H/HS)			P.O. Box 411134		Boston, MA	Boston	MA	2241
$5,000.00	Water Center at the University of Pennsylvania, The	2/25/2024	8327	Aqua	PA	Philadelphi	Education (	Environment		McNeil Bldg	3718 Locus	Philadelphi	Philadelphi	PA	19104
$3,000.00	Sustainable Business Network of Greater Philadelphia	2/25/2024	8328	Aqua	PA	Philadelphi	Environmer	Education (ED)		915 Spring (	Suite 502	Philadelphi	Philadelphi	PA	19123
$2,500.00	Friends of the Wissahickon	2/25/2024	8329	Aqua	PA	Montgomer	Environment			40 West Evi	Suite 108	Philadelphi	Philadelphi	PA	19118
$2,000.00	Darby Creek Valley Association	2/25/2024	8330	Aqua	PA	Delaware C	Environmer	Education (ED)		P.O. Box 732		Drexel Hill,	Drexel Hill	PA	19026
$1,500.00	Delaware County Transportation Mgt Assoc	2/25/2024	8331	Aqua	PA	Delaware C	Community,	Economic Growth/Dev		102 W. Front Street		Media, PA 1	Media	PA	19063
$1,500.00	Girl Scouts of Eastern Pennsylvania	2/25/2024	8332	Aqua	PA	Montgomer	Education (ED)			330 Manor Road		Miquon, PA	Miquon	PA	19444
$1,000.00	Connect Thru Cancer	2/25/2024	8334	Aqua	PA	Chester Co	Health and Human Service (H/HS)			535 N Chur	Suite 209	West Chest	West Chest	PA	19380
$750.00	White Haven Area Community Library	2/25/2024	8335	Aqua	PA	Luzerne Co	Education (ED)			P.O. Box 57		White Have	White Have	PA	18661
$500.00	Patriots Cove	2/25/2024	8336	Aqua	PA	Wyoming C	Environment			4298 SR 29 S		Noxen, PA 1	Noxen	PA	18636
$25.00	Junior Achievement of Southeastern Pennsylvania	2/25/2024	8337	Aqua	PA	Delaware C	Education (	Match		994 Old Eag	Suite 1014	Wayne, PA	Wayne	PA	19087
$1,000.00	Sayre Police Benevolent Association	3/1/2024	8324	Aqua	PA	Bradford C	Emergency Services (EMS)			234 South Lehigh Aven		Sayre, PA 1	Sayre	PA	18840
$25,000.00	PA Chamber Educational Foundation	3/14/2024	8359	Aqua	PA		Community,	Economic Growth/Dev		417 Walnut Street		Harrisburg,	Harrisburg	PA	17101
$2,500.00	Brandywine Red Clay Alliance	3/14/2024	8354	Aqua	PA	Chester Co	Environment			1760 Unionville-Wawas		West Chest	West Chest	PA	19382-6751
$2,000.00	Murphy's Giving Market	3/14/2024	8355	Aqua	PA	Delaware C	Health and	Food Insecurity		7408 West Chester Pike		Upper Darb	Upper Darb	PA	19082
$1,500.00	Family Support Line	3/14/2024	8356	Aqua	PA	Delaware C	Health and Human Service (H/HS)			100 West 6th Street		Media, PA 1	Media	PA	19063
$1,400.00	Wissahickon Trails	3/14/2024	8357	Aqua	PA	Montgomer	Environment			12 Morris Road		Ambler, PA	Ambler	PA	19002
$58,000.00	Pennsylvania Horticultural Society	4/10/2024	8389	Aqua	PA	Berks Coun	Environment			100 N. 20th	5th Floor	Philadelphi	Philadelphi	PA	19103-1495
$35,000.00	Villanova University	4/10/2024	8402	Aqua	PA	Delaware C	Education (ED)			800 Lancaster Ave		Villanova, F	Villanova	PA	19085
$15,000.00	Chester County Historical Society	4/10/2024	8376	Aqua	PA	Chester Co	Education (	Diversity and Inclusion		225 N. High Street		West Chest	West Chest	PA	19380-2691
$15,000.00	Horizons at The Episcopal Academy	4/10/2024	8384	Aqua	PA	Chester Co	Education (ED)			1785 Bishop White Dri		Newtown S	Newtown S	PA	19073
$10,000.00	American Red Cross	4/10/2024	8369	Aqua	PA	Philadelphi	Emergency Services (EMS)			2221 Chestnut Street		Philadelphi	Philadelphi	PA	19103
$10,000.00	Bryn Mawr Hospital Foundation, The	4/10/2024	8374	Aqua	PA	Delaware C	Health and Human Service (H/HS)			130 S. Bryn Mawr Aver		Bryn Mawr	Bryn Mawr	PA	19010
$10,000.00	Perkiomen Watershed Conservancy	4/10/2024	8390	Aqua	PA	Montgome	Environme	Education (ED)		One Skippack Pike		Schwenksv	Schwenksv	PA	19473-9383
$5,110.00	Brandywine Conservancy	4/10/2024	8372	Aqua	PA	Chester Co	Environment			P.O. Box 141		Chadds For	Chadds For	PA	19317
$5,000.00	Tookany/Tacony-Frankford Watershed Partnership	4/10/2024	8399	Aqua	PA	Montgome	Environme	Education (ED)		4500 Worth Street		Philadelphi	Philadelphi	PA	19124

Amount	Organization	Date	Check Num	Company	State	County	Category 1	Category 2	Category 3	Org. Addre	Org. Addre	Org. Addre	PAC Org. C	PAC Org. S	PAC Org. Zip
$3,500.00	Devereux PA	4/10/2024	8380	Aqua	PA	Montgome	Health and Human Service (H/HS)			444 Devereux Drive	Villanova, F	Villanova	PA		19085
$3,500.00	Media Arts Council	4/10/2024	8386	Aqua	PA	Delaware C	Arts and Culture (A/C)			PO Box 56	Media, PA	Media	PA		19063
$3,000.00	Salvation Army of Philadelphia	4/10/2024	8394	Aqua	PA	Philadelphi	Health and Human Service (H/HS)			701 North Broad Street	Philadelphi	Philadelphi	PA		19123
$2,500.00	Angel Flight East	4/10/2024	8370	Aqua	PA	Montgome	Health and Human Service (H/HS)			1501 Narcissa Road	Blue Bell, P	Blue Bell	PA		19422
$1,500.00	Community's Foundation, The	4/10/2024	8379	Aqua	PA	Delaware C	Community, Economic Growth/De			6 E. Hinckle	Suite 203	Ridley Park	Ridley Park	PA	19078
$1,000.00	Schuylkill Headwaters Association	4/10/2024	8396	Aqua	PA	Schuykill C	Education (ED)			P.O. Box 1385	Pottsville, F	Pottsville	PA		17901
$1,000.00	Shenandoah Heights Fire Company #1	4/10/2024	8404	Aqua	PA	Schuykill C	Emergency Services (EMS)			148 Swatara Avenue	Shenandoa	Shenandoa	PA		17976
$750.00	West Chester University Foundation	4/10/2024	8403	Aqua	PA	Chester Co	Education (ED)			202 Carter Drive	West Chest	West Chest	PA		19382
$500.00	Arc Alliance, The	4/10/2024	8371	Aqua	PA	Montgome	Health and	Match		3075 Ridge Pike	Eagleville, F	Eagleville	PA		19403
$500.00	Downtown Shenandoah, Inc.	4/10/2024	8381	Aqua	PA	Schuykill C	Community	Diversity and Inclusion		116 North Main Street	Shenandoa	Shenandoa	PA		17976
$500.00	Norristown Islamic Society	4/10/2024	8387	Aqua	PA	Montgome	Arts and Cu	Match	Education (	5 W. Elm Street	Norristown	Norristown	PA		19401
$15,000.00	Academy of Natural Sciences	5/7/2024	8406	Aqua	PA	Philadelphi	Education (	Environment		1900 Benjamin Franklir	Philadelphi	Philadelphi	PA		19103
$10,000.00	Chester County Food Bank	5/7/2024	8411	Aqua	PA	Chester Co	Food Insecurity			650 Pennsylvania Aven	Exton, PA 1	Exton	PA		19341
$10,000.00	Chester-Ridley-Crum Watersheds Association	5/7/2024	8412	Aqua	PA	Chester Co	Environment			P.O. Box 1355	Edgemont,	Edgemont	PA		19028
$10,000.00	Nile Swim Club of Yeadon	5/7/2024	8429	Aqua	PA	Delaware C	Diversity ar	Education (Arts and Cu		513 S Union Avenue	Yeadon, PA	Yeadon	PA		19050
$5,000.00	Boy Scouts of America, Washington Crossing Council	5/7/2024	8408	Aqua	PA	Bucks Cour	Education (ED)			One Scout Way	Doylestow	Doylestow	PA		18901
$5,000.00	LuLu Shriners Charity Golf	5/7/2024	8423	Aqua	PA	Montgome	Health and Human Service (H/HS)			c/o Dave C	PO Box 175	Ambler, PA	Ambler	PA	19002
$5,000.00	YMCA - Greater Philadelphia	5/7/2024	8435	Aqua	PA	Montgome	Education (ED)			400 Fayett	Suite 250	Conshohoc	Conshohoc	PA	19428
$3,500.00	Keystone Human Services	5/7/2024	8420	Aqua	PA	Montgome	Health and Human Service (H/HS)			4391 Sturbridge Drive	Harrisburg,	Harrisburg	PA		17110
$3,500.00	World Affairs Council of Philadelphia	5/7/2024	8434	Aqua	PA	Bucks Cour	Education (ED)			1617 John I	Suite 1055	Philadelphi	Philadelphi	PA	19103
$3,000.00	Kelly Music For Life	5/7/2024	8419	Aqua	PA	Delaware C	Arts and Culture (A/C)			139 E. Hathaway Lane	Haverford,	Haverford	PA		19083
$3,000.00	Main Line Art Center	5/7/2024	8424	Aqua	PA	Montgome	Arts and Cu	Food Insecurity		746 Panmure Road	Haverford,	Haverford	PA		19041
$3,000.00	United Way of Greater Philadelphia & Southern NJ	5/7/2024	8432	Aqua	PA	Delaware C	Community, Economic Growth/De			P.O. Box 787897	Philadelphi	Philadelphi	PA		19178
$2,500.00	Amistad Law Project	5/7/2024	8407	Aqua	PA	Delaware C	Diversity and Inclusion (D/I)			PO Box 9148	Philadelphi	Philadelphi	PA		19139
$2,500.00	Citizens Crime Commission	5/7/2024	8413	Aqua	PA	Bucks Cour	Emergency Services (EMS)			1518 Waln	Suite 902	Philadelphi	Philadelphi	PA	19102
$2,500.00	HopeBuild, Inc	5/7/2024	8418	Aqua	PA	Delaware C	Education (ED)			1401 N 60th Street	Philadelphi	Philadelphi	PA		19151
$2,500.00	Natural Lands	5/7/2024	8428	Aqua	PA	Delaware C	Environment			Hildacy Far	1031 Palm	Media, PA	Media	PA	19063
$2,000.00	Bringing Hope Home	5/7/2024	8409	Aqua	PA	Bucks Cour	Health and Human Service (H/HS)			641 Swedesford Road	Malvern, P	Malvern	PA		19355
$1,500.00	Main Line Meals on Wheels	5/7/2024	8425	Aqua	PA	Delaware C	Food Insecurity			P.O. Box 801	Devon, PA	Devon	PA		19333
$1,000.00	Bryn Mawr Beautiful Foundation	5/7/2024	8410	Aqua	PA	Montgome	Community, Economic Growth/De			933 Lancaster Avenue,	Bryn Mawr	Bryn Mawr	PA		19010
$1,000.00	Congreso de Latinos Unidos	5/7/2024	8414	Aqua	PA	Philadelphi	Diversity and Inclusion (D/I)			216 W. Somerset Stree	Philadelphi	Philadelphi	PA		19133
$1,000.00	Friends of Green Lane Park	5/7/2024	8417	Aqua	PA	Montgome	Environment			2144 Snyder Road	Green Lane	Green Lane	PA		18054
$1,000.00	Lower Merion Conservancy	5/7/2024	8421	Aqua	PA	Montgome	Environment			1301 Rose Glen Road	Gladwyne,	Gladwyne	PA		19035
$1,000.00	Lower Merion Township	5/7/2024	8422	Aqua	PA	Montgome	Arts and Culture (A/C)			601 Montg	# 101	Bryn Mawr	Bryn Mawr	PA	19010
$1,000.00	March of Dimes	5/7/2024	8426	Aqua	PA	Delaware C	Health and Human Service (H/HS)			Donation P	P.O. Box 18	Atlanta, GA	Atlanta	GA	31126
$1,000.00	Narberth Ambulance	5/7/2024	8427	Aqua	PA	Montgome	Emergency Services (EMS)			101 Sibley Avenue	Ardmore, P	Ardmore	PA		19003
$1,000.00	Welcome Project PA, The	5/7/2024	8433	Aqua	PA	Bucks Cour	Diversity and Inclusion (D/I)			350 S. York Road	Hatboro, P	Hatboro	PA		19040
$850.00	Foundation for Catholic Education	5/7/2024	8416	Aqua	PA	Montgome	Education (ED)			1373 Enterprise Drive	West Chest	West Chest	PA		19380
$1,450.00	SuperKIDS of Montgomery County, Inc.	5/24/2024	8462	Aqua	PA	Montgome	Education (ED)			P.O. Box 1472	Blue Bell, P	Blue Bell	PA		19422
$250.00	Pennsylvania State University, The	5/24/2024	8464	Aqua	PA		Education (	Match		329 Innova	Suite 311	State Colle	State Colle	PA	16803
$4,000.00	One House at a Time	6/3/2024	8473	Aqua	PA	Bucks Cour	Health and Human Service (H/HS)			411 Susquehanna Roac	Ambler, PA	Ambler	PA		19002
$3,000.00	Tredyffrin Township Library Foundation	6/3/2024	8475	Aqua	PA	Chester Co	Education (	Environment		582 Upper Gulph Road	Strafford, P	Strafford	PA		19087
$2,500.00	American Cancer Society-Philadelphia	6/3/2024	8467	Aqua	PA		Health and	Match		1818 Market St	Suite 2	Philadelphi	Philadelphi	PA	19103
$500.00	Firemen's Golf Fundraiser	6/3/2024	8468	Aqua	PA	Luzerne Co	Emergency Services (EMS)			50 Conyngham Drive	Hazleton, P	Hazleton	PA		18202
$500.00	Minority Health Center	6/3/2024	8472	Aqua	PA	Mercer Cou	Diversity ar	Health and Human Ser		P.O. Box 23	Farrell, PA	Farrell	PA		16121
$500.00	Options Women's Center	6/3/2024	8474	Aqua	PA	Lackawann	Health and	Match		PO Box 445	Scranton, P	Scranton	PA		18501
$105.00	LaSalle University	6/3/2024	8471	Aqua	PA	Philadelphi	Education (	Match		1900 W. Olney Avenue	Philadelphi	Philadelphi	PA		19141
$25,000.00	Partnership for the Delaware Estuary, Inc.	7/2/2024	8504	Aqua	PA	Berks Coun	Environme	Education (Community		110 South Poplar St, Su	Wilmingtor	Wilmingtor	DE		19801
$20,000.00	Riddle HealthCare Foundation	7/2/2024	8506	Aqua	PA	Delaware C	Health and Human Service (H/HS)			1068 West Baltimore P	Media, PA	Media	PA		19063
$12,500.00	Main Line Chamber Foundation	7/2/2024	8503	Aqua	PA	Chester Co	Education (	Community, Economic		175 Strafford Avenue	Wayne, PA	Wayne	PA		19087
$5,000.00	Kaiserman Jewish Community Center	7/2/2024	8501	Aqua	PA	Montgome	Education (ED)			45 Haverford Rd.	Wynnewoc	Wynnewoc	PA		19096
$2,500.00	Penn-Northwest Development Corporation	7/2/2024	8505	Aqua	PA	Mercer Cou	Community, Economic Growth/De			3580 Innovation Way	Hermitage,	Hermitage	PA		16148
$1,800.00	YoungMoms	7/2/2024	8513	Aqua	PA	Chester Co	Education (	Health and Human Ser		708 E. Baltimore Pike	Kennett Sq	Kennett Sq	PA		19348
$1,000.00	Global Water Alliance	7/2/2024	8500	Aqua	PA	Philadelphi	Education (	Health and Human Ser		640 Waterworks Drive	Philadelphi	Philadelphi	PA		19130-1003
$1,000.00	Sayre Community Corporation	7/2/2024	8507	Aqua	PA	Bradford C	Community	Community, Economic		110 West Packer Aven	Sayre, PA 1	Sayre	PA		18840
$1,000.00	Upper Darby Arts and Education Foundation	7/2/2024	8509	Aqua	PA	Delaware C	Arts and Cu	Education (ED)		1051 Pontiac Road #70	Drexel Hill,	Drexel Hill	PA		19026
$900.00	Water for People	7/2/2024	8511	Aqua	PA		Health and Human Service (H/HS)			7100 E Belleview Ave, S	Greenwoo	Greenwoo	CO		80111
$650.00	Water for People	7/2/2024	8510	Aqua	PA		Health and Human Service (H/HS)			7100 E Belleview Ave, S	Greenwoo	Greenwoo	CO		80111

Amount	Organization	Date	Check Num	Company	State	County	Category 1	Category 2	Category 3	Org. Addres	Org. Addres	Org. Addres	PAC Org. C	PAC Org. St	PAC Org. Zip
$200.00	White Haven Lions Club Foundation	7/2/2024	8512	Aqua	PA	Carbon Cou	Community, Economic Growth/De			65 E Woodhaven Dr	White Have	White Have	PA		18661
$50.00	Family Equality	7/2/2024	8499	Aqua	PA		Diversity ar	Match		475 Park Av	Ste 2100	New York,	New York	NY	10016
$4,400.00	Water Resources Assoc. of the Delaware River Basin	7/17/2024	8529	Aqua	PA		Environment			7 N Waterlo	PO Box 223	Devon, PA	Devon	PA	19333
$3,000.00	Bristol Riverside Theatre	7/17/2024	8530	Aqua	PA	Bucks Cour	Education (	Arts and Culture (A/C)		PO Box 1250		Bristol, PA	Bristol	PA	19007
$3,000.00	Riverbend Environmental Educational Center	7/17/2024	8531	Aqua	PA	Montgome	Education (	Environment		1950 Spring Mill Road		Gladwyne,	Gladwyne	PA	19035
$150.00	Brandywine Valley SPCA	7/17/2024	8532	Aqua	PA	Chester Co	Misc.	Match		1212 Phoenixville Pike		West Chest	West Chest	PA	19340
$65,000.00	Berks Nature	8/8/2024	8549	Aqua	PA	Berks Coun	Environment			575 St. Bernardine Stre		Reading, PA	Reading	PA	19607
$10,000.00	Cradle of Liberty, BSA	8/8/2024	8533	Aqua	PA	Delaware C	Education (	Food Insecurity		1485 Valley Forge Roac		Wayne, PA	Wayne	PA	19087
$10,000.00	Montgomery School	8/8/2024	8548	Aqua	PA	Chester Co	Environme	Education (ED)		1141 Kimberton Rd		Chester Spi	Chester Spi	PA	19425
$5,000.00	Chester County Food Bank	8/8/2024	8535	Aqua	PA	Chester Co	Food Insecurity			650 Pennsylvania Aven		Exton, PA 1	Exton	PA	19341
$5,000.00	Community Food Warehouse	8/8/2024	8534	Aqua	PA	Mercer Cou	Food Insecurity			109 S. Shar Suite A		Sharon, PA	Sharon	PA	16146
$4,000.00	Pennsylvania Environmental Council	8/8/2024	8547	Aqua	PA	Philadelphi	Environment			1617 John I Suite 543		Philadelphi	Philadelphi	PA	19107
$3,500.00	Riddle HealthCare Foundation	8/8/2024	8536	Aqua	PA	Delaware C	Health and Human Service (H/HS)			1068 West Baltimore P		Media, PA	Media	PA	19063
$3,000.00	Main Line School Night	8/8/2024	8537	Aqua	PA	Delaware C	Diversity ar	Education (ED)		Main Line M	260 Gulph I	Radnor, PA	Radnor	PA	19087
$2,500.00	Mill at Anselma Preservation and Educational Trust Inc., The	8/8/2024	8538	Aqua	PA	Chester Co	Education (ED)			1730 Conestoga Road		Chester Spi	Chester Spi	PA	19425
$2,500.00	Partnership for the Delaware Estuary, Inc.	8/8/2024	8539	Aqua	PA		Environment			110 South Poplar St, Su		Wilmingtor	Wilmingtor	DE	19801
$2,000.00	Abington Police Athletic League	8/8/2024	8540	Aqua	PA	Montgome	Education (ED)			1166 Old York Road		Abington, F	Abington	PA	19001
$2,000.00	Mitzvah Circle Foundation	8/8/2024	8541	Aqua	PA	Montgome	Health and Human Service (H/HS)			2562 Boulevard of the		Norristown	Norristown	PA	19403
$1,000.00	Brandywine Red Clay Alliance	8/8/2024	8542	Aqua	PA	Chester Co	Environment			1760 Unionville-Wawa		West Chest	West Chest	PA	19382-6751
$500.00	Elmwood Park Zoo	8/8/2024	8543	Aqua	PA	Montgome	Education (ED)			1661 Harding Blvd.		Norristown	Norristown	PA	19401
$500.00	Teachers' Teammates	8/8/2024	8544	Aqua	PA	Delaware C	Education (ED)			1413 Fairview Ave.		Havertown	Havertown	PA	19083
$1,500.00	YMCA of Bucks and Hunterdon Counties	8/9/2024	8558	Aqua	PA	Bucks Cour	Education (ED)			2500 Lower State Roac		Doylestow	Doylestow	PA	18901
$50,000.00	Curtain Call Collective	9/3/2024	8559	Aqua	PA	Delaware C	Arts and Cu	Community, Economic		3361 Patricia Ave		Los Angele	Los Angele	CA	90064
$27,000.00	Riverbend Environmental Educational Center	9/3/2024	8560	Aqua	PA	Delaware C	Education (ED)			1950 Spring Mill Road		Gladwyne,	Gladwyne	PA	19035
$25,000.00	DCCC Educational Foundation	9/3/2024	8561	Aqua	PA	Delaware C	Education (	Food Insecurity		901 South Media Line F		Media, PA	Media	PA	19063
$3,500.00	Solidarity Inc.	9/3/2024	8562	Aqua	PA		Health and Human Service (H/HS)			1731 Sepviva Street		Philadelphi	Philadelphi	PA	19125
$3,000.00	Mount Jewett Hilltop Heritage Coalition	9/3/2024	8563	Aqua	PA	McKean Co	Community, Economic Growth/De			PO Box 7182		Mount Jew	Mount Jew	PA	16740
$2,750.00	Fred's Footsteps	9/3/2024	8564	Aqua	PA	Montgome	Health and Human Service (H/HS)			940 Haverfo	Suite LL-1	Bryn Mawr	Bryn Mawr	PA	19010
$2,500.00	Friends of the Tower Theater District	9/3/2024	8566	Aqua	PA	Delaware C	Community, Economic Growth/De			100 Garrett Road		Upper Darl	Upper Darl	PA	19082
$2,000.00	Third District Fire Company	9/3/2024	8567	Aqua	PA	Bucks Cour	Emergency Services (EMS)			1141 Harrison Street		Bristol, PA	Bristol	PA	19007
$1,400.00	Wissahickon Trails	9/3/2024	8568	Aqua	PA	Montgome	Environment			12 Morris Road		Ambler, PA	Ambler	PA	19002
$1,200.00	Nile Swim Club of Yeadon	9/3/2024	8569	Aqua	PA	Delaware C	Diversity and Inclusion (D/I)			513 S Union Avenue		Yeadon, PA	Yeadon	PA	19050
$500.00	Shenandoah Community Ambulance Association	9/3/2024	8570	Aqua	PA	Schuykill Co	Emergency Services (EMS)			229 N. Main Street		Shenandoa	Shenandoa	PA	17976
$500.00	TJPTSA	9/3/2024	8573	Aqua	PA		Education (	Match		6560 Braddock Rd		Alexandria,	Alexandria	VA	22312
$133.00	Bringing Hope Home	9/3/2024	8572	Aqua	PA	Chester Co	Health and	Match		641 Swedesford Road		Malvern, P	Malvern	PA	19355
$125.00	Leukemia & Lymphoma Society	9/3/2024	8574	Aqua	PA		Health and	Match		3 Internatic	Suite 200	Rye Brook,	Rye Brook	NY	10573
$10,000.00	Philadelphia Zoo, The	9/10/2024	8582	Aqua	PA	Philadelphi	Environme	Education (ED)		3400 West Girard Aver		Philadelphi	Philadelphi	PA	19104
$7,500.00	Magee Rehabilitation Foundation	9/10/2024	8584	Aqua	PA	Philadelphi	Health and Human Service (H/HS)			Developme	1513 Race	Philadelphi	Philadelphi	PA	19102-1177
$5,000.00	Independence Historical Trust	9/10/2024	8591	Aqua	PA	Philadelphi	Community, Economic Growth/De			143 South 3rd Street		Philadelphi	Philadelphi	PA	19106
$5,000.00	Roman Catholic High School	9/10/2024	8590	Aqua	PA	Philadelphi	Education (ED)			301 North Broad Street		Philadelphi	Philadelphi	PA	19107-1094
$4,000.00	Unite for HER	9/10/2024	8585	Aqua	PA	Bucks Cour	Health and Human Service (H/HS)			127 E. Chestnut Street		West Chest	West Chest	PA	19380
$3,750.00	Fostering Hope	9/10/2024	8586	Aqua	PA	Delaware C	Health and Human Service (H/HS)			44 Oriole Avenue		Media, PA	Media	PA	19063
$2,500.00	Angel Flight East	9/10/2024	8587	Aqua	PA	Montgome	Health and Human Service (H/HS)			1501 Narcissa Road		Blue Bell, P	Blue Bell	PA	19422
$1,000.00	Delaware County Veterans Memorial Association	9/10/2024	8589	Aqua	PA	Delaware C	Community, Economic Growth/De			P.O. Box 183		Newtown S	Newtown S	PA	19073
$20,000.00	Partnership for the Delaware Estuary, Inc.	9/30/2024	8606	Aqua	PA	Berks Coun	Environme	Education (ED)		110 South Poplar St, Su		Wilmingtor	Wilmingtor	DE	19801
$10,000.00	Jewish Community Alliance of Northeastern Pa	9/30/2024	8607	Aqua	PA	Luzerne Co	Community, Economic Growth/De			613 S J Strauss Lane		Kingston, P	Kingston	PA	18704
$2,500.00	Brandywine Red Clay Alliance	9/30/2024	8609	Aqua	PA	Chester Co	Environment			1760 Unionville-Wawa		West Chest	West Chest	PA	19382-6751
$2,000.00	WeConservePA	9/30/2024	8613	Aqua	PA	Centre Cou	Environme	Education (ED)		610 N. 3rd	Suite 301	Harrisburg,	Harrisburg	PA	17101
$2,000.00	Youth Mentoring Partnership	9/30/2024	8612	Aqua	PA	Chester Co	Education (ED)			967 E. Swe	Suite 401	Exton, PA 1	Exton	PA	19341
$1,000.00	Schuylkill River Heritage Center	9/30/2024	8614	Aqua	PA	Chester Co	Community, Economic Growth/De			P.O. Box 427		Phoenixvill	Phoenixvill	PA	19460
$100,000.00	Essential Initiatives Inc.	10/14/2024	8616	Aqua	PA		Community, Economic Growth/Dev			762 W. Lancaster Avent		Bryn Mawr,	Bryn Mawr	PA	19010
$2,500.00	Kennett Symphony	10/14/2024	8617	Aqua	PA	Chester Co	Arts and Culture (A/C)			206 E State St		Kennett Sq	Kennett Sq	PA	19348
$2,500.00	Run for Heroes, Inc.	10/14/2024	8618	Aqua	PA	Delaware C	Emergency Services (EMS)			436 Ridge Lane		Springfield,	Springfield	PA	19064
$1,500.00	Bonner Baseball	10/14/2024	8623	Aqua	PA	Delaware C	Education (ED)			822 Ormond Avenue		Drexel Hill,	Drexel Hill	PA	19026
$1,000.00	Franklin Square Capital Partners Foundation	10/14/2024	8630	Aqua	PA	Delaware C	Health and Human Service (H/HS)			201 Rouse Boulevard		Philadelphi	Philadelphi	PA	19112
$500.00	St. Christopher's Hospital for Children	10/14/2024	8631	Aqua	PA	Philadelphi	Health and	Match		160 East Erie Avenue		Philadelphi	Philadelphi	PA	19134-1095
$250.00	American Cancer Society	10/14/2024	8632	Aqua	PA		Health and	Match		PO Box 6704		Hagerstow	Hagerstow	MD	21741
$50.00	Aids Fund	10/14/2024	8633	Aqua	PA	Philadelphi	Health and	Match		2628 Orthodox Street		Phila, PA 19	Phila	PA	19107

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$5,000.00	American Heart Association	10/24/2024	8648	Aqua	PA	Philadelphi	Health and Human Service (H/HS)			1617 JFK Blvd, Suite 70		Philadelphi	Philadelphi	PA	19103
$5,000.00	Penn-Northwest Development Corporation	10/24/2024	8649	Aqua	PA	Mercer Cou	Community, Economic Growth/Dev			3580 Innovation Way		Hermitage,	Hermitage	PA	16148
$3,000.00	Central Susquehanna Opportunities, Inc.	10/24/2024	8665	Aqua	PA	Susquehan	Food Insecurity			2 East Arch Street		Shamokin,	Shamokin	PA	17872
$2,500.00	Boy Scouts of America - Chester Co. Council	10/24/2024	8650	Aqua	PA	Chester Co	Food Insecurity			1 Scouting Way		Exton, PA 1	Exton	PA	19341
$2,000.00	Phoenixville Area Community Services	10/24/2024	8651	Aqua	PA	Chester Co	Food Insecurity			101 Buchanan Street		Phoenixville	Phoenixville	PA	19460
$2,000.00	Wayne County Community Foundation	10/24/2024	8652	Aqua	PA	Wayne Cou	Food Insecurity			918 Church St. Suite F		Honesdale,	Honesdale	PA	18431
$2,000.00	White Haven United Methodist Church	10/24/2024	8653	Aqua	PA	Luzerne Co	Food Insecurity			900 Buffalo Street		White Have	White Have	PA	18661
$50,000.00	Philadelphia Soccer 2026	11/18/2024	8689	Aqua	PA	Philadelphi	Community, Economic Growth/Dev			1601 Marke	Suite 200	Philadelphi	Philadelphi	PA	19103
$2,500.00	Bucks County Housing Group	11/18/2024	8688	Aqua	PA	Bucks Cou	Food Insecurity			626 Jackso	Suite 140	Warminste	Warminste	PA	18974
$2,500.00	West Chester Food Cupboard	11/18/2024	8685	Aqua	PA	Chester Co	Food Insecurity			431 South Bolmar St		West Chest	West Chest	PA	19380
$1,000.00	Kennett Area Community Service	11/18/2024	8678	Aqua	PA	Chester Co	Food Insecurity			136 W Cedar St		Kennett Sq	Kennett Sq	PA	19348
$500.00	Jenkins Arboretum	11/18/2024	8677	Aqua	PA	Chester Co	Arts and Culture (A/C)			631 Berwyn Baptist Roa		Devon, PA 1	Devon	PA	19333
$250.00	Phoenixville Area Senior Center	11/18/2024	8676	Aqua	PA	Chester Co	Health and	Match		153 Church Street		Phoenixville	Phoenixville	PA	19460
$185,000.00	United Way of Greater Philadelphia & Southern NJ	11/25/2024	8709	Aqua	PA		Community	Match		P.O. Box 787897		Philadelphi	Philadelphi	PA	19178
$5,000.00	Laurel House	11/25/2024	8708	Aqua	PA	Montgomer	Health and Human Service (H/HS)			P.O. Box 764		Norristown,	Norristown	PA	19404
$1,000.00	Central Volunteer Fire Department	11/25/2024	8705	Aqua	PA	Pike Count	Emergency Services (EMS)			5744 Westcolang Rd.		Hawley, PA	Hawley	PA	18428
$60,000.00	Pennsylvania Environmental Council	12/11/2024	8726	Aqua	PA	Bucks Cou	Environmer	Education (ED)		1617 John F	Suite 543	Philadelphi	Philadelphi	PA	19107
$25,000.00	Franklin Institute, The	12/11/2024	8725	Aqua	PA	Philadelphi	Education (ED)			222 North 20th Street		Philadelphi	Philadelphi	PA	19108-1194
$20,000.00	Riddle HealthCare Foundation	12/11/2024	8724	Aqua	PA	Delaware C	Health and Human Service (H/HS)			1068 West Baltimore Pi		Media, PA 1	Media	PA	19063
$17,000.00	Walnut Street Theatre	12/11/2024	8723	Aqua	PA	Philadelphi	Arts and Culture (A/C)			825 Walnut Street		Philadelphi	Philadelphi	PA	19107
$5,000.00	Paoli Presbyterian Church	12/11/2024	8722	Aqua	PA	Chester Co	Arts and Culture (A/C)			225 South Valley Road		Paoli, PA 19	Paoli	PA	19301
$3,000.00	Teachers' Teammates	12/11/2024	8721	Aqua	PA	Delaware C	Education (ED)			1413 Fairview Ave.		Havertown,	Havertown	PA	19083
$1,800.00	Bringing Hope Home	12/11/2024	8719	Aqua	PA	Montgomer	Health and Human Service (H/HS)			641 Swedesford Road		Malvern, PA	Malvern	PA	19355
$1,000.00	Rockledge Volunteer Fire Company #1	12/11/2024	8718	Aqua	PA	Montgomer	Emergency Services (EMS)			505 Huntingdon Pike		Rockledge,	Rockledge	PA	19046
$540.00	Villanova University	12/11/2024	8717	Aqua	PA		Health and Human Service (H/HS)			800 Lancaster Ave		Villanova, P	Villanova	PA	19085
$500.00	Partnership for the Delaware Estuary, Inc.	12/11/2024	8716	Aqua	PA		Environmer	Match		110 South Poplar St, Su		Wilmington	Wilmington	DE	19801
$500,000.00	Franklin Institute, The	12/23/2024	8747	Aqua	PA	Philadelphi	Education (	Environment		222 North 20th Street		Philadelphi	Philadelphi	PA	19108-1194
$50,000.00	West Chester University Foundation	12/23/2024	8749	Aqua	PA	Chester Co	Education (ED)			202 Carter Drive		West Chest	West Chest	PA	19382
$25,000.00	Foundation for Delaware County	12/23/2024	8746	Aqua	PA	Delaware C	Community, Economic Growth/Dev			200 E. State Street, Suit		Media, PA 1	Media	PA	19063
$4,000.00	Nile Swim Club of Yeadon	12/23/2024	8748	Aqua	PA	Delaware C	Education (	Diversity and Inclusion (		513 S Union Avenue		Yeadon, PA	Yeadon	PA	19050
$1,000.00	Domestic Violence Center of Chester County	12/23/2024	8745	Aqua	PA	Chester Co	Health and	Match		P.O. Box 832		West Chest	West Chest	PA	19381
$500.00	Ann's Heart	12/23/2024	8742	Aqua	PA	Chester Co	Health and	Match		35 Hall Street		Phoenixville	Phoenixville	PA	19460
$100.00	Delco Group Charities Fund	12/23/2024	8744	Aqua	PA	Delaware C	Health and	Match		429 Walnut Ave		Aldan, PA 1	Aldan	PA	19018
$50.00	Cradles to Crayons	12/23/2024	8743	Aqua	PA	Bucks Cou	Health and	Match		P.O. Box 411134		Boston, MA	Boston	MA	2241
$50.00	CHOP			Aqua	PA		Health and Human Service (H/HS)			PO Box 781352 LB #4000		Philadelphi	Philadelphi	PA	191478-1352
$52.00	Jewish Federation of Greater Phila.			Aqua	PA		Arts and Culture (A/C)			PO Box 950		Philadelphi	Philadelphi	PA	19195-0001
												Milmont Park, PA 19033			
$78.00	Our Lady of Peace, CYO			Aqua	PA		Education (ED)			501 Belmont Ave			Milmont Pa	PA	19033
$104.00	CHOP			Aqua	PA		Health and Human Service (H/HS)			PO Box 781352		Philadelphi	Philadelphi	PA	19178-1352
$639.76	Grays Ferry Community Council			Aqua	PA		Community, Economic Growth/Dev			1501 S. 29th St		Philadelphi	Philadelphi	PA	19103
$725.49	St. Anastasia Schl Bldg. Expansion Fund			Aqua	PA		Education (ED)			3309 West Chester Pike		Newtown S	Newtown S	PA	19073
$870.92	Ridley Educational Foundation			Aqua	PA		Education (ED)			901 Morton	Suite 100	Folsom, PA	Folsom	PA	19033
$1,600.74	Wayne County Community Foundation			Aqua	PA		Community, Economic Growth/Dev			918 Church	Suite F	Honesdale,	Honesdale	PA	18431
$1,602.25	CADES			Aqua	PA		Education (	Health and Human Serv		401 Rutgers Ave		Swarthmor	Swarthmor	PA	19081
$1,708.56	Neumann University			Aqua	PA		Education (ED)			1 Neumann Drive		Aston, PA 1	Aston	PA	19014
$565,000.00	BLOCS Scholarship LLC	12/31/2024		Aqua	PA		Education (ED)								
$185,000.00	Catholic Education 20, LLC	12/31/2024		Aqua	PA		Education (ED)								
$10,500.00	Economy League			Aqua	PA	Philadelphi	Community, Economic Growth/Development (C, EG/D)								
$81,000.00	Pittsburgh Zoo & PPG Aquarium	1/29/2024	8280	Peoples	PA	Allegheny C	Environment			7370 Baker Street		Pittsburgh,	Pittsburgh	PA	15206
$35,000.00	Vibrant Pittsburgh	1/29/2024	8284	Peoples	PA	Allegheny C	Diversity and Inclusion (D/I)			213 Smithfield Street		Pittsburgh,	Pittsburgh	PA	15222
$20,000.00	Urban League of Greater Pittsburgh	1/29/2024	8282	Peoples	PA	Allegheny C	Diversity and Inclusion (D/I)			332 Fifth Av	Fourth Floo	Pittsburgh,	Pittsburgh	PA	15222
$11,200.00	Pittsburgh Penguins Foundation, The	1/29/2024	8279	Peoples	PA	Allegheny C	Education (ED)			One Chatha	Suite 300	Pittsburgh,	Pittsburgh	PA	15219
$5,000.00	McCandless Community Association	1/29/2024	8278	Peoples	PA	Allegheny C	Arts and Cu	Education (ED)		736 W Ingomar Rd #376		Pittsburgh,	Pittsburgh	PA	15237
$500.00	Laurel Highlands Council - Boy Scouts of America	1/29/2024	8281	Peoples	PA	Fayette Cou	Health and	Match		1275 Bedford Avenue		Pittsburgh,	Pittsburgh	PA	15219
$500.00	Veteran Overwatch Foundation	1/29/2024	8283	Peoples	PA	Butler Cour	Health and	Match		PO Box 1		Sarver, PA 1	Sarver	PA	16055

Amount	Organization	Date	Check Num	Company	State	County	Category 1	Category 2	Category 3	Org. Addres	Org. Addres	Org. Addres	PAC Org. C	PAC Org. St	PAC Org. Zip
$40,000.00	Leadership Pittsburgh	2/13/2024	8321	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			650 Smithfi	#1110	Pittsburgh,	Pittsburgh	PA	15222
$14,500.00	Beaver County Chamber of Commerce	2/13/2024	8320	Peoples	PA	Beaver Cou	Community, Economic Growth/Dev			525 Third St	2nd Floor	Beaver, PA	Beaver	PA	15009
$12,000.00	National Kidney Foundation	2/13/2024	8319	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			2403 Sidne	Suite 230	Pittsburgh,	Pittsburgh	PA	15203
$500.00	Mount Vernon Youth Development	2/13/2024	8318	Peoples	PA	Allegheny C	Education (	Match		210 Williamsburg Dr.		Elizabeth, F	Elizabeth	PA	15037
$40,000.00	National Aviary	2/25/2024	8338	Peoples	PA	Allegheny C	Environment			700 Arch Street		Pittsburgh,	Pittsburgh	PA	15212
$20,000.00	Children's Hospital of Pittsburgh Foundation, The	2/25/2024	8339	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			4401 Penn Avenue		Pittsburgh,	Pittsburgh	PA	15224
$10,000.00	Pittsburgh Botanic Garden	2/25/2024	8340	Peoples	PA	Allegheny C	Environment			799 Pinkerton Run Roac		Oakdale, PA	Oakdale	PA	15071
$5,500.00	La Promesa The Promise Foundation Inc.	2/25/2024	8341	Peoples	PA	Allegheny C	Diversity an	Education (ED)		7746 Dominick Dr		Irwin, PA 15	Irwin	PA	15642
$3,000.00	Special Olympics Allegheny County	2/25/2024	8342	Peoples	PA	Allegheny C	Health and	Match		404 First Street		Heidelberg,	Heidelberg	PA	15106
$2,500.00	Middle Taylor Township Volunteer Fire Company	2/25/2024	8343	Peoples	PA	Cambria Co	Emergency	Emergency Services (EM		688 Benshoff Hill Road		Johnstown,	Johnstown	PA	15906
$2,500.00	North Washington Volunteer Fire Department	2/25/2024	8344	Peoples	PA	Washingtor	Emergency Services (EMS)			PO Box 94		North Wash	North Wash	PA	16048
$2,500.00	Oak Ridge Volunteer Fire Department	2/25/2024	8345	Peoples	PA	Allegheny C	Emergency Services (EMS)			1214 Oakridge Road		McDonald,	McDonald	PA	15057
$2,500.00	Sarah Heinz House	2/25/2024	8346	Peoples	PA	Allegheny C	Education (ED)			1 Heinz Street		Pittsburgh,	Pittsburgh	PA	15212
$2,500.00	Saxonburg Volunteer Fire Department	2/25/2024	8347	Peoples	PA	Butler Cour	Emergency	Emergency Services (EM		210 Horne Avenue		Saxonburg,	Saxonburg	PA	16056
$2,500.00	Skyview Volunteer Fire Company West Mifflin #4	2/25/2024	8348	Peoples	PA	Allegheny C	Emergency Services (EMS)			660 Noble Drive		West Mifflir	West Mifflir	PA	15122
$2,500.00	Upper Burrell Township VFC #1	2/25/2024	8349	Peoples	PA	Westmorel	Emergency Services (EMS)			4370 7th Street Road		New Kensir	New Kensir	PA	15068
$50,000.00	Tree Pittsburgh	3/14/2024	8362	Peoples	PA	Allegheny C	Environment			32 62nd Street		Pittsburgh,	Pittsburgh	PA	15201
$25,000.00	Magee-Womens Research Institute & Foundation	3/14/2024	8363	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			3240 Craft I	Suite 100	Pittsburgh,	Pittsburgh	PA	15213
$15,000.00	JDRF	3/14/2024	8364	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			501 Martinc	Suite 670	Pittsburgh,	Pittsburgh	PA	15212
$10,000.00	Rachel Carson Trail Conservancy, Inc, The	3/14/2024	8365	Peoples	PA	Allegheny C	Environment			PO Box 472		Wexford, PA	Wexford	PA	15090
$500.00	Jefferson-Morgan Centennial Lions Club	3/14/2024	8361	Peoples	PA	Allegheny C	Education (ED)			159 Independent Road		Waynesbur	Waynesbur	PA	15370
$250.00	Norwin Lacrosse Boosters	3/14/2024	8367	Peoples	PA	Westmorel	Community	Match		PO Box 173		Irwin, PA 15	Irwin	PA	15642
$50,000.00	Riverlife	4/10/2024	8393	Peoples	PA	Allegheny (	Environme	Community, Economic		One North	12 Federal	Pittsburgh,	Pittsburgh	PA	15212
$25,000.00	Pittsburgh Vintage Grand Prix Association	4/10/2024	8391	Peoples	PA	Allegheny (	Community, Economic Growth/De			1000 Gamr	Suite 106	Pittsburgh,	Pittsburgh	PA	15238
$15,000.00	Humane Action Pittsburgh	4/10/2024	8385	Peoples	PA	Allegheny (	Environment			1307 Towne Court		Allison Park	Allison Park	PA	15101
$10,000.00	Elderton VFD	4/10/2024	8382	Peoples	PA	Indiana Co	Emergency Services (EMS)			305 Williams St.		Elderton, P.	Elderton	PA	15736
$5,000.00	Capitol All-Stars, A project of TFEC	4/10/2024	8375	Peoples	PA	Allegheny (	Food Insecurity			200 North :	8th Fl	Harrisburg,	Harrisburg	PA	17101
$3,500.00	North Hills Community Outreach	4/10/2024	8388	Peoples	PA	Allegheny (	Community, Economic Growth/De			1975 Ferguson Rd		Allison Park	Allison Park	PA	15101
$2,500.00	Bridgeville Volunteer Fire Department	4/10/2024	8373	Peoples	PA	Allegheny (	Emergency Services (EMS)			370 Commercial Street		Bridgeville,	Bridgeville	PA	15017
$2,500.00	Cochran Hose Company	4/10/2024	8377	Peoples	PA	Allegheny (	Emergency Services (EMS)			601 Thorn Street		Sewickley,	Sewickley	PA	15143
$2,500.00	Special Olympics Allegheny County	4/10/2024	8398	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			300 Cedar I	Suite 320	Pittsburgh,	Pittsburgh	PA	15205
$500.00	Salvation Army Western Pennsylvania Division, The	4/10/2024	8395	Peoples	PA	Allegheny (	Health and	Match		700 N. Bell Avenue		Carnegie, P	Carnegie	PA	15106
$150,000.00	Allegheny Conference on Community Development	5/7/2024	8437	Peoples	PA	Allegheny (	Community, Economic Growth/De			11 Stanwix	17th Floor	Pittsburgh,	Pittsburgh	PA	15222
$40,000.00	Boys & Girls Clubs of Western PA	5/7/2024	8439	Peoples	PA	Allegheny (	Education (	Diversity and Inclusion		317 East Carson Street		Pittsburgh,	Pittsburgh	PA	15219
$30,000.00	Catholic Charities of the Diocese of Pittsburgh	5/7/2024	8442	Peoples	PA	Allegheny (	Health and	Arts and Culture (A/C)		212 Ninth Street		Pittsburgh,	Pittsburgh	PA	15222
$25,000.00	Big Brothers Big Sisters of Greater Pittsburgh	5/7/2024	8438	Peoples	PA	Allegheny (	Health and	Diversity and Inclusion		5989 Centre Avenue #:		Pittsburgh,	Pittsburgh	PA	15206
$22,300.00	Laurel Highlands Council - Boy Scouts of America	5/7/2024	8447	Peoples	PA	Somerset C	Community, Economic Growth/De			1275 Bedford Avenue		Pittsburgh,	Pittsburgh	PA	15219
$5,000.00	Jefferson Hills Fire & Rescue	5/7/2024	8446	Peoples	PA	Allegheny (	Emergency Services (EMS)			380 Wray Drive		Jefferson H	Jefferson H	PA	15025
$5,000.00	Operation Troop Appreciation	5/7/2024	8449	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			2017 Pennsylvania Ave		West Mifflii	West Mifflii	PA	15122
$3,500.00	Homeless Children's Education Fund	5/7/2024	8444	Peoples	PA	Allegheny (	Education (	Community, Economic		One Hope S	1901 Centr	Pittsburgh,	Pittsburgh	PA	15219
$2,000.00	IATW Foundation	5/7/2024	8445	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			12590 Perr	Suite 700	Wexford, P	Wexford	PA	15090
$1,500.00	Central Pennsylvania Community Foundation	5/7/2024	8443	Peoples	PA	Blair Count	Community, Economic Growth/De			1330 11th Avenue		Altoona, PA	Altoona	PA	16601
$1,000.00	Camp Cadet of Cambria County	5/7/2024	8440	Peoples	PA	Cambria Co	Emergency	Community, Economic		100 Casale Court		Ebensburg,	Ebensburg	PA	15931
$500.00	Carsons Hope Charitable Trust	5/7/2024	8441	Peoples	PA	Allegheny (	Community, Economic Growth/De			100 Luovich Drive		Jeannette,	Jeannette	PA	15644
$100.00	NASH/Tiger Thon	5/7/2024	8448	Peoples	PA	Allegheny (	Health and	Match		10375 Perry Hwy		Wexford, P	Wexford	PA	15090
$10,000.00	Humane Animal Rescue of Pittsburgh (HARP)	5/24/2024	8451	Peoples	PA	Allegheny (	Misc.			1101 Western Ave		Pittsburgh,	Pittsburgh	PA	15233
$8,000.00	Westmoreland Agricultural Fair Association	5/24/2024	8452	Peoples	PA	Westmorel	Community, Economic Growth/De			PO Box 501		Pleasant Ur	Pleasant Ur	PA	15676
$2,500.00	Marion Center Volunteer Fire Department	5/24/2024	8453	Peoples	PA	Indiana Co	Emergency Services (EMS)			PO Box 91		Marion Cer	Marion Cer	PA	15759
$2,500.00	Newburg Volunteer Fire Department	5/24/2024	8454	Peoples	PA	Blair Count	Emergency Services (EMS)			2808 Washington Ave		Altoona, PA	Altoona	PA	16601
$2,500.00	Pittsburgh Hires Veterans	5/24/2024	8455	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			1333 Banksville Rd		Pittsburgh,	Pittsburgh	PA	15216
$2,500.00	Portage Volunteer Fire Company	5/24/2024	8456	Peoples	PA	Cambria Co	Emergency Services (EMS)			721 Main Street		Portage, PA	Portage	PA	15946
$2,500.00	Saltsburg Volunteer Fire Department	5/24/2024	8457	Peoples	PA	Indiana Co	Emergency Services (EMS)			313 Salt St.		Saltsburg, F	Saltsburg	PA	15681
$2,500.00	Tickets for Kids Charities	5/24/2024	8458	Peoples	PA	Allegheny (	Arts and Culture (A/C)			700 Blaw Avenue, Suite		Pittsburgh,	Pittsburgh	PA	15238
$2,000.00	Commonwealth Building Officials	5/24/2024	8459	Peoples	PA	Allegheny (	Emergency Services (EMS)			1929 Route 519 S		Canonsbur	Canonsbur	PA	15317
$500.00	Elpis Foundation, The	5/24/2024	8460	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			10 Dieber Road		Schwenksv	Schwenksv	PA	19473
$500.00	Laurel Highlands Council - Boy Scouts of America	5/24/2024	8461	Peoples	PA	Allegheny (	Community	Match		1275 Bedford Avenue		Pittsburgh,	Pittsburgh	PA	15219
$60,000.00	Johnstown Area Heritage Association	6/3/2024	8489	Peoples	PA	Cambria Co	Community	Arts and Culture (A/C)		201 6th Ave		Johnstown,	Johnstown	PA	15906
$15,000.00	American Heart Association - Pgh	6/3/2024	8476	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			Four Gatew	444 Liberty	Pittsburgh,	Pittsburgh	PA	15222

Amount	Organization	Date	Check Num	Company	State	County	Category 1	Category 2	Category 3	Org. Addre	Org. Addre	Org. Addre	PAC Org. C	PAC Org. S	PAC Org. Zip
$5,000.00	Propel Schools Foundation	6/3/2024	8493	Peoples	PA	Allegheny (	Education (ED)			3447 East Carson Stree	Pittsburgh,	Pittsburgh	PA		15203
$5,000.00	Soldiers & Sailors Memorial Hall & Museum Trust, Inc.	6/3/2024	8496	Peoples	PA	Allegheny (	Health and	Education (ED)		Soldiers & S	4141 Fifth /	Pittsburgh,	Pittsburgh	PA	15213
$3,500.00	Northside Leadership Conference	6/3/2024	8492	Peoples	PA	Allegheny (	Community	Arts and Culture (A/C)		120 Parkhurst St.	Pittsburgh,	Pittsburgh	PA		15212
$2,500.00	Beverly's Birthdays	6/3/2024	8479	Peoples	PA	Allegheny (	Arts and Culture (A/C)			11065 Parker Drive	North Hunt	North Hunt	PA		15642
$2,000.00	Zombek Foundation, Inc.	6/3/2024	8497	Peoples	PA	Allegheny (	Education (ED)			214 Williamsburg Drive	Elizabeth, F	Elizabeth	PA		15037
$1,000.00	Butler County Soccer Association	6/3/2024	8480	Peoples	PA	Butler Cou	Arts and Culture (A/C)			PO Box 2	Butler, PA :	Butler	PA		16003
$1,000.00	Children Advocacy Center	6/3/2024	8482	Peoples	PA	Butler Cou	Health and Human Service (H/HS)			101 Mahood Road	Butler, PA :	Butler	PA		16001
$1,000.00	Children Advocacy Center	6/3/2024	8481	Peoples	PA	Butler Cou	Health and Human Service (H/HS)			101 Mahood Road	Butler, PA :	Butler	PA		16001
$1,000.00	Community Food Pantry	6/3/2024	8483	Peoples	PA	Armstrong	Food Insecurity			PO Box 157	c/o New Hc	Numine, PA	Numine	PA	16244
$1,000.00	Friends of Saxonburg Museum	6/3/2024	8484	Peoples	PA	Butler Cou	Arts and Culture (A/C)			157 N. Rebecca St.	Saxonburg,	Saxonburg	PA		16056
$1,000.00	Grace Project, The	6/3/2024	8485	Peoples	PA	Butler Cou	Food Insecurity			9160 Marshall RD	Cranberry T	Cranberry T	PA		16066
$1,000.00	Grady's Decision	6/3/2024	8486	Peoples	PA	Erie County	Health and Human Service (H/HS)			5390 Cray Road	Erie, PA 16!	Erie	PA		16509
$1,000.00	IATW Foundation	6/3/2024	8488	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			12590 Perr	Suite 700	Wexford, P	Wexford	PA	15090
$1,000.00	New Day, Inc.	6/3/2024	8491	Peoples	PA	Cambria Cc	Health and Human Service (H/HS)			109 South St.	Johnstown,	Johnstown	PA		15901
$1,000.00	Punxsutawney Area Community Arts & Recreation Center	6/3/2024	8494	Peoples	PA	Jefferson C	Arts and Culture (A/C)			220 N Jefferson St	Punxsutaw	Punxsutaw	PA		15767
$1,000.00	Sacred Souls Sanctuary	6/3/2024	8495	Peoples	PA	Clarion Cou	Misc.			304 Monterey RD	Rimersburg	Rimersburg	PA		16248
$500.00	Heroes Never Alone	6/3/2024	8487	Peoples	PA	Westmorel	Health and	Match		3288 State	c/o Andrew	Latrobe, PA	Latrobe	PA	15650
$50.00	Beaver County Humane Society	6/3/2024	8477	Peoples	PA	Beaver Cou	Misc.	Match		3394 Brodhead Rd		Aliquippa, I	Aliquippa	PA	15001
$50.00	Best Buddies International	6/3/2024	8478	Peoples	PA		Health and	Match		100 SE 2nd	Ste 2200	Miami, FL 3	Miami	FL	33131
$250,000.00	Pittsburgh Downtown Partnership	7/2/2024	8522	Peoples	PA	Allegheny (	Community, Economic Growth/De			925 Liberty Avenue	Pittsburgh,	Pittsburgh	PA		15222
$25,000.00	Leukemia & Lymphoma Society	7/2/2024	8520	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			Northeast T	PO Box 224	New York, I	New York	NY	10087
$15,000.00	Chuck Noll Foundation	7/2/2024	8516	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			3400 South Water Stre	Pittsburgh,	Pittsburgh	PA		15203
$10,000.00	Center Midland, The	7/2/2024	8515	Peoples	PA	Beaver Cou	Food Insec	Community	Education (	754 Ohio Ave	Midland, P/	Midland	PA		15059
$10,000.00	Urban Impact Foundation	7/2/2024	8523	Peoples	PA	Allegheny (	Community	Education (ED)		PO Box 995	Urban Impa	Pittsburgh,	Pittsburgh	PA	15233
$5,000.00	Blind & Vision Rehabilitation Services of Pittsburgh	7/2/2024	8514	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			1816 Locust Street	Pittsburgh,	Pittsburgh	PA		15219
$5,000.00	Cokeburg Volunteer Fire Company	7/2/2024	8517	Peoples	PA	Washingto	Emergency Services (EMS)			PO Box 505	171 Lincoln	Cokeburg, I	Cokeburg	PA	15324
$2,500.00	Cystic Fibrosis Foundation Western Pennsylvania Chapter	7/2/2024	8518	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			1720 Metropolitan Stre	Pittsburgh,	Pittsburgh	PA		15233
$1,000.00	Easterseals Western & Central PA	7/2/2024	8519	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			Six Parkway	875 Greent	Pittsburgh,	Pittsburgh	PA	15220
$500.00	Manchester Bidwell Corporation	7/2/2024	8521	Peoples	PA	Allegheny (	Arts and Cu	Match		1815 Metropolitan Stre	Pittsburgh,	Pittsburgh	PA		15233
$15,000.00	Neighborhood Community Development Fund	7/17/2024	8524	Peoples	PA	Allegheny (	Community, Economic Growth/De			3923 Perrysville Avenu	Pittsburgh,	Pittsburgh	PA		15214
$10,000.00	Butler Economic Development Corporation	7/17/2024	8525	Peoples	PA	Butler Cou	Community, Economic Growth/De			110 East Di	Suite 201/2	Butler, PA :	Butler	PA	16001
$5,000.00	Allegheny County Parks Foundation	7/17/2024	8526	Peoples	PA	Allegheny (	Environment			675 Old Frankstown Rc	Pittsburgh,	Pittsburgh	PA		15239
$500.00	Armstrong East Soccer Club	7/17/2024	8527	Peoples	PA	Indiana Cou	Arts and Cu	Match		PO Box 473	Dayton, PA	Dayton	PA		16222
$100.00	Butler County Humane Society	7/17/2024	8528	Peoples	PA	Butler Cou	Misc.	Match		1015 Evans City Road	Renfrew, P.	Renfrew	PA		16053
$20,000.00	Junior Achievement of Western PA	8/8/2024	8551	Peoples	PA	Allegheny (	Education (ED)			90 Emerson	Suite 1403	Bridgeville,	Bridgeville	PA	15017
$20,000.00	YMCA of Greater Pittsburgh	8/8/2024	8552	Peoples	PA	Allegheny (	Health and	Diversity ar	Food Insec	Foster Plaz	680 Anders	Pittsburgh,	Pittsburgh	PA	15220
$5,000.00	ALS Association Western Pennsylvania Chapter, The	8/8/2024	8553	Peoples	PA	Allegheny (	Health and	Match		416 Lincoln Avenue	Pittsburgh,	Pittsburgh	PA		15209
$5,000.00	Josh Gibson Foundation	8/8/2024	8550	Peoples	PA	Allegheny (	Diversity ar	Education (ED)		PO Box 100244	Pittsburgh,	Pittsburgh	PA		15233
$5,000.00	Leadership Washington County	8/8/2024	8554	Peoples	PA	Washingto	Community, Economic Growth/De			c/o Wayne	6000 Town	Canonsbur	Canonsbur	PA	15317
$3,500.00	Carnegie Science Center	8/8/2024	8556	Peoples	PA	Allegheny (	Education (	Arts and Culture (A/C)		1 Allegheny Avenue	Pittsburgh,	Pittsburgh	PA		15212
$52.00	Alzheimers Foundation of America	8/8/2024	8557	Peoples	PA		Health and	Match		322 Eighth	16th Floor	New York, I	New York	NY	10001
$5,000.00	Jewish Federation of Greater Pittsburgh	9/3/2024	8575	Peoples	PA	Allegheny (	Arts and Culture (A/C)			2000 Technology Dr.	Pittsburgh,	Pittsburgh	PA		15219
$3,000.00	Mid-Atlantic Mothers' Milk Bank, The	9/3/2024	8581	Peoples	PA	Allegheny (	Food Insecurity			545 Clever Road	McKees Ro	McKees Ro	PA		15136
$1,150.00	Pennsylvania Women's Work	9/3/2024	8576	Peoples	PA	Allegheny (	Community, Economic Growth/De			650 Smithfield St	#520	Pittsburgh,	Pittsburgh	PA	15222
$1,000.00	Mon Valley Initiative	9/3/2024	8577	Peoples	PA	Allegheny (	Community, Economic Growth/De			305 East Eighth Avenue	Homestead	Homestead	PA		15120
$700.00	Commonwealth Building Officials	9/3/2024	8578	Peoples	PA	Allegheny (	Emergency Services (EMS)			1929 Route 519 S	Canonsbur	Canonsbur	PA		15317
$500.00	Treasure House Fashions	9/3/2024	8579	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			10545 Perry Highway	Wexford, P	Wexford	PA		15090
$450.00	Light of Life	9/3/2024	8580	Peoples	PA	Allegheny (	Health and	Match		913 Western Ave	Pittsburgh,	Pittsburgh	PA		15233
$25,000.00	Light of Life	9/10/2024	8593	Peoples	PA	Allegheny (	Food Insec	Health and Human Ser		913 Western Ave	Pittsburgh,	Pittsburgh	PA		15233
$20,000.00	Energy Innovation Center Institute	9/10/2024	8595	Peoples	PA	Allegheny (	Diversity ar	Environme	Community	1435 Bedford Avenue	Pittsburgh,	Pittsburgh	PA		15219
$5,000.00	Mission of Mercy Pittsburgh	9/10/2024	8594	Peoples	PA	Allegheny (	Health and Human Service (H/HS)			The Times I	336 Fourth	Pittsburgh,	Pittsburgh	PA	15222
$190.00	Children's Hospital of Pittsburgh Foundation, The	9/10/2024	8596	Peoples	PA	Allegheny (	Health and	Match		4401 Penn Avenue	Pittsburgh,	Pittsburgh	PA		15224
$100.00	ALS Association Western Pennsylvania Chapter, The	9/10/2024	8598	Peoples	PA	Allegheny (	Health and	Match		416 Lincoln Avenue	Pittsburgh,	Pittsburgh	PA		15209
$10,000.00	YWCA Greater Pittsburgh	9/30/2024	8599	Peoples	PA	Allegheny (	Diversity and Inclusion (D/I)			305 Wood St	Pittsburgh,	Pittsburgh	PA		15222
$5,500.00	Pittsburgh Metropolitan Area Hispanic Chamber of Commerce Foundation	9/30/2024	8600	Peoples	PA	Allegheny (	Community	Diversity and Inclusion		1555 Broad	Second Flo	Pittsburgh,	Pittsburgh	PA	15219
$3,000.00	East Allegheny Community Council	9/30/2024	8601	Peoples	PA	Allegheny (	Community, Economic Growth/De			415 E. Ohio Street	Pittsburgh,	Pittsburgh	PA		15212
$2,500.00	Just Harvest Education Fund	9/30/2024	8602	Peoples	PA	Allegheny (	Food Insec	Diversity and Inclusion		317 East Ca	Suite 153	Pittsburgh,	Pittsburgh	PA	15219
$500.00	Dayton Livestock 4H Club	9/30/2024	8603	Peoples	PA	Indiana Cou	Arts and Cu	Match		104 Fairground Lane		Dayton, PA	Dayton	PA	16222

Amount	Organization	Date	Check Num	Company	State	County	Category 1	Category 2	Category 3	Org. Addres	Org. Addres	Org. Addres	PAC Org. C	PAC Org. St	PAC Org. Zip
$100.00	Penn Middle Activity Fund	9/30/2024	8604	Peoples	PA	Westmorel	Education (	Match		1007 Penn Middle Way	Jeannette,	Jeannette	PA		15644
$52.00	Children's Cancer Research Fund (CCRF)	9/30/2024	8605	Peoples	PA		Health and	Match		1650 W. 82nd Street, S	Bloomingtc	Bloomingtc	MN		55431
$46,000.00	Dollar Energy Fund	10/14/2024	8634	Peoples	PA	Allegheny C	Community,	Economic Growth/Dev		15 Terminal Way	Pittsburgh,	Pittsburgh	PA		15219
$25,000.00	Pittsburgh CLO	10/14/2024	8645	Peoples	PA	Allegheny C	Arts and Culture (A/C)			719 Liberty 6th Floor	Pittsburgh,	Pittsburgh	PA		15222
$10,000.00	American Gas Foundation	10/14/2024	8635	Peoples	PA	Allegheny C	Community,	Economic Growth/Dev		400 North Capitol Stree	Washingtor	Washingtor	DC		20001
$2,640.00	New England Classic Charity Bike Tour Inc.	10/14/2024	8636	Peoples	PA		Health and	Match		16 Bearberry Path	Plymouth, I	Plymouth	MA		2360
$2,500.00	Glimmer of Hope	10/14/2024	8638	Peoples	PA	Allegheny C	Health and	Human Service (H/HS)		PO Box 908	Wexford, P/	Wexford	PA		15090
$500.00	Northeast Little Britches Rodeo Association	10/14/2024	8639	Peoples	PA	Armstrong (	Education (	Match		183 Lusk Road	Bentleyville	Bentleyville	PA		15314
$500.00	Villanova University	10/14/2024	8640	Peoples	PA		Education (	Match		800 Lancaster Ave	Villanova, F	Villanova	PA		19085
$375.00	Leukemia & Lymphoma Society	10/14/2024	8641	Peoples	PA	Allegheny C	Health and	Match		Northeast T PO Box 224	New York, I	New York	NY		10087
$350.00	Pennsylvania Women's Work	10/14/2024	8642	Peoples	PA	Allegheny C	Community,	Economic Growth/Dev		650 Smithfield St #520	Pittsburgh,	Pittsburgh	PA		15222
$159.00	Light of Life	10/14/2024	8643	Peoples	PA	Allegheny C	Health and	Human Service (H/HS)		913 Western Ave	Pittsburgh,	Pittsburgh	PA		15233
$100.00	ALS Association Western Pennsylvania Chapter, The	10/14/2024	8644	Peoples	PA	Allegheny C	Health and	Match		416 Lincoln Avenue	Pittsburgh,	Pittsburgh	PA		15209
$7,500.00	412 Food Rescue	10/24/2024	8667	Peoples	PA	Allegheny C	Food Insecu	Environment		6140 Station Street	Pittsburgh,	Pittsburgh	PA		15206
$1,000.00	Young Adult Survivors United (YASU)	10/24/2024	8674	Peoples	PA	Allegheny C	Health and	Human Service (H/HS)		1000 Brook Ste 105	Wexford, P/	Wexford	PA		15090
$50,000.00	Greater Pittsburgh Community Food Bank	11/18/2024	8696	Peoples	PA	Allegheny C	Food Insecurity			1 N. Linden Street	Duquesne,	Duquesne	PA		15110
$5,000.00	Pennsylvania Resources Council, Inc. (PRC)	11/18/2024	8695	Peoples	PA	Cambria Cc	Environment			1671 N Providence Rd	Media, PA 1	Media	PA		19063
$1,375.00	Leukemia & Lymphoma Society	11/18/2024	8694	Peoples	PA	Allegheny C	Health and	Match		Northeast T PO Box 224	New York, I	New York	NY		10087
$300.00	Leukemia & Lymphoma Society	11/18/2024	8693	Peoples	PA	Allegheny C	Health and	Match		Northeast T PO Box 224	New York, I	New York	NY		10087
$103.00	Connoquenessing Volunteer Fire Department	11/18/2024	8692	Peoples	PA	Butler Cour	Emergency	Match		PO Box 277 180 Main St	Connoquer	Connoquer	PA		16027
$100.00	ALS Association Western Pennsylvania Chapter, The	11/18/2024	8691	Peoples	PA	Allegheny C	Health and	Match		416 Lincoln Avenue	Pittsburgh,	Pittsburgh	PA		15209
$200,000.00	United Way of Greater Philadelphia & Southern NJ	11/25/2024	8709	Peoples	PA		Community	Match		P.O. Box 787897	Philadelphi	Philadelphi	PA		19178
$50,000.00	Keep Pittsburgh Running (P3R)	11/25/2024	8715	Peoples	PA	Allegheny C	Community,	Economic Growth/Dev		810 River A\ Suite 120	Pittsburgh,	Pittsburgh	PA		15212
$15,000.00	American Red Cross - Pittsburgh	11/25/2024	8714	Peoples	PA	Allegheny C	Emergency	Services (EMS)		2801 Liberty Avenue	Pittsburgh,	Pittsburgh	PA		15222
$5,000.00	Point Park University	11/25/2024	8713	Peoples	PA	Allegheny C	Education (ED)			The Center 201 Wood S	Pittsburgh,	Pittsburgh	PA		15222
$1,056.00	United Way of Southwestern Pennsylvania	11/25/2024	8712	Peoples	PA	Allegheny C	Community,	Economic Growth/Dev		1250 Penn Avenue	Pittsburgh,	Pittsburgh	PA		15222
$107.00	Movember Foundation	11/25/2024	8711	Peoples	PA		Health and	Match		PO Box 2040	Santa Moni	Santa Moni	CA		90406
$40.00	Grove City PTO	11/25/2024	8710	Peoples	PA	Butler Cour	Education (	Match		482 E. Main Street	Grove City,	Grove City	PA		16127
$90,000.00	Johnstown Area Heritage Association	12/11/2024	8741	Peoples	PA	Cambria Cc	Community	Arts and Culture (A/C)		201 6th Ave	Johnstown,	Johnstown	PA		15906
$5,000.00	Community Foundation of Greene County	12/11/2024	8740	Peoples	PA	Greene Cou	Food Insecu	Community,	Economic	108 E High St	Waynesbur	Waynesbur	PA		15370
$3,500.00	St. Vincent de Paul Food for Families, Inc	12/11/2024	8739	Peoples	PA	Cambria Cc	Food Insecurity			945 Franklin Street	Johnstown,	Johnstown	PA		15905
$2,500.00	Broughton Volunteer Fire Department	12/11/2024	8728	Peoples	PA	Allegheny C	Emergency	Services (EMS)		1030 Cocharns Mill Roa	Pittsburgh,	Pittsburgh	PA		15236
$2,500.00	Cherryhill TWP Fire Dept.	12/11/2024	8729	Peoples	PA	Indiana Cou	Emergency	Services (EMS)		1442 North Harmony Rc	Penn Run, F	Penn Run	PA		15765
$2,500.00	East Butler Volunteer Fire Co.	12/11/2024	8730	Peoples	PA	Butler Cour	Emergency	Services (EMS)		PO Box 162	East Butler,	East Butler	PA		16029
$2,500.00	Greensburg Volunteer Hose Co. No. 7	12/11/2024	8731	Peoples	PA	Westmorel	Emergency	Services (EMS)		625 East Pittsburgh Stre	Greensburg	Greensburg	PA		15601
$2,500.00	Jackson TWP Volunteer Fire Department	12/11/2024	8732	Peoples	PA	Cambria Cc	Emergency	Services (EMS)		176 Adams Avenue	Mineral Poi	Mineral Poi	PA		15942
$2,500.00	Logan TWP United Fire Department	12/11/2024	8733	Peoples	PA	Blair Count	Emergency	Services (EMS)		611 Grandview Rd	Altoona, PA	Altoona	PA		16001
$2,500.00	Moon TWP Volunteer Fire Co.	12/11/2024	8734	Peoples	PA	Allegheny C	Emergency	Emergency Services (EM		1000 Beaver Grade Roa	Moon TWP,	Moon TWP	PA		15108
$2,500.00	North Bessemer Community Volunteer Fire Association	12/11/2024	8735	Peoples	PA	Allegheny C	Emergency	Services (EMS)		1701 Leechburg Road	Pittsburgh,	Pittsburgh	PA		15235
$2,500.00	North Huntingdon TWP Volunteer Fire Co.	12/11/2024	8736	Peoples	PA	Westmorel	Emergency	Services (EMS)		PO Box 306	Larimer, PA	Larimer	PA		15647
$2,500.00	South Fayette TWP Volunteer Fire Dept.	12/11/2024	8737	Peoples	PA	Fayette Cou	Emergency	Services (EMS)		PO Box 168	Cuddy, PA :	Cuddy	PA		15031
$2,500.00	Undercliff Volunteer Fire Co.	12/11/2024	8738	Peoples	PA	Allegheny C	Emergency	Services (EMS)		700 Mt. Royal Blvd	Pittsburgh,	Pittsburgh	PA		15332
$1,000.00	Greene County Historical Society	12/11/2024	8727	Peoples	PA	Greene Cou	Education (	Arts and Culture (A/C)		918 Rolling Meadows R	Waynesbur	Waynesbur	PA		15370
$75,000.00	United Way of Southwestern Pennsylvania	12/23/2024	8791	Peoples	PA	Allegheny C	Health and	Human Service (H/HS)		1250 Penn Avenue	Pittsburgh,	Pittsburgh	PA		15222
$40,000.00	Bus Stops Here Foundation, The	12/23/2024	8758	Peoples	PA	Allegheny C	Education (ED)			545 Clever Road	McKees Ro	McKees Ro	PA		15136
$35,000.00	Vibrant Pittsburgh	12/23/2024	8792	Peoples	PA	Allegheny C	Diversity and Inclusion (D/I)			213 Smithfield Street	Pittsburgh,	Pittsburgh	PA		15222
$3,500.00	Malone Family Foundation, The	12/23/2024	8779	Peoples	PA	Allegheny C	Health and	Human Service (H/HS)		Players Phil 1122 Kenilv	Towson, MI	Towson	MD		21204
$3,500.00	Prostate Cancer Pittsburgh	12/23/2024	8784	Peoples	PA	Allegheny C	Health and	Human Service (H/HS)		350 Town S PO Box 977	Pittsburgh,	Pittsburgh	PA		15227
$2,500.00	Bellevue Volunteer Fire Company	12/23/2024	8753	Peoples	PA	Allegheny C	Emergency	Services (EMS)		537 Bayne Avenue	Pittsburgh,	Pittsburgh	PA		15202
$2,500.00	Bolviar Volunteer Fire Department	12/23/2024	8756	Peoples	PA	Westmorel	Emergency	Services (EMS)		616 Washir PO Box 3	Bolivar, PA	Bolivar	PA		15923
$2,500.00	Claysville Volunteer Fire Department	12/23/2024	8761	Peoples	PA	Washingtor	Emergency	Services (EMS)		154 Main Street	Claysville, I	Claysville	PA		15323
$2,500.00	Corsica Volunteer Fire Company	12/23/2024	8763	Peoples	PA	Jefferson C	Emergency	Services (EMS)		201 Main St PO Box 265	Corsica, PA	Corsica	PA		15829
$2,500.00	Greenwood Volunteer Fire Company	12/23/2024	8770	Peoples	PA	Blair Count	Emergency	Services (EMS)		1500 East Pleasant Vall	Altoona, PA	Altoona	PA		16602
$2,500.00	Homestead Volunteer Fire Company	12/23/2024	8772	Peoples	PA	Allegheny C	Emergency	Services (EMS)		212 East 9th Street	Homestead	Homestead	PA		15120
$2,500.00	Slippery Rock Area Parks and Recreation	12/23/2024	8790	Peoples	PA	Butler Cour	Education (ED)			320 N. Main Street	Slippery Ro	Slippery Ro	PA		16057
$2,500.00	Young Men's Volunteer Fire Company	12/23/2024	8795	Peoples	PA	Indiana Cou	Emergency	Services (EMS)		51 West Campbell St	Blairsville, I	Blairsville	PA		15717
$2,000.00	Mechling-Shakley Veterans Center	12/23/2024	8780	Peoples	PA	Armstrong (	Health and	Human Service (H/HS)		1413 State Route 268	Cowansvill	Cowansvill	PA		16218
$1,000.00	Alle-Kiski Area Hope Center	12/23/2024	8750	Peoples	PA	Allegheny C	Health and	Human Service (H/HS)		500 E 8th Ave	Tarentum, I	Tarentum	PA		15084

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$1,000.00	Beaver County Humane Society	12/23/2024	8752	Peoples	PA	Beaver Cou	Misc.			3394 Brodhead Rd	Aliquippa, F	Aliquippa	PA		15001
$1,000.00	Bridge to Home Animal Rescue	12/23/2024	8757	Peoples	PA	Washingtor	Misc.			602 Greenleaf Court	Eighty Four	Eighty Four	PA		15330
$1,000.00	Casa San Jose	12/23/2024	8759	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			2116 Broadway Avenue	Pittsburgh,	Pittsburgh	PA		15216
$1,000.00	Children's Hospital of Pittsburgh Foundation, The	12/23/2024	8760	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			4401 Penn Avenue	Pittsburgh,	Pittsburgh	PA		15224
$1,000.00	Colby's Stars Foundation	12/23/2024	8762	Peoples	PA	Greene Cou	Health and Human Service (H/HS)			112 Bedilion Road	Waynesbur	Waynesbur	PA		15370
$1,000.00	Dayton District Volunteer Fire Department	12/23/2024	8764	Peoples	PA	Indiana Cou	Emergency Services (EMS)			PO Box 141	Dayton, PA	Dayton	PA		16222
$1,000.00	Franklin Center of Beaver County	12/23/2024	8765	Peoples	PA	Beaver Cou	Health and Human Service (H/HS)			524 Franklin Avenue	Aliquippa, F	Aliquippa	PA		15001
$1,000.00	Freeport Area Meals on Wheels	12/23/2024	8766	Peoples	PA	Armstrong (	Food Insecurity			211 Fourth Street	Freeport, P/	Freeport	PA		16229
$1,000.00	Freeport Council of Churches Food Bank	12/23/2024	8767	Peoples	PA	Armstrong (	Food Insecurity			312 High Street	Freeport, P/	Freeport	PA		16229
$1,000.00	Grace Community Food Pantry	12/23/2024	8768	Peoples	PA	Mercer Cou	Food Insecurity			114 South Center Stree	Grove City,	Grove City	PA		16127
$1,000.00	Helping Hearts & Healing Tails Animal Rescue	12/23/2024	8771	Peoples	PA	Westmorel	Misc.			4133 Main S	PO Box 42	Stahlstown	Stahlstown	PA	15687
$1,000.00	Humane Society of Cambria County	12/23/2024	8773	Peoples	PA	Cambria Cc	Health and Human Service (H/HS)			743 Galleria Drive Ext.	Johnstown,	Johnstown	PA		15904
$1,000.00	Lighthouse Foundation, The	12/23/2024	8777	Peoples	PA	Butler Cour	Food Insecurity			116 Browns Hill Road	Valencia, P.	Valencia	PA		16059
$1,000.00	Make-A-Wish (Punxsutawney)	12/23/2024	8778	Peoples	PA	Jefferson C	Health and Human Service (H/HS)			219 W. Mahoning Street	Punxsutawı	Punxsutawı	PA		15767
$1,000.00	North Hills Community Outreach	12/23/2024	8781	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			1975 Ferguson Rd	Allison Park	Allison Park	PA		15101
$1,000.00	Northern Butler County Feed My Sheep Food Cupboard	12/23/2024	8782	Peoples	PA	Butler Cour	Food Insecurity			324 N. Main Street	Slippery Ro	Slippery Ro	PA		16057
$1,000.00	Pittsburgh Emergency Medicine Foundation	12/23/2024	8783	Peoples	PA	Allegheny C	Emergency Services (EMS)			3600 Forbe Suite 1001	Pittsburgh,	Pittsburgh	PA		15213
$1,000.00	Rankin Christian Center	12/23/2024	8785	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			230 3rd Ave	Rankin, PA	Rankin	PA		15104
$1,000.00	Ronald McDonald House Charities of Pittsburgh	12/23/2024	8786	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			The Plaza B 451 44th St	Pittsburgh,	Pittsburgh	PA		15201
$1,000.00	Salvation Army Western Pennsylvania Division, The	12/23/2024	8787	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			700 N. Bell Avenue	Carnegie, P	Carnegie	PA		15106
$1,000.00	Westmoreland Human Opportunities Inc.	12/23/2024	8793	Peoples	PA	Westmorel	Community, Economic Growth/Dev			226 Donoh	Suite 111	Greensburg	Greensburg	PA	15601
$1,000.00	Women's Center & Shelter of Greater Pittsburgh	12/23/2024	8794	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			P.O. Box 9024	Pittsburgh,	Pittsburgh	PA		15224
$1,000.00	YWCA Greater Pittsburgh	12/23/2024	8796	Peoples	PA	Allegheny C	Health and	Diversity and Inclusion		305 Wood St	Pittsburgh,	Pittsburgh	PA		15222
$100.00	Sanctuary Church	12/23/2024	8789	Peoples	PA	Allegheny C	Arts and Cu	Match		1600 Fifth Avenue	Pittsburgh,	Pittsburgh	PA		15219
$80.00	Beaver County Humane Society	12/23/2024	8751	Peoples	PA	Beaver Cou	Misc.	Match		3394 Brodhead Rd	Aliquippa, F	Aliquippa	PA		15001
$50.00	Greater Pittsburgh Community Food Bank	12/23/2024	8769	Peoples	PA	Allegheny C	Food Insecı	Match		1 N. Linden Street	Duquesne,	Duquesne	PA		15110
$50.00	Light of Life	12/23/2024	8776	Peoples	PA	Allegheny C	Health and	Match		913 Western Ave	Pittsburgh,	Pittsburgh	PA		15233
$25.00	Leukemia & Lymphoma Society	12/23/2024	8775	Peoples	PA	Allegheny C	Health and	Match		Northeast T PO Box 224	New York, N	New York	NY		10087

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$ 100.00	Brandywine Valley SPCA	1/21/2025	8813	Aqua	PA	Chester Co	Misc.	Match		1212 Phoenixville Pike	West Chest	West Chest	PA		19340
$ 125.00	Pennsylvania State University, The	1/21/2025	8811	Aqua	PA		Education (	Match		329 Innovat	Suite 311	State Colle	State Colle	PA	16803
$ 5,000.00	United Way of Greater Philadelphia & Southern NJ	1/21/2025	8808	Aqua	PA	Philadelphi	Community	Education (ED)		P.O. Box 787897		Philadelphi	Philadelphi	PA	19178
$ 5,500.00	Congreso de Latinos Unidos	1/21/2025	8807	Aqua	PA	Philadelphi	Diversity and Inclusion (D/I)			216 W. Somerset Street		Philadelphi	Philadelphi	PA	19133
$ 1,000.00	CHOP Foundation - Cheers for CHOP	2/19/2025	8845	Aqua	PA	Philadelphi	Health and Human Service (H/HS)			PO Box 781352		Philadelphi	Philadelphi	PA	19178-1352
$ 1,500.00	Shenandoah Heights Fire Company #1	2/19/2025	8839	Aqua	PA	Schuykill C	Emergency Services (EMS)			148 Swatara Avenue		Shenandoa	Shenandoa	PA	17976
$ 1,500.00	Community's Foundation, The	2/19/2025	8824	Aqua	PA	Delaware C	Community, Economic Growth/Dev			6 E. Hinckle	Suite 203	Ridley Park	Ridley Park	PA	19078
$ 1,500.00	Bristol Consolidated Fire Company	2/19/2025	8826	Aqua	PA	Bucks Cou	Emergency Services (EMS)			250 Pond Street		Bristol, PA 1	Bristol	PA	19007
$ 1,500.00	Bristol Fire Co Station 51	2/19/2025	8827	Aqua	PA	Bucks Cou	Emergency Services (EMS)			198 Wood Street		Bristol, PA 1	Bristol	PA	19007
$ 1,500.00	Sandy Township Fire Department	2/19/2025	8836	Aqua	PA	Clearfield C	Emergency Services (EMS)			P.O. Box 926		DuBois, PA	DuBois	PA	15801
$ 1,500.00	Shamokin Bureau of Fire	2/19/2025	8837	Aqua	PA	Northumbe	Emergency Services (EMS)			47 E. Lincoln Street		Shamokin,	Shamokin	PA	17872
$ 1,500.00	Sharon Fire Department	2/19/2025	8838	Aqua	PA	Mercer Cou	Emergency Services (EMS)			155 W. Connelly Blvd.		Sharon, PA	Sharon	PA	16146
$ 1,500.00	Athens Township Volunteer Fire Company	2/19/2025	8825	Aqua	PA	Bradford C	Emergency Services (EMS)			150 Herrick Avenue		Sayre, PA 1	Sayre	PA	18840
$ 1,500.00	White Haven Fire Department	2/19/2025	8844	Aqua	PA	Luzerne Co	Emergency Services (EMS)			212-214 N. Main Street		White Have	White Have	PA	18661
$ 1,500.00	New Hanover Township Volunteer Fire & Rescue	2/19/2025	8832	Aqua	PA	Montgomer	Emergency Services (EMS)			2154 Swamp Pike		Gilbertsville	Gilbertsville	PA	19525
$ 1,500.00	Honesdale Fire Department	2/19/2025	8830	Aqua	PA	Wayne Cou	Emergency Services (EMS)			1205 North Main Street		Honesdale,	Honesdale	PA	18431
$ 1,500.00	Rose Tree Fire Company	2/19/2025	8835	Aqua	PA	Delaware C	Emergency Services (EMS)			1275 N. Providence Roa		Media, PA 1	Media	PA	19063
$ 1,500.00	West Bradford Fire Company	2/19/2025	8843	Aqua	PA	Chester Co	Emergency Services (EMS)			1305 W. Strasburg Roa		West Chest	West Chest	PA	19382
$ 1,500.00	Rocky Run Fire Company	2/19/2025	8834	Aqua	PA	Delaware C	Emergency Services (EMS)			1174 Baltimore Pike		Media, PA 1	Media	PA	19063
$ 1,500.00	Parkland Fire Company	2/19/2025	8833	Aqua	PA	Bucks Cou	Emergency Services (EMS)			831 Avenue D		Parkland, P	Parkland	PA	19047
$ 1,500.00	King of Prussia Volunteer Fire Company	2/19/2025	8831	Aqua	PA	Montgomer	Emergency Services (EMS)			170 Allendale Road		King of Prus	King of Prus	PA	19406
$ 1,500.00	Upper Moreland Volunteer Fire Company	2/19/2025	8841	Aqua	PA	Montgomer	Emergency Services (EMS)			227 Davisville Road		Willow Gro	Willow Gro	PA	19090
$ 1,500.00	Goshen Fire Company	2/19/2025	8829	Aqua	PA	Chester Co	Emergency Services (EMS)			1299 Boot Road		West Chest	West Chest	PA	19380
$ 1,500.00	Springfield Fire Company	2/19/2025	8840	Aqua	PA	Delaware C	Emergency Services (EMS)			217 Saxer Avenue		Springfield,	Springfield	PA	19064
$ 1,500.00	Bryn Mawr Fire Company	2/19/2025	8828	Aqua	PA	Montgomer	Emergency Services (EMS)			901 Lancaster Avenue		Bryn Mawr,	Bryn Mawr	PA	19010
$ 1,500.00	Valley Forge Fire Co.	2/19/2025	8842	Aqua	PA	Chester Co	Emergency Services (EMS)			P.O. Box 62 630 Valley I		Valley Forg	Valley Forg	PA	19481
$ 2,500.00	Angel Flight East	2/19/2025	8820	Aqua	PA	Montgomer	Health and Human Service (H/HS)			1501 Narcissa Road		Blue Bell, P	Blue Bell	PA	19422
$ 3,000.00	Sustainable Business Network of Greater Philadelphia	2/19/2025	8819	Aqua	PA	Philadelphi	Environmer	Education (ED)		915 Spring	Suite 502	Philadelphi	Philadelphi	PA	19027
$ 4,000.00	Devereux PA	2/19/2025	8818	Aqua	PA	Delaware C	Health and Human Service (H/HS)			444 Devereux Drive		Villanova, P	Villanova	PA	19085
$ 25,000.00	Cradles to Crayons	2/19/2025	8817	Aqua	PA	Berks Coun	Health and Human Service (H/HS)			P.O. Box 411134		Boston, MA	Boston	MA	2241
$ 1,000.00	A Haven	3/10/2025	8885	Aqua	PA	Chester Co	Health and Human Service (H/HS)			623 Pottstown Pike		Exton, PA 1	Exton	PA	19341
$ 1,000.00	Foundation for Catholic Education	3/10/2025	8886	Aqua	PA	Delaware C	Education (ED)			1373 Enterprise Drive		West Chest	West Chest	PA	19380
$ 2,000.00	Welcome Project PA, The	3/10/2025	8884	Aqua	PA	Bucks Cou	Arts and Cu	Diversity and Inclusion		350 S. York Road		Hatboro, PA	Hatboro	PA	19040
$ 2,500.00	Murphy's Giving Market	3/10/2025	8883	Aqua	PA	Delaware C	Food Insecurity			7408 West Chester Pike		Upper Darb	Upper Darb	PA	19082
$ 2,500.00	Friends of the Wissahickon	3/10/2025	8881	Aqua	PA	Montgomer	Environment			40 West Evi	Suite 108	Philadelphi	Philadelphi	PA	19118
$ 2,500.00	Darby Creek Valley Association	3/10/2025	8880	Aqua	PA	Delaware C	Environment			P.O. Box 732		Drexel Hill,	Drexel Hill	PA	19026
$ 3,000.00	Kelly Music For Life	3/10/2025	8879	Aqua	PA	Delaware C	Arts and Culture (A/C)			139 E. Hathaway Lane		Haverford,	Haverford	PA	19083
$ 3,500.00	Keep Pennsylvania Beautiful	3/10/2025	8877	Aqua	PA	Carbon Cou	Environment			105 West 4th Street		Greensburg	Greensburg	PA	15601
$ 3,500.00	Main Line Health	3/10/2025	8878	Aqua	PA	Chester Co	Health and Human Service (H/HS)			3803 West Chester Pike		Newtown S	Newtown S	PA	19073
$ 5,000.00	Bringing Hope Home	3/10/2025	8875	Aqua	PA	Delaware C	Health and Human Service (H/HS)			641 Swedesford Road		Malvern, PA	Malvern	PA	19355
$ 5,000.00	Fund for Women and Girls, The	3/10/2025	8876	Aqua	PA	Chester Co	Education (	Diversity and Inclusion		113 E. Evans Street, Ste		West Chest	West Chest	PA	19380
$ 10,000.00	St. Baldrick's Foundation	3/10/2025	8874	Aqua	PA		Health and Human Service (H/HS)			1333 South	Suite 400	Monrovia, C	Monrovia	CA	91016
$ 50,000.00	Philadelphia Soccer 2026	3/10/2025	8873	Aqua	PA	Philadelphi	Community, Economic Growth/Dev			1601 Marke	Suite 200	Philadelphi	Philadelphi	PA	19103
$ 52.20	HEADstrong Foundation	3/18/2025	8903	Aqua	PA	Delaware C	Health and	Match		1330 MacDade Blvd	#2	Woodlyn, P	Woodlyn	PA	19094
$ 1,000.00	Greater Glenside Patriotic Association	3/18/2025	8900	Aqua	PA	Montgomer	Arts and Culture (A/C)			P.O. Box 72		Glenside, P	Glenside	PA	19038
$ 1,000.00	Delaware County Transportation Mgt Assoc	3/18/2025	8898	Aqua	PA	Delaware C	Education (ED)			102 W. Front Street		Media, PA 1	Media	PA	19063
$ 2,000.00	Chester County Hero Fund	3/18/2025	8895	Aqua	PA	Chester Co	Emergency Services (EMS)			820 Heatherstone Drive		Berwyn, PA	Berwyn	PA	19312
$ 2,500.00	TriCounty Community Network	3/18/2025	8897	Aqua	PA	Montgomer	Education (ED)			13 Armand	Suite 102	Pottstown,	Pottstown	PA	19464
$ 2,500.00	Cheltenham Community Development	3/18/2025	8896	Aqua	PA	Montgomer	Community, Economic Growth/Dev			7900 High S	Office 1	Elkins Park,	Elkins Park	PA	19027
$ 2,500.00	Amistad Law Project	3/18/2025	8893	Aqua	PA	Delaware C	Community	Diversity an	Education (	PO Box 9148		Philadelphi	Philadelphi	PA	19139
$ 2,500.00	Brandywine Red Clay Alliance	3/18/2025	8894	Aqua	PA	Chester Co	Environment			1760 Unionville-Wawas		West Chest	West Chest	PA	19382-6751
$ 5,000.00	American Cancer Society-Philadelphia	3/18/2025	8891	Aqua	PA	Philadelphi	Health and Human Service (H/HS)			1818 Market St	Suite 28	Philadelphi	Philadelphi	PA	19103
$ 7,500.00	Williamson College of the Trades	3/18/2025	8890	Aqua	PA	Delaware C	Education (ED)			106 S. New Middletown		Media, PA 1	Media	PA	19063
$ 15,000.00	Perkiomen Watershed Conservancy	3/18/2025	8889	Aqua	PA	Montgomer	Environmer	Education (ED)		One Skippack Pike		Schwenksv	Schwenksv	PA	19473-9383
$ 35,000.00	Villanova University	3/18/2025	8888	Aqua	PA	Montgomer	Education (ED)			800 Lancaster Ave		Villanova, P	Villanova	PA	19085
$ 150,000.00	Share Food Program	3/18/2025	8887	Aqua	PA		Food Insecurity			2901 West Hunting Parl		Philadelphi	Philadelphi	PA	19129
$ 100.00	St. Luke's Episcopal Church	4/14/2025	8940	Aqua	PA	Philadelphi	Arts and Cu	Match		5421 Germantown Ave.		Philadelphi	Philadelphi	PA	19144
$ 500.00	Downtown Shenandoah, Inc.	4/14/2025	8937	Aqua	PA	Schuykill C	Community, Economic Growth/Dev			116 North Main Street		Shenandoa	Shenandoa	PA	17976

Amount	Organization	Date	Check Num	Company	State	County	Category 1	Category 2	Category 3	Org. Addres	Org. Addres	Org. Addres	PAC Org. C	PAC Org. St	PAC Org. Zip
$ 500.00	Open Link, The	4/14/2025	8935	Aqua	PA	Montgomer	Food Insecu	Health and Human Serv		452 Penn Street		Pennsburg,	Pennsburg	PA	18073
$ 800.00	West Chester University Foundation	4/14/2025	8933	Aqua	PA	Chester Co	Education (ED)			202 Carter Drive		West Chest	West Chest	PA	19382
$ 1,000.00	Lower Merion Township	4/14/2025	8932	Aqua	PA	Montgomer	Arts and Culture (A/C)			601 Montgc	# 101	Bryn Mawr,	Bryn Mawr	PA	19010
$ 2,000.00	Main Line Meals on Wheels	4/14/2025	8930	Aqua	PA	Chester Co	Food Insecurity			P.O. Box 801		Devon, PA 1	Devon	PA	19333
$ 2,500.00	Citizens Crime Commission	4/14/2025	8929	Aqua	PA	Bucks Cour	Emergency Services (EMS)			1518 Walnu	Suite 902	Philadelphi	Philadelphi	PA	19102
$ 2,500.00	Forum Philly Inc.	4/14/2025	8927	Aqua	PA	Delaware C	Education (ED)			201 N. Lansdowne Ave		Lansdowne	Lansdowne	PA	19050
$ 3,000.00	French & Pickering Creeks Conservation Trust Inc.	4/14/2025	8925	Aqua	PA	Chester Co	Environment			4030 S. Wh	2nd Floor	Devault, PA	Devault	PA	19432
$ 3,000.00	Wissahickon Trails	4/14/2025	8926	Aqua	PA	Montgomer	Environment			12 Morris Road		Ambler, PA	Ambler	PA	19002
$ 4,950.00	Partnership for the Delaware Estuary, Inc.	4/14/2025	8924	Aqua	PA	Bucks Cour	Environmer	Education (ED)		110 South Poplar St, Su		Wilmington	Wilmington	DE	19801
$ 5,000.00	Chester County Food Bank	4/14/2025	8921	Aqua	PA	Chester Co	Food Insecurity			650 Pennsylvania Aven		Exton, PA 1	Exton	PA	19341
$ 5,000.00	Independence Historical Trust	4/14/2025	8923	Aqua	PA	Philadelphi	Arts and Culture (A/C)			143 South 3rd Street		Philadelphi	Philadelphi	PA	19106
$ 5,000.00	Scouting America, Washington Crossing Council	4/14/2025	8922	Aqua	PA	Bucks Cour	Education (ED)			One Scout Way		Doylestowr	Doylestowr	PA	18901
$ 5,000.00	Valley Youth House	4/14/2025	8920	Aqua	PA	Bucks Cour	Health and Human Service (H/HS)			Attn: Advan 3400 High F		Bethlehem,	Bethlehem	PA	18017
$ 37,500.00	PA Chamber Educational Foundation	4/14/2025	8941	Aqua	PA		Community, Economic Growth/Dev			417 Walnut Street		Harrisburg,	Harrisburg	PA	17101
$ 100.00	Community College of Philadelphia Foundation	5/5/2025	8972	Aqua	PA	Philadelphi	Education (	Match		1700 Spring Garden St #		Philadephia	Philadephia	PA	19130
$ 100.00	La Salle University	5/5/2025	8974	Aqua	PA	Philadelphi	Education (ED)			1900 W. Olney Avenue		Philadelphi	Philadelphi	PA	19141
$ 100.00	Norwood Fontbonne Academy	5/5/2025	8975	Aqua	PA	Philadelphi	Education (	Match		8891 Germantown Ave		Philadelphi	Philadelphi	PA	19118
$ 100.00	Pennsylvania State University, The	5/5/2025	8976	Aqua	PA		Education (	Match		329 Innovat	Suite 311	State Colle	State Colle	PA	16803
$ 1,000.00	Bryn Mawr Beautiful Foundation	5/5/2025	8963	Aqua	PA	Montgomer	Community, Economic Growth/Dev			933 Lancaster Avenue,		Bryn Mawr,	Bryn Mawr	PA	19010
$ 1,000.00	Friends of Green Lane Park	5/5/2025	8969	Aqua	PA	Montgomer	Environmer	Education (ED)		2144 Snyder Road		Green Lane	Green Lane	PA	18054
$ 1,000.00	Lower Merion Conservancy	5/5/2025	8971	Aqua	PA	Montgomer	Environment			1301 Rose Glen Road		Gladwyne,	Gladwyne	PA	19035
$ 1,000.00	Pan Asian Association of Greater Philadelphia	5/5/2025	8966	Aqua	PA	Philadelphi	Arts and Cu	Diversity and Inclusion		320 W Oregon Ave, Suit		Philadelphi	Philadelphi	PA	19148
$ 1,000.00	Schuylkill Headwaters Association	5/5/2025	8970	Aqua	PA	Berks Coun	Environmer	Education (ED)		P.O. Box 1385		Pottsville, F	Pottsville	PA	17901
$ 1,500.00	West Chester Area Senior Center	5/5/2025	8962	Aqua	PA	Chester Co	Health and Human Service (H/HS)			530 East Union Street		West Chest	West Chest	PA	19382
$ 2,500.00	Citizens and Police Together	5/5/2025	8959	Aqua	PA	Montgomer	Emergency Services (EMS)			PO Box 516		Abington, P	Abington	PA	19001
$ 3,500.00	Media Arts Council	5/5/2025	8958	Aqua	PA	Delaware C	Arts and Culture (A/C)			PO Box 56		Media, PA 1	Media	PA	19063
$ 10,000.00	Bryn Mawr Hospital Foundation, The	5/5/2025	8955	Aqua	PA	Delaware C	Health and Human Service (H/HS)			130 S. Bryn Mawr Avenu		Bryn Mawr,	Bryn Mawr	PA	19010
$ 10,000.00	Surrey Services for Seniors	5/5/2025	8957	Aqua	PA	Montgomer	Health and Human Service (H/HS)			60 Chestnut Avenue		Devon, PA 1	Devon	PA	19333
$ 10,398.00	Nile Swim Club of Yeadon	5/5/2025	8954	Aqua	PA	Delaware C	Education (ED)			513 S Union Avenue		Yeadon, PA	Yeadon	PA	19050
$ 40,000.00	Longwood Gardens	5/5/2025	8952	Aqua	PA	Chester Co	Education (ED)			PO Box 501		Kennett Sq	Kennett Sq	PA	19348
$ 50,000.00	Foundation for Delaware County	5/7/2025	1180	Aqua	PA	Delaware	Emergency Services (EMS)								
$ 10,500.00	Economy League of Greater Philadelphia	5/13/2025		Aqua	PA		Community, Economic Growth/Development (C, EG/D)								
$ 25.00	Junior Achievement of Southeastern Pennsylvania	5/20/2025	9018	Aqua	PA	Montgomer	Education (	Match		994 Old Eag	Suite 1014	Wayne, PA	Wayne	PA	19087
$ 1,000.00	Gilbertsville Fire and Rescue Company	5/20/2025	9015	Aqua	PA	Montgomer	Emergency Services (EMS)			1454 E. Phil	PO Box 454	Gilbertsville	Gilbertsville	PA	19525
$ 1,000.00	White Haven Area Community Library	5/20/2025	9016	Aqua	PA	Luzerne Co	Education (ED)			P.O. Box 57		White Have	White Have	PA	18661
$ 1,020.00	Firemen's Golf Fundraiser	5/20/2025	9014	Aqua	PA	Luzerne Co	Emergency Services (EMS)			50 Conyngham Drive		Hazleton, P	Hazleton	PA	18202
$ 1,500.00	Main Line Art Center	5/20/2025	9012	Aqua	PA	Montgomer	Arts and Cu	Food Insecurity		746 Panmure Road		Haverford,	Haverford	PA	19041
$ 2,500.00	Glenside Fire Company	5/20/2025	9009	Aqua	PA	Montgomer	Emergency Services (EMS)			P.O. Box 92		Glenside, P	Glenside	PA	19038
$ 3,500.00	Redeemer Health	5/20/2025	9007	Aqua	PA	Montgomer	Health and Human Service (H/HS)			12265 Townsend Rd, St		Philadelphi	Philadelphi	PA	19154
$ 5,000.00	LuLu Shriners Charity Golf	5/20/2025	9005	Aqua	PA	Montgomer	Health and Human Service (H/HS)			c/o Dave Ca	PO Box 179	Ambler, PA	Ambler	PA	19002
$ 5,000.00	Water Center at the University of Pennsylvania, The	5/20/2025	9006	Aqua	PA	Philadelphi	Education (ED)			3600 Marke	Suite 560	Philadelphi	Philadelphi	PA	19104
$ 70.00	Junior Achievement of Southeastern Pennsylvania	6/10/2025	9034	Aqua	PA	Bucks Cour	Education (	Match		994 Old Eag	Suite 1014	Wayne, PA	Wayne	PA	19087
$ 500.00	Norristown Islamic Society	6/10/2025	9032	Aqua	PA	Montgomer	Arts and Cu	Health and	Education (	5 W. Elm Street		Norristown,	Norristown	PA	19401
$ 900.00	Water for People	6/10/2025	9030	Aqua	PA		Health and Human Service (H/HS)			c/o Pennsyl	PO Box 115	Harrisburg,	Harrisburg	PA	17108
$ 1,500.00	American Cancer Society-Philadelphia	6/10/2025	9029	Aqua	PA	Philadelphi	Health and	Match		1818 Market St, Suite 2		Philadelphi	Philadelphi	PA	19103
$ 3,000.00	Friends of High School Park	6/10/2025	9028	Aqua	PA	Montgomer	Arts and Culture (A/C)			P.O. Box 163		Cheltenhar	Cheltenhar	PA	19012
$ 4,000.00	One House at a Time	6/10/2025	9027	Aqua	PA	Montgomer	Health and Human Service (H/HS)			411 Susquehanna Roac		Ambler, PA	Ambler	PA	19002
$ 5,000.00	MANNA	6/10/2025	9019	Aqua	PA	Bucks Cour	Health and	Food Insecurity		420 North 20th Street		Philadelphi	Philadelphi	PA	19130
$ 5,000.00	Narberth Ambulance	6/10/2025	9026	Aqua	PA	Montgomer	Emergency Services (EMS)			101 Sibley Avenue		Ardmore, P	Ardmore	PA	19003
$ 7,500.00	Kaiserman Jewish Community Center	6/10/2025	9025	Aqua	PA	Montgomer	Education (ED)			45 Haverford Rd.		Wynnewoo	Wynnewoo	PA	19096
$ 10,000.00	Historic Lansdowne Theater Corporation	6/10/2025	9024	Aqua	PA	Delaware C	Arts and Culture (A/C)			P.O. Box 131		Lansdowne	Lansdowne	PA	19050
$ 15,000.00	Chester-Ridley-Crum Watersheds Association	6/10/2025	9021	Aqua	PA	Chester Co	Environment			P.O. Box 1355		Edgemont,	Edgemont	PA	19028
$ 15,000.00	Horizons at The Episcopal Academy	6/10/2025	9023	Aqua	PA	Chester Co	Education (ED)			1785 Bishop White Driv		Newtown S	Newtown S	PA	19073
$ 30,000.00	Children's Hospital of Philadelphia Foundation	6/10/2025	9020	Aqua	PA	Chester Co	Health and Human Service (H/HS)			3401 Civic Center Boul		Philadelphi	Philadelphi	PA	19104
$ 500.00	McKeown Foundation	6/25/2025	9047	Aqua	PA		Health and Human Service (H/HS)			PO Box 291		Dresher, PA	Dresher	PA	19025
$ 52.31	Trevor Project, The	7/14/2025	9069	Aqua	PA		Health and	Match	Diversity an	PO Box 69232		West Holly	West Holly	CA	90069
$ 103.00	Pennsylvania State University, The	7/14/2025	9068	Aqua	PA		Education (	Match		329 Innovat	Suite 311	State Colle	State Colle	PA	16803
$ 131.25	Human Rights Campaign	7/14/2025	9067	Aqua	PA		Education (	Match	Diversity an	1640 Rhode Island Aver		Washingtor	Washingtor	DC	20036-3278

Amount	Organization	Date	Check Num	Company	State	County	Category 1	Category 2	Category 3	Org. Addres	Org. Addres	Org. Addres	PAC Org. C	PAC Org. St	PAC Org. Zip
$ 500.00	Senior Community Services	7/14/2025	9066	Aqua	PA	Delaware C	Community, Economic Growth/Dev			600 Swarthmore Ave	Folsom, PA	Folsom	PA		19033
$ 650.00	Water for People	7/14/2025	9065	Aqua	PA		Health and Human Service (H/HS)			c/o Pennsyl	PO Box 115	Harrisburg,	Harrisburg	PA	17108
$ 750.00	SuperKIDS of Montgomery County, Inc.	7/14/2025	9064	Aqua	PA	Montgomer	Education (ED)			P.O. Box 1472	Blue Bell, P	Blue Bell	PA		19422
$ 780.00	Attic Youth Center	7/14/2025	9063	Aqua	PA	Philadelphi	Health and	Match	Diversity an	255 S 16th St	Philadelphi	Philadelphi	PA		19102
$ 1,000.00	Tunnel to Towers Foundation	7/14/2025	9060	Aqua	PA	Pike Count	Health and Human Service (H/HS)			Pike Count	113 Bay Ce	Hawley, PA	Hawley	PA	18428
$ 1,000.00	Sayre Community Corporation	7/14/2025	9061	Aqua	PA	Bradford C	Community, Economic Growth/Dev			110 West Packer Avenu	Sayre, PA 1	Sayre	PA		18840
$ 1,000.00	Perkiomen Watershed Conservancy	7/14/2025	9062	Aqua	PA	Montgomer	Environment			One Skippack Pike	Schwenksv	Schwenksv	PA		19473-9383
$ 1,500.00	Mt Airy CDC	7/14/2025	9059	Aqua	PA	Philadelphi	Education (ED)			6703 Germ	Suite 200	Philadelphi	Philadelphi	PA	19119
$ 2,000.00	Expressive Path	7/14/2025	9057	Aqua	PA	Montgomer	Arts and Culture (A/C)			110 Tyson Mill Rd		Collegeville	Collegeville	PA	19426
$ 2,500.00	Churchville Nature Center	7/14/2025	9054	Aqua	PA	Bucks Cou	Environmer	Education (ED)		501 Churchville Lane		Churchville	Churchville	PA	18966
$ 2,500.00	Shenango River Watchers	7/14/2025	9056	Aqua	PA	Mercer Cou	Environment			730 Forker Blvd.		Hermitage,	Hermitage	PA	16148
$ 3,500.00	Riddle HealthCare Foundation	7/14/2025	9053	Aqua	PA	Delaware C	Emergency Services (EMS)			1068 West Baltimore Pi		Media, PA 1	Media	PA	19063
$ 3,780.00	Partnership for the Delaware Estuary, Inc.	7/14/2025	9052	Aqua	PA	Berks Coun	Environmer	Education (ED)		110 South Poplar St, Su		Wilmington	Wilmington	DE	19801
$ 10,000.00	YMCA of Greater Brandywine	7/14/2025	9050	Aqua	PA	Chester Co	Education (ED)			1 E. Chestnut Street		West Chest	West Chest	PA	19380
$ 10,000.00	Junior Achievement of Southeastern Pennsylvania	7/14/2025	9051	Aqua	PA	Chester Co	Education (ED)			994 Old Eag	Suite 1014	Wayne, PA	Wayne	PA	19087
$ 10,000.00	Chester County Historical Society	7/14/2025	9049	Aqua	PA	Chester Co	Education (	Arts and Cu	Diversity an	225 N. High Street		West Chest	West Chest	PA	19380-2691
$ 15,000.00	American Red Cross	7/14/2025	9048	Aqua	PA		Education (ED)			700 Spring Garden Stre		Philadelphi	Philadelphi	PA	19123
$ 125.00	Leukemia Lymphoma Society	7/21/2025	9099	Aqua	PA		Health and	Match		2405 Park Drive, Suite 1		Harrisburg,	Harrisburg	PA	17110
$ 300.00	White Haven Lions Club Foundation	7/21/2025	9097	Aqua	PA	Luzerne Co	Community, Economic Growth/Dev			65 E Woodhaven Dr		White Have	White Have	PA	18661
$ 500.00	Shenandoah Community Ambulance Association	7/21/2025	9095	Aqua	PA	Schuykill C	Emergency Services (EMS)			Attn: Kelly E	229 N. Mair	Shenandoa	Shenandoa	PA	17976
$ 500.00	Elmwood Park Zoo	7/21/2025	9096	Aqua	PA	Montgomer	Community, Economic Growth/Dev			1661 Harding Blvd.		Norristown,	Norristown	PA	19401
$ 1,000.00	Upper Darby Arts and Education Foundation	7/21/2025	9094	Aqua	PA	Delaware C	Arts and Cu	Education (ED)		1051 Pontiac Road #70		Drexel Hill,	Drexel Hill	PA	19026
$ 1,000.00	Lower Merion Library Foundation	7/21/2025	9093	Aqua	PA	Montgomer	Education (ED)			75 E. Lancaster Avenue		Ardmore, P	Ardmore	PA	19003
$ 1,500.00	Main Line School Night	7/21/2025	9092	Aqua	PA	Chester Co	Education (ED)			Main Line N	260 Gulph (	Radnor, PA	Radnor	PA	19087
$ 2,500.00	Foundation for Delaware County	7/21/2025	9089	Aqua	PA	Delaware C	Community, Economic Growth/Dev			200 E. State Street, Suit		Media, PA 1	Media	PA	19063
$ 3,000.00	Central Susquehanna Opportunities, Inc.	7/21/2025	9088	Aqua	PA	Columbia C	Food Insecurity			2 East Arch Street		Shamokin,	Shamokin	PA	17872
$ 5,000.00	Keystone Human Services	7/21/2025	9087	Aqua	PA		Health and Human Service (H/HS)			4391 Sturbridge Drive		Harrisburg,	Harrisburg	PA	17110
$ 5,000.00	Boy Scouts of America - Chester Co. Council	7/21/2025	9086	Aqua	PA	Chester Co	Food Insecu	Education (ED)		1 Scouting Way		Exton, PA 1	Exton	PA	19341
$ 5,000.00	Rise Against Hunger	7/21/2025	9101	Aqua	PA	Allegheny C	Food Insecurity			4801 Glenwood Avenue		Raleigh, NC	Raleigh	NC	27612
$ 10,000.00	Cradle of Liberty Council, Scouting America	7/21/2025	9084	Aqua	PA	Delaware C	Food Insecu	Education (ED)		901 East 8t	Suite 103	King of Prus	King of Prus	PA	19406
$ 10,000.00	St. Christopher's Hospital for Children	7/21/2025	9085	Aqua	PA	Philadelphi	Health and Human Service (H/HS)			160 East Erie Avenue		Philadelphi	Philadelphi	PA	19134-1095
$ 500.00	CURE Epilepsy	8/25/2025	9116	Aqua	PA	Montgomer	Health and Human Service (H/HS)			PO Box 10572		Chicago, IL	Chicago	IL	60610
$ 1,000.00	Bryn Mawr Hospital Foundation, The	8/25/2025	9114	Aqua	PA	Chester Co	Health and Human Service (H/HS)			130 S. Bryn Mawr Avenu		Bryn Mawr,	Bryn Mawr	PA	19010
$ 1,000.00	Bryn Mawr Rehabilitation Hospital	8/25/2025	9113	Aqua	PA	Chester Co	Health and Human Service (H/HS)			414 Paoli Pike		Malvern, PA	Malvern	PA	19355
$ 1,500.00	Cheltenham Community Development	8/25/2025	9115	Aqua	PA	Montgomer	Education (ED)			7900 High S	Office 1	Elkins Park,	Elkins Park	PA	19027
$ 3,000.00	Riverbend Environmental Educational Center	8/25/2025	9111	Aqua	PA	Montgomer	Education (	Environment		1950 Spring Mill Road		Gladwyne,	Gladwyne	PA	19035
$ 3,500.00	Pennsylvania Environmental Council	8/25/2025	9110	Aqua	PA		Environment			1617 John F	Suite 543	Philadelphi	Philadelphi	PA	19107
$ 5,000.00	Veterans Multi-Service Center	8/25/2025	9109	Aqua	PA	Berks Coun	Health and Human Service (H/HS)			213 North 4th Street		Philadelphi	Philadelphi	PA	19106
$ 5,000.00	Urban Affairs Coalition	8/25/2025	9120	Aqua	PA	Philadelphi	Community	Diversity and Inclusion		1650 Arch Street, Suite		Philadelphi	Philadelphi	PA	19103
$ 8,000.00	Avondale Fire Company EMS Division Inc.	8/25/2025	9117	Aqua	PA	Chester Co	Emergency Services (EMS)			23 Firehouse Way		Avondale, F	Avondale	PA	19311
$ 250,000.00	Beaver Falls Carnegie Free Library	8/25/2025	9118	Aqua	PA	Beaver Cou	Education (ED)			1301 7th Ave		Beaver Falls	Beaver Falls	PA	15010
$ 1,000,000.00	Beaver Falls Volunteer Fire Department	8/25/2025	9119	Aqua	PA	Beaver Cou	Emergency Services (EMS)			715 Fifteenth Street		Beaver Falls	Beaver Falls	PA	15010
$ 50.00	Travis Manion Foundation	9/9/2025	9155	Aqua	PA	Bucks Cou	Health and	Match		P.O. Box 1485		Doylestowr	Doylestowr	PA	18901
$ 1,400.00	Wissahickon Trails	9/9/2025	9154	Aqua	PA	Montgomer	Environment			12 Morris Road		Ambler, PA	Ambler	PA	19002
$ 2,500.00	Delaware County Veterans Memorial Association	9/9/2025	9150	Aqua	PA	Delaware C	Community, Economic Growth/Dev			P.O. Box 183		Newtown S	Newtown S	PA	19073
$ 2,500.00	Brandywine Red Clay Alliance	9/9/2025	9151	Aqua	PA	Chester Co	Environment			1760 Unionville-Wawas		West Chest	West Chest	PA	19382-6751
$ 5,000.00	Today is a Good Day	9/9/2025	9148	Aqua	PA	Montgomer	Health and Human Service (H/HS)			1511 Bethlehem Pike		Flourtown,	Flourtown	PA	19031
$ 7,500.00	Magee Rehabilitation Foundation	9/9/2025	9147	Aqua	PA	Philadelphi	Health and Human Service (H/HS)			Developme	1513 Race	Philadelphi	Philadelphi	PA	19102-1177
$ 25,000.00	PHLCVB Foundation	9/9/2025	9146	Aqua	PA	Philadelphi	Community, Economic Growth/Dev			1601 Marke	Suite 200	Philadelphi	Philadelphi	PA	19103
$ 500.00	Big Beaver Falls Education Foundation	10/2/2025	9168	Aqua	PA	Beaver Cou	Education (ED)			1503 Eighth Avenue		Beaver Falls	Beaver Falls	PA	15010
$ 2,000.00	Youth Mentoring Partnership	10/2/2025	9164	Aqua	PA	Chester Co	Education (ED)			967 E. Swe	Suite 401	Exton, PA 1	Exton	PA	19341
$ 2,500.00	Upper Merion Area Community Cupboard	10/2/2025	9165	Aqua	PA	Montgomer	Food Insecurity			191 Town Center Rd		King of Prus	King of Prus	PA	19406
$ 2,500.00	Tredyffrin Township Library Foundation	10/2/2025	9166	Aqua	PA	Chester Co	Education (	Environment		582 Upper Gulph Road		Strafford, P	Strafford	PA	19087
$ 25,000.00	West Chester Food Cupboard	10/2/2025	9167	Aqua	PA	Chester Co	Food Insecurity			431 South Bolmar St		West Chest	West Chest	PA	19380
$ 200.00	ALS United Mid-Atlantic	10/15/2025	9180	Aqua	PA		Health and	Match	Health and	1015 Virgin	Suite 110	Fort Washir	Fort Washir	PA	19034
$ 500.00	Elmwood Park Zoo	10/15/2025	9182	Aqua	PA	Montgomer	Community, Economic Growth/Dev			1661 Harding Blvd.		Norristown,	Norristown	PA	19401
$ 1,000.00	Penn-Northwest Development Corporation	10/15/2025	9179	Aqua	PA	Mercer Cou	Community, Economic Growth/Dev			3580 Innovation Way		Hermitage,	Hermitage	PA	16148
$ 1,000.00	Schuylkill River Heritage Center	10/15/2025	9181	Aqua	PA	Chester Co	Community, Economic Growth/Dev			P.O. Box 427		Phoenixville	Phoenixville	PA	19460

Amount	Organization	Date	Check Num	Company	State	County	Category 1	Category 2	Category 3	Org. Addres	Org. Addres	Org. Addres	PAC Org. C	PAC Org. St	PAC Org. Zip
$ 1,500.00	Monsignor Bonner Friars Baseball	10/15/2025	9176	Aqua	PA	Delaware C	Education (ED)			403 N. Lansdowne Aver	Drexel Hill,	Drexel Hill	PA		19026
$ 2,500.00	Run for Heroes, Inc.	10/15/2025	9174	Aqua	PA	Delaware C	Emergency Services (EMS)			PO Box 382	Springfield,	Springfield	PA		19064
$ 3,000.00	Brandywine Valley Symphony	10/15/2025	9173	Aqua	PA	Chester Co	Arts and Culture (A/C)			206 E State St	Kennett Sq	Kennett Sq	PA		19348
$ 4,500.00	Unite for HER	10/15/2025	9172	Aqua	PA	Chester Co	Health and Human Service (H/HS)			127 E. Chestnut Street	West Chest	West Chest	PA		19380
$ 5,000.00	Roman Catholic High School	10/15/2025	9171	Aqua	PA	Philadelphi	Education (ED)			301 North Broad Street	Philadelphi	Philadelphi	PA		19107-1094
$ 5,000.00	American Heart Association	10/15/2025	9170	Aqua	PA		Health and Human Service (H/HS)			AHA check	PO Box 502	Boone, IA 5	Boone	IA	50950
$ 20,000.00	Philadelphia Orchestra and Ensemble Arts, The	10/15/2025	9169	Aqua	PA	Philadelphi	Arts and Cu	Education (ED)		One South Broad Street	Philadelphi	Philadelphi	PA		19107
$ 500.00	Jenkins Arboretum	11/12/2025	9230	Aqua	PA	Chester Co	Community, Economic Growth/Dev			631 Berwyn Baptist Roa	Devon, PA 1	Devon	PA		19333
$ 1,000.00	Financial Scholars, Inc.	11/12/2025	9254	Aqua	PA	Montgomer	Health and	Education (	Emergency	201 Rouse Boulevard	Philadelphi	Philadelphi	PA		19112
$ 1,000.00	Mother's Home	11/12/2025	9234	Aqua	PA	Delaware C	Health and Human Service (H/HS)			51 N. MacDade Bouleva	Darby, PA 1	Darby	PA		19023
$ 1,000.00	Lansdowne Economic Development Corporation	11/12/2025	9232	Aqua	PA	Delaware C	Community, Economic Growth/Dev			32 E. Baltimore Ave	Lansdowne	Lansdowne	PA		19050
$ 2,000.00	White Haven United Methodist Church	11/12/2025	9244	Aqua	PA	Luzerne Co	Food Insecurity			900 Buffalo Street	White Have	White Have	PA		18661
$ 2,000.00	Wayne County Community Foundation	11/12/2025	9253	Aqua	PA	Wayne Cou	Food Insecurity			918 Church St. Suite F	Honesdale,	Honesdale	PA		18431
$ 2,500.00	Bryant Baptist Church	11/12/2025	9211	Aqua	PA	Philadelphi	Food Insecurity			1140 S 19th St	Philadelphi	Philadelphi	PA		19146
$ 2,500.00	Food Trust, The	11/12/2025	9223	Aqua	PA	Philadelphi	Food Insecurity			One Penn C	1617 John F	Philadelphi	Philadelphi	PA	19103
$ 2,500.00	It Takes A Village To Feed One Child	11/12/2025	9229	Aqua	PA	Montgomer	Food Insecurity			2000 West	Suite 140	King of Prus	King of Prus	PA	19406
$ 2,500.00	Caring for Friends	11/12/2025	9212	Aqua	PA	Philadelphi	Food Insecurity			12271 Townsend Road	Philadelphi	Philadelphi	PA		19154
$ 2,500.00	Phoenixville Area Community Services	11/12/2025	9238	Aqua	PA	Chester Co	Food Insecurity			101 Buchanan Street	Phoenixville	Phoenixville	PA		19460
$ 3,000.00	Central Susquehanna Opportunities, Inc.	11/12/2025	9213	Aqua	PA	Susquehan	Food Insecurity			2 East Arch	Ste. 313	Shamokin,	Shamokin	PA	17872
$ 5,000.00	Rockledge 4th of July Association	11/12/2025	9240	Aqua	PA	Montgomer	Community, Economic Growth/Dev			121 Huntington Pike	Rockledge,	Rockledge	PA		19046
$ 10,000.00	Drexel University	11/12/2025	9217	Aqua	PA	Philadelphi	Education (ED)			32nd & Chestnut Street	Philadelphi	Philadelphi	PA		19104
$ 15,000.00	Chester County Food Bank	11/12/2025	9215	Aqua	PA	Chester Co	Food Insecurity			650 Pennsylvania Aven	Exton, PA 1	Exton	PA		19341
$ 30,000.00	Partnership for the Delaware Estuary, Inc.	11/12/2025	9236	Aqua	PA	Berks Coun	Environment			110 South Poplar St, Su	Wilmington	Wilmington	DE		19801
$ 67,000.00	Pennsylvania Environmental Council	11/12/2025	9237	Aqua	PA	Bucks Cou	Environment			1617 John F	Suite 543	Philadelphi	Philadelphi	PA	19107
$ 500.00	Keystone Human Services	12/1/2025	9260	Aqua	PA		Health and Human Service (H/HS)			4391 Sturbridge Drive	Harrisburg,	Harrisburg	PA		17110
$ 1,000.00	Domestic Violence Center of Chester County	12/1/2025	9259	Aqua	PA	Chester Co	Health and	Match		P.O. Box 832	West Chest	West Chest	PA		19381
$ 25,000.00	Main Line Chamber Foundation	12/1/2025	9258	Aqua	PA	Delaware C	Education (ED)			175 Strafford Avenue	Wayne, PA	Wayne	PA		19087
$ 50,000.00	Riverbend Environmental Educational Center	12/1/2025	9257	Aqua	PA	Montgomer	Environmer	Education (ED)		1950 Spring Mill Road	Gladwyne,	Gladwyne	PA		19035
$ 50,000.00	Friends of Education	12/1/2025	wire transfe	Aqua	PA		Education (ED)								
$ 75,000.00	Berks Nature	12/1/2025	9256	Aqua	PA	Berks Coun	Environment			575 St. Bernardine Stre	Reading, PA	Reading	PA		19607
$ 175,000.00	United Way of Greater Philadelphia & Southern NJ	12/1/2025	9261	Aqua	PA		Community	Match		P.O. Box 787897	Philadelphi	Philadelphi	PA		19178
$ 232,500.00	BLOCS (Business Leadership Organized for Catholic Schools)	12/1/2025	wire transfe	Aqua	PA		Education (ED)								
$ 500,000.00	Franklin Institute, The	12/1/2025	9255	Aqua	PA	Philadelphi	Education (	Environment		222 North 20th Street	Philadelphi	Philadelphi	PA		19108-1194
$ 500,000.00	Foundation for Catholic Education	12/1/2025	wire transfe	Aqua	PA		Education (ED)								
$ 78.00	Our Lady of Peace, CYO	12/19/2025	9.19E+09	Aqua	PA		Arts and Culture (A/C)								
$ 156.00	CHOP	12/19/2025	9.19E+09	Aqua	PA		Health and Human Service (H/HS)								
$ 665.18	Grays Ferry Community Council	12/19/2025	9.19E+09	Aqua	PA		Community, Economic Growth/Development (C, EG/D)								
$ 1,654.51	Wayne County Community Foundation	12/19/2025	9.19E+09	Aqua	PA		Community, Economic Growth/Development (C, EG/D)								
$ 1,664.06	CADES	12/19/2025	9.19E+09	Aqua	PA		Health and Human Service (H/HS)								
$ 50.00	Saint Charles Borromeo Seminary CL #5315	12/22/2025	9315	Aqua	PA	Montgomer	Arts and Cu	Match		P.O. Box	95000	Philadelphi	Philadelphi	PA	19195
$ 50.00	Humane World for Animals Inc.	12/22/2025	9311	Aqua	PA		Community	Match	Community	1255 23rd S	Suite 450	Washingtor	Washingtor	DC	20037
$ 50.00	National Arbor Day Foundation	12/22/2025	9313	Aqua	PA		Environmer	Match	Environmer	211 N. 12th Street		Lincoln, NE	Lincoln	NE	68508
$ 50.00	Chester County Library Trust	12/22/2025	9314	Aqua	PA		Community	Match	Community	450 Exton Square Parkw		Exton, PA 1	Exton	PA	19341
$ 50.00	Lionville Fire Company	12/22/2025	9312	Aqua	PA		Community	Match	Community	15 S. Village Ave		Lionville, PA	Lionville	PA	19353
$ 50.00	Brandywine Valley SPCA	12/22/2025	9316	Aqua	PA		Community	Match	Community	1212 Phoenixville Pike		West Chest	West Chest	PA	19340
$ 50.00	Main Line Animal Rescue	12/22/2025	9317	Aqua	PA		Community	Match	Community	P.O. Box 89		Chester Sp	Chester Sp	PA	19425
$ 52.00	Jewish Federation of Greater Phila.	12/22/2025	9.19E+09	Aqua	PA		Arts and Culture (A/C)								
$ 75.00	Best Friends Animal Society	12/22/2025	9310	Aqua	PA		Community	Match	Community	5001 Angel Canyon Roa		Kanab, UT 8	Kanab	UT	84741
$ 118.24	Meeting Essential Needs With Dignity Inc.	12/22/2025	9309	Aqua	PA		Health and	Match	Health and	PO Box 1304		Maplewood	Maplewood	NJ	07040
$ 200.00	Kennett Fire Company	12/22/2025	9307	Aqua	PA		Community	Match	Community	301 Dalmation Street		Kennett Sq	Kennett Sq	PA	19348
$ 200.00	Leukemia & Lymphoma Society	12/22/2025	9308	Aqua	PA		Health and	Match	Health and	Northeast T	PO Box 224	New York, N	New York	NY	10087
$ 300.00	American Cancer Society	12/22/2025	9306	Aqua	PA		Health and	Match	Health and	PO Box 6704		Hagerstow	Hagerstow	MD	21741
$ 500.00	Malvern Prep	12/22/2025	9303	Aqua	PA	Chester Co	Education (	Match		418 South Warren Ave		Malvern, PA	Malvern	PA	19355
$ 500.00	Partnership for the Delaware Estuary, Inc.	12/22/2025	9305	Aqua	PA		Environmer	Match		110 South Poplar St, Su		Wilmington	Wilmington	DE	19801
$ 1,000.00	Beaver Falls Christmas Committee, The	12/22/2025	9301	Aqua	PA	Beaver Cou	Community, Economic Growth/Dev			715 15th Street		Beaver Fall	Beaver Fall	PA	15010
$ 1,000.00	St. Christopher's Hospital for Children	12/22/2025	9302	Aqua	PA	Philadelphi	Health and	Match		160 East Erie Avenue		Philadelphi	Philadelphi	PA	19134-1095
$ 1,500.00	Mighty Writers	12/22/2025	9300	Aqua	PA	Chester Co	Education (	Food Insecurity		12 E. Church Lane		Philadelphi	Philadelphi	PA	19144
$ 1,778.28	Neumann University	12/22/2025	9.19E+09	Aqua	PA		Education (ED)								

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$ 10,000.00	UNCF	12/22/2025	9299	Aqua	PA	Philadelphi	Education (ED)			The Cast Irc	718 Arch St	Philadelphi	Philadelphi	PA	19106
$ 20,000.00	Riddle HealthCare Foundation	12/22/2025	9298	Aqua	PA	Delaware C	Health and Human Service (H/HS)			1068 West	Baltimore Pi	Media, PA 1	Media	PA	19063
$ 21,500.00	Walnut Street Theatre	12/22/2025	9297	Aqua	PA	Philadelphi	Arts and Culture (A/C)			825 Walnut	Street	Philadelphi	Philadelphi	PA	19107
$ 25,000.00	Franklin Institute, The	12/22/2025	9296	Aqua	PA	Philadelphi	Education (ED)			222 North	20th Street	Philadelphi	Philadelphi	PA	19108-1194
$ 50,000.00	Philadelphia Soccer 2026	12/22/2025	9295	Aqua	PA	Philadelphi	Community, Economic Growth/Dev			1601 Marke	Suite 200	Philadelphi	Philadelphi	PA	19103
$ 50,000.00	Cheyney Foundation	12/22/2025	9294	Aqua	PA	Chester Co	Education (ED)			Cheyney Ur	P.O. Box 17	Cheyney, P.	Cheyney	PA	19319
$ 50.00	Wilmerding Community Center Inc.	1/21/2025	8806	Peoples	PA	Allegheny C	Community	Match		1 Memorial	Field	Wilmerding	Wilmerding	PA	15148
$ 100.00	Pittsburgh Metropolitan Area Hispanic Chamber of Commerce Foundation	1/21/2025	8805	Peoples	PA	Allegheny C	Community	Match	Diversity an	1555 Broad	Second Flo	Pittsburgh,	Pittsburgh	PA	15219
$ 500.00	Achieva	1/21/2025	8804	Peoples	PA	Allegheny C	Education (	Match		711 Bingham	Street	Pittsburgh,	Pittsburgh	PA	15203
$ 1,000.00	Giplin-Leechburg Joint Recreation Authority	1/21/2025	8803	Peoples	PA	Armstrong (	Health and Human Service (H/HS)			PO Box 211		Leechburg,	Leechburg	PA	15656
$ 3,000.00	Salvation Army Western Pennsylvania Division, The	1/21/2025	8802	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			700 N. Bell	Avenue	Carnegie, P	Carnegie	PA	15106
$ 8,000.00	Special Olympics Allegheny County	1/21/2025	8801	Peoples	PA	Allegheny C	Diversity and Inclusion (D/I)			300 Cedar I	Suite 320	Pittsburgh,	Pittsburgh	PA	15205
$ 8,700.00	Pittsburgh Penguins Foundation, The	1/21/2025	8800	Peoples	PA	Allegheny C	Education (	Community, Economic		One Chatha	Suite 300	Pittsburgh,	Pittsburgh	PA	15219
$ 40,000.00	Leadership Pittsburgh	1/21/2025	8799	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			225 Fifth	Avenue	Pittsburgh,	Pittsburgh	PA	15222
$ 70,000.00	Pittsburgh Parks Conservancy	1/21/2025	8798	Peoples	PA	Allegheny C	Environment			317 East Ca	West Towe	Pittsburgh,	Pittsburgh	PA	15219
$ 150,000.00	Allegheny Conference on Community Development	1/21/2025	8797	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			11 Stanwix	17th Floor	Pittsburgh,	Pittsburgh	PA	15222
$ 25.00	World Central Kitchen	2/19/2025	8852	Peoples	PA		Food Insecu	Match		200 Massac	7th Floor	Washingtor	Washingtor	DC	20001
$ 250.00	Norwin Lacrosse Boosters	2/19/2025	8854	Peoples	PA	Westmorel	Education (	Match		PO Box 173		Irwin, PA 15	Irwin	PA	15642
$ 1,000.00	FontanaFest Charity	2/19/2025	8851	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			1309 Creedmoor	Avenu	Pittsburgh,	Pittsburgh	PA	15226
$ 1,000.00	Emily Brittain PTO	2/19/2025	8850	Peoples	PA	Butler Cour	Education (ED)			338 North	Washington	Butler, PA 1	Butler	PA	16001
$ 5,000.00	Central PA Food Bank	2/19/2025	8848	Peoples	PA	Dauphin Cc	Food Insecurity			3908 Corey	Road	Harrisburg,	Harrisburg	PA	17109
$ 5,000.00	Punxsutawney Memorial Library Inc.	2/19/2025	8849	Peoples	PA	Jefferson C	Education (ED)			301 East	Mahoning St.	Punxsutawı	Punxsutawı	PA	15767
$ 85,000.00	Pittsburgh Zoo & Aquarium	2/19/2025	8847	Peoples	PA	Allegheny C	Environmer	Education (ED)		One Wild	Place	Pittsburgh,	Pittsburgh	PA	15206
$ 1,000.00	Making Strides Foundation	3/10/2025	8871	Peoples	PA	Westmorel	Health and Human Service (H/HS)			1153 Claridge-Elliot	Roa	Jeannette, I	Jeannette	PA	15644
$ 1,000.00	YWCA Greater Pittsburgh	3/10/2025	8872	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			305 Wood	St	Pittsburgh,	Pittsburgh	PA	15222
$ 2,500.00	Shaler Villa Volunteer Fire Company	3/10/2025	8867	Peoples	PA	Allegheny C	Emergency Services (EMS)			960 Saxonburg	Blvd	Pittsburgh,	Pittsburgh	PA	15223
$ 2,500.00	Hampton Twp VFD 1	3/10/2025	8864	Peoples	PA	Allegheny C	Emergency Services (EMS)			2536 Duncan	Avenue	Allison Park	Allison Park	PA	15101
$ 2,500.00	Slippery Rock Volunteer Fire Co.	3/10/2025	8868	Peoples	PA	Butler Cour	Emergency Services (EMS)			162 Elm	Street	Slippery Ro	Slippery Ro	PA	16057
$ 2,500.00	Chicora Independent Hose Company	3/10/2025	8861	Peoples	PA	Butler Cour	Emergency Services (EMS)			202 W. Slippery Rock	St	Chicora, PA	Chicora	PA	16025
$ 2,500.00	Oakmont Volunteer Fire Department	3/10/2025	8866	Peoples	PA	Allegheny C	Emergency Services (EMS)			418 Virginia	Avenue	Oakmont, F	Oakmont	PA	15139
$ 2,500.00	Franklin Park Volunteer Fire Company No. 1	3/10/2025	8863	Peoples	PA	Allegheny C	Emergency Services (EMS)			2360 Rochester	Road	Sewickley,	Sewickley	PA	15143
$ 2,500.00	Vandergrift Fire Department No 2	3/10/2025	8869	Peoples	PA	Westmorel	Emergency Services (EMS)			229 Emerson	Street	Vandergrift,	Vandergrift	PA	15690
$ 2,500.00	Crafton Volunteer Fire Department	3/10/2025	8862	Peoples	PA	Allegheny C	Emergency Services (EMS)			8 Stotz	Avenue	Pittsburgh,	Pittsburgh	PA	15205
$ 2,500.00	Lakemont Volunteer Fire Company	3/10/2025	8865	Peoples	PA	Blair Count	Emergency Services (EMS)			312 Lotz	Avenue	Altoona, PA	Altoona	PA	16602
$ 2,500.00	Zombek Foundation, Inc.	3/10/2025	8870	Peoples	PA	Allegheny C	Education (ED)			214 Williamsburg	Drive	Elizabeth, F	Elizabeth	PA	15037
$ 3,500.00	Leechburg Area Museum and Historical Society	3/10/2025	8859	Peoples	PA	Armstrong (	Community	Arts and Culture (A/C)		139 Market	Street	Leechburg,	Leechburg	PA	15656
$ 6,500.00	La Promesa The Promise Foundation Inc.	3/10/2025	8858	Peoples	PA	Allegheny C	Education (	Diversity and Inclusion		7746 Dominick	Dr	Irwin, PA 15	Irwin	PA	15642
$ 10,000.00	Pittsburgh Botanic Garden	3/10/2025	8857	Peoples	PA	Allegheny C	Environment			799 Pinkerton Run	Roac	Oakdale, PA	Oakdale	PA	15071
$ 15,000.00	Beaver County Foundation	3/10/2025	8856	Peoples	PA	Beaver Cou	Community, Economic Growth/Dev			525 Third St	2nd Floor	Beaver, PA	Beaver	PA	15009
$ 20,000.00	Children's Hospital of Pittsburgh Foundation, The	3/10/2025	8855	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			4401 Penn	Avenue	Pittsburgh,	Pittsburgh	PA	15224
$ 50.00	Humane Animal Rescue of Pittsburgh (HARP)	3/18/2025	8918	Peoples	PA	Allegheny C	Misc.	Match		1101 Western	Ave	Pittsburgh,	Pittsburgh	PA	15233
$ 52.00	American Heart Association - Pgh	3/18/2025	8917	Peoples	PA	Allegheny C	Health and	Match		Four Gatew	444 Liberty	Pittsburgh,	Pittsburgh	PA	15222
$ 500.00	Mt. Vernon Youth Development	3/18/2025	8915	Peoples	PA	Allegheny C	Health and	Match		210 Williamsburg	Drive	Elizabeth, F	Elizabeth	PA	15037
$ 2,500.00	Phase 4 Learning Center, Inc.	3/18/2025	8914	Peoples	PA	Allegheny C	Education (ED)			5850 Centre	Ave	Pittsburgh,	Pittsburgh	PA	15206
$ 5,000.00	Propel Schools Foundation	3/18/2025	8913	Peoples	PA	Allegheny C	Education (ED)			3447 East Carson	Stree	Pittsburgh,	Pittsburgh	PA	15203
$ 7,500.00	Allegheny County Parks Foundation	3/18/2025	8911	Peoples	PA	Allegheny C	Environment			675 Old Frankstown	Ro	Pittsburgh,	Pittsburgh	PA	15239
$ 7,500.00	National Kidney Foundation	3/18/2025	8912	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			2403 Sidne	Suite 230	Pittsburgh,	Pittsburgh	PA	15203
$ 10,000.00	Rachel Carson Trail Conservancy, Inc, The	3/18/2025	8910	Peoples	PA	Allegheny C	Environment			PO Box 472		Wexford, PA	Wexford	PA	15090
$ 10,000.00	JDRF	3/18/2025	8909	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			501 Martin	Suite 670	Pittsburgh,	Pittsburgh	PA	15212
$ 15,000.00	Catholic Charities of the Diocese of Pittsburgh	3/18/2025	8908	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			212 Ninth	Street	Pittsburgh,	Pittsburgh	PA	15222
$ 25,000.00	Magee-Womens Research Institute & Foundation	3/18/2025	8907	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			3240 Craft	Suite 100	Pittsburgh,	Pittsburgh	PA	15213
$ 42,000.00	National Aviary	3/18/2025	8906	Peoples	PA	Allegheny C	Environment			700 Arch	Street	Pittsburgh,	Pittsburgh	PA	15212
$ 50,000.00	Tree Pittsburgh	3/18/2025	8905	Peoples	PA	Allegheny C	Environment			32 62nd	Street	Pittsburgh,	Pittsburgh	PA	15201
$ 50,000.00	Riverlife	3/18/2025	8904	Peoples	PA	Allegheny C	Environmer	Community, Economic		One North S	12 Federal S	Pittsburgh,	Pittsburgh	PA	15212
$ 2,500.00	Middlesex Twp Volunteer Fire Co.	3/20/2025	8919	Peoples	PA	Butler Cour	Emergency	Services (EMS)		PO Box 132		Valencia, P.	Valencia	PA	16059
$ 2,500.00	Family Life Center	4/14/2025	8948	Peoples	PA	Beaver Cou	Community, Economic Growth/Dev			PO Box 96	Woodrow a	Aliquippa, F	Aliquippa	PA	15001
$ 2,500.00	Pittsburgh Hires Veterans	4/14/2025	8947	Peoples	PA	Allegheny C	Health and	Community, Economic		1333 Banksville	Rd	Pittsburgh,	Pittsburgh	PA	15216
$ 10,000.00	Rush to Crush Cancer Pittsburgh	4/14/2025	8946	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			810 River A	Suite 120	Pittsburgh,	Pittsburgh	PA	15212

Amount	Organization	Date	Check Num	Company	State	County	Category 1	Category 2	Category 3	Org. Addres	Org. Addres	Org. Addres	PAC Org. C	PAC Org. St	PAC Org. Zip
$ 15,000.00	Roberto Clemente Foundation	4/14/2025	8944	Peoples	PA	Allegheny C	Education (ED)			PO BOX 4571		SAN JUAN,	SAN JUAN	PR	936
$ 15,000.00	Ronald McDonald House Charities of Pittsburgh	4/14/2025	8945	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			The Plaza B	451 44th St	Pittsburgh,	Pittsburgh	PA	15201
$ 20,000.00	Pittsburgh Vintage Grand Prix Association	4/14/2025	8943	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			1000 Gamr	Suite 106	Pittsburgh,	Pittsburgh	PA	15238
$ 37,500.00	PA Chamber Educational Foundation	4/14/2025	8941	Peoples	PA		Community, Economic Growth/Dev			417 Walnut Street		Harrisburg,	Harrisburg	PA	17101
$ 65,500.00	Salvation Army Western Pennsylvania Division, The	4/14/2025	8942	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			700 N. Bell Avenue		Carnegie, P	Carnegie	PA	15106
$ 25.00	McCandless-Franklin Park Ambulance Authority	5/5/2025	8996	Peoples	PA	Allegheny C	Health and	Match		9925 Grubbs Road		Wexford, PA	Wexford	PA	15090
$ 500.00	Salvation Army Western Pennsylvania Division, The	5/5/2025	8995	Peoples	PA	Allegheny C	Health and	Match		700 N. Bell Avenue		Carnegie, P	Carnegie	PA	15106
$ 1,000.00	Bible2School	5/5/2025	8983	Peoples	PA	Cambria Co	Arts and Culture (A/C)			PO Box 74		Salix, PA 15	Salix	PA	15952
$ 1,000.00	Friends of Saxonburg Police	5/5/2025	8984	Peoples	PA	Butler Cour	Community, Economic Growth/Dev			PO Box 143		Saxonburg,	Saxonburg	PA	16056
$ 1,000.00	Helping all Victims in Need	5/5/2025	8985	Peoples	PA	Armstrong (	Health and Human Service (H/HS)			PO Box 983		Kittanning,	Kittanning	PA	16201
$ 1,000.00	Lawrenceville United	5/5/2025	8986	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			118 52nd Street #2026		Pittsburgh,	Pittsburgh	PA	15201
$ 1,000.00	Mars Home for Youth	5/5/2025	8987	Peoples	PA	Butler Cour	Health and Human Service (H/HS)			521 Route 228		Mars, PA 16	Mars	PA	16046
$ 1,000.00	Pittsburgh Project, The	5/5/2025	8988	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			2801 North Charles Stre		Pittsburgh,	Pittsburgh	PA	15214
$ 1,000.00	Reagan's Journey	5/5/2025	8989	Peoples	PA	Armstrong (	Health and Human Service (H/HS)			405 Freeport Road		Freeport, PA	Freeport	PA	16229
$ 1,000.00	Scared Souls Sanctuary	5/5/2025	8990	Peoples	PA	Clarion Cou	Arts and Culture (A/C)			304 Monterey Rd		Rimersburg	Rimersburg	PA	16248
$ 1,000.00	Seneca Valley Foundation	5/5/2025	8991	Peoples	PA	Butler Cour	Education (ED)			24 Seneca Valley Road		Harmony, P	Harmony	PA	16037
$ 1,000.00	Society of St. Vincent De Paul	5/5/2025	8992	Peoples	PA	Indiana Cou	Health and Human Service (H/HS)			410 North 4th Street		Indiana, PA	Indiana	PA	15701
$ 1,000.00	West Shamokin Youth Softball	5/5/2025	8993	Peoples	PA	Armstrong (	Arts and Culture (A/C)			247 Seconc	PO Box 102	Yatesboro,	Yatesboro	PA	16263
$ 2,000.00	Commonwealth Building Officials	5/5/2025	8982	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			1929 Route 519 S		Canonsbur	Canonsbur	PA	15317
$ 3,000.00	Mentoring Partnership of SWPA, The	5/5/2025	8981	Peoples	PA	Allegheny C	Education (ED)			4165 Blair S	Suite 223	Pittsburgh,	Pittsburgh	PA	15207
$ 10,000.00	Afro-American Music Institute	5/5/2025	8979	Peoples	PA	Allegheny C	Arts and Cu	Diversity and Inclusion		7131 Hamilton Avenue		Pittsburgh,	Pittsburgh	PA	15208
$ 10,000.00	Humane Animal Rescue of Pittsburgh (HARP)	5/5/2025	8978	Peoples	PA	Allegheny C	Misc.			1101 Western Ave		Pittsburgh,	Pittsburgh	PA	15233
$ 46,000.00	Dollar Energy Fund	5/5/2025	8977	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			15 Terminal Way		Pittsburgh,	Pittsburgh	PA	15219
$ 107.00	NASH/Tiger Thon	5/20/2025	9004	Peoples	PA	Allegheny C	Health and	Match		10375 Perry Hwy		Wexford, PA	Wexford	PA	15090
$ 1,000.00	Central Pennsylvania Community Foundation	5/20/2025	9002	Peoples	PA	Blair Count	Health and Human Service (H/HS)			1330 11th Avenue		Altoona, PA	Altoona	PA	16601
$ 5,000.00	VisAbility	5/20/2025	9000	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			1816 Locust Street		Pittsburgh,	Pittsburgh	PA	15219
$ 7,500.00	Pittsburgh Urban Magnet Project (PUMP)	5/20/2025	8999	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			336 4th Ave	PO Box 230	Pittsburgh,	Pittsburgh	PA	15222
$ 25,000.00	Big Brothers Big Sisters of Greater Pittsburgh	5/20/2025	8998	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			5989 Centre Avenue #1		Pittsburgh,	Pittsburgh	PA	15206
$ 35,000.00	Boys & Girls Clubs of Western PA	5/20/2025	8997	Peoples	PA	Allegheny C	Health and	Education (ED)		317 East Carson Street		Pittsburgh,	Pittsburgh	PA	15219
$ 30.00	Beaver County Humane Society	6/10/2025	9046	Peoples	PA	Beaver Cou	Misc.	Match		3394 Brodhead Rd		Aliquippa, F	Aliquippa	PA	15001
$ 500.00	Laurel Highlands Council - Boy Scouts of America	6/10/2025	9045	Peoples	PA	Fayette Cou	Health and	Match		1275 Bedford Avenue		Pittsburgh,	Pittsburgh	PA	15219
$ 1,000.00	Camp Cadet of Cambria County	6/10/2025	9042	Peoples	PA	Cambria Co	Community, Economic Growth/Dev			100 Casale Court		Ebensburg,	Ebensburg	PA	15931
$ 1,000.00	Humane Action Pittsburgh	6/10/2025	9036	Peoples	PA	Allegheny C	Environment			1307 Towne Court		Allison Park	Allison Park	PA	15101
$ 1,000.00	Mary, Mother of God Parish	6/10/2025	9043	Peoples	PA		Arts and Culture (A/C)			1640 Fawcett Avenue		White Oak,	White Oak	PA	15131
$ 1,000.00	Zachary's Mission	6/10/2025	9044	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			PO Box 841		Greensburg	Greensburg	PA	15601
$ 1,500.00	Hair Peace Charities	6/10/2025	9041	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			102 Cleveland Avenue		Pittsburgh,	Pittsburgh	PA	15202
$ 2,500.00	Education Partnership, The	6/10/2025	9040	Peoples	PA	Allegheny C	Education (ED)			281 Corliss Street		Pittsburgh,	Pittsburgh	PA	15220
$ 5,000.00	Capitol All-Stars, A project of TFEC	6/10/2025	9038	Peoples	PA	Dauphin Co	Food Insecurity			200 North 3	8th Fl	Harrisburg,	Harrisburg	PA	17101
$ 5,000.00	Mission of Mercy Pittsburgh	6/10/2025	9039	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			The Times E	336 Fourth	Pittsburgh,	Pittsburgh	PA	15222
$ 8,000.00	Westmoreland Agricultural Fair Association	6/10/2025	9037	Peoples	PA	Westmorel	Arts and Culture (A/C)			PO Box 501		Pleasant Ur	Pleasant Ur	PA	15676
$ 20,000.00	Laurel Highlands Council - Boy Scouts of America	6/10/2025	9035	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			1275 Bedford Avenue		Pittsburgh,	Pittsburgh	PA	15219
$ 300.00	Hugh Lane Wellness Foundation	7/14/2025	9079	Peoples	PA	Allegheny C	Health and	Match	Diversity an	925 Brighton Road		Pittsburgh,	Pittsburgh	PA	15233
$ 500.00	Karns City Regional Ambulance Service	7/14/2025	9078	Peoples	PA	Butler Cour	Emergency Services (EMS)			110 Jamison Street		Petrolia, PA	Petrolia	PA	16050
$ 1,000.00	Bellevue Forward	7/14/2025	9076	Peoples	PA	Allegheny C	Community	Arts and Culture (A/C)		100 S. Jacks	Second Flo	Bellevue, P	Bellevue	PA	15202
$ 1,000.00	IATW Foundation	7/14/2025	9077	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			12590 Perry	Suite 700	Wexford, PA	Wexford	PA	15090
$ 1,500.00	Laurel Highlands Council - Boy Scouts of America	7/14/2025	9075	Peoples	PA	Westmorel	Health and Human Service (H/HS)			1275 Bedford Avenue		Pittsburgh,	Pittsburgh	PA	15219
$ 3,500.00	Northside Leadership Conference	7/14/2025	9074	Peoples	PA	Allegheny C	Arts and Culture (A/C)			120 Parkhurst St.		Pittsburgh,	Pittsburgh	PA	15212
$ 15,000.00	Neighborhood Community Development Fund	7/14/2025	9072	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			3923 Perrysville Avenue		Pittsburgh,	Pittsburgh	PA	15214
$ 15,000.00	Chuck Noll Foundation	7/14/2025	9073	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			3400 South Water Stree		Pittsburgh,	Pittsburgh	PA	15203
$ 1,250.00	Alice Paul House	7/21/2025	9108	Peoples	PA	Indiana Cou	Health and Human Service (H/HS)			PO Box 417		Indiana, PA	Indiana	PA	15701
$ 5,000.00	Rise Against Hunger	7/21/2025	9101	Peoples	PA	Allegheny C	Food Insecurity			4801 Glenwood Avenue		Raleigh, NC	Raleigh	NC	27612
$ 5,000.00	Rivers of Steel	7/21/2025	9107	Peoples	PA	Allegheny C	Community	Education (ED)		The Bost Bu	623 East Eig	Homestead	Homestead	PA	15120
$ 7,500.00	Community Liver Alliance	7/21/2025	9106	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			100 West S	Suite 212	Pittsburgh,	Pittsburgh	PA	15219
$ 10,000.00	YWCA Greater Pittsburgh	7/21/2025	9105	Peoples	PA	Allegheny C	Health and	Diversity and Inclusion		305 Wood St		Pittsburgh,	Pittsburgh	PA	15222
$ 20,000.00	Light of Life	7/21/2025	9104	Peoples	PA	Allegheny C	Food Insec	Health and Human Serv		913 Western Ave		Pittsburgh,	Pittsburgh	PA	15233
$ 25,000.00	Leukemia & Lymphoma Society	7/21/2025	9103	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			Northeast T	PO Box 224	New York, N	New York	NY	10087
$ 250,000.00	Pittsburgh Downtown Partnership	7/21/2025	9102	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			925 Liberty Avenue		Pittsburgh,	Pittsburgh	PA	15222
$ 105.00	Little Sisters of the Poor	8/25/2025	9137	Peoples	PA	Allegheny C	Health and	Match		1028 Benton Avenue		Pittsburgh,	Pittsburgh	PA	15212

Amount	Organization	Date	Check Num	Company	State	County	Category 1	Category 2	Category 3	Org. Addres	Org. Addres	Org. Addres	PAC Org. C	PAC Org. St	PAC Org. Zip
$ 500.00	Leukemia & Lymphoma Society	8/25/2025	9136	Peoples	PA		Health and	Match		Northeast T	PO Box 224	New York, N	New York	NY	10087
$ 1,000.00	Allegheny Association of Churches	8/25/2025	9129	Peoples	PA	Allegheny C	Arts and Culture (A/C)			1913 Freeport Road		Natrona He	Natrona He	PA	15065
$ 1,000.00	Unionville VFC	8/25/2025	9132	Peoples	PA	Butler Cour	Emergency Services (EMS)			102 Mahood Rd.		Butler, PA 1	Butler	PA	16001
$ 1,000.00	Hampton Twp VFD 1	8/25/2025	9131	Peoples	PA	Allegheny C	Emergency Services (EMS)			2536 Duncan Avenue		Allison Park	Allison Park	PA	15101
$ 1,000.00	Northern Butler County Feed My Sheep Food Cupboard	8/25/2025	9133	Peoples	PA	Butler Cour	Food Insecurity			324 N. Main Street		Slippery Ro	Slippery Ro	PA	16057
$ 1,000.00	Treasure House Fashions	8/25/2025	9135	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			10545 Perry Highway		Wexford, PA	Wexford	PA	15090
$ 1,000.00	Butler County Humane Society	8/25/2025	9130	Peoples	PA	Butler Cour	Misc.			1015 Evans City Road		Renfrew, PA	Renfrew	PA	16053
$ 1,000.00	Orphans of the Storm	8/25/2025	9134	Peoples	PA	Butler Cour	Health and Human Service (H/HS)			11878 State Route 85		Kittanning,	Kittanning	PA	16201
$ 1,000.00	Pennsylvania Women Work	8/25/2025	9128	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			5607 Baum Suite 333		Pittsburgh,	Pittsburgh	PA	15206
$ 2,500.00	Riverside Center for Innovation	8/25/2025	9127	Peoples	PA	Allegheny C	Community	Diversity and Inclusion		700 River Avenue		Pittsburgh,	Pittsburgh	PA	15212
$ 3,000.00	Mid-Atlantic Mothers' Milk Bank, The	8/25/2025	9126	Peoples	PA	Allegheny C	Food Insecurity			545 Clever Road		McKees Ro	McKees Ro	PA	15136
$ 3,000.00	East Allegheny Community Council	8/25/2025	9125	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			415 E. Ohio Street		Pittsburgh,	Pittsburgh	PA	15212
$ 5,000.00	Clemente Museum, The	8/25/2025	9124	Peoples	PA	Allegheny C	Arts and Cu	Education (ED)		3339 Penn Ave		Pittsburgh,	Pittsburgh	PA	15201
$ 7,500.00	ALS Association Western Pennsylvania Chapter, The	8/25/2025	9123	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			416 Lincoln Avenue		Pittsburgh,	Pittsburgh	PA	15209
$ 12,000.00	Manchester Bidwell Corporation	8/25/2025	9122	Peoples	PA	Allegheny C	Education (	Environment		1815 Metropolitan Stree		Pittsburgh,	Pittsburgh	PA	15233
$ 25,000.00	YMCA of Greater Pittsburgh	8/25/2025	9121	Peoples	PA	Allegheny C	Food Insecu	Health and Human Serv		Foster Plaz	680 Anders	Pittsburgh,	Pittsburgh	PA	15220
$ 500.00	Dayton Livestock 4H Club	9/9/2025	9145	Peoples	PA	Armstrong (	Community	Match		104 Fairground Lane		Dayton, PA	Dayton	PA	16222
$ 1,200.00	Salvation Army Western Pennsylvania Division, The	9/9/2025	9144	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			700 N. Bell Avenue		Carnegie, P	Carnegie	PA	15106
$ 2,500.00	Just Harvest Education Fund	9/9/2025	9143	Peoples	PA	Allegheny C	Food Insecu	Diversity and Inclusion		317 East C	Suite 153	Pittsburgh,	Pittsburgh	PA	15219
$ 5,000.00	Food Assistance Match Inc	9/9/2025	9142	Peoples	PA	Allegheny C	Food Insecurity			474 Teece Avenue		Bellevue, P	Bellevue	PA	15202
$ 5,000.00	Center in Midland, The	9/9/2025	9140	Peoples	PA	Beaver Cou	Food Insecurity			754 Ohio Ave		Midland, PA	Midland	PA	15059
$ 5,000.00	412 Food Rescue	9/9/2025	9141	Peoples	PA	Allegheny C	Food Insecurity			6140 Station Street		Pittsburgh,	Pittsburgh	PA	15206
$ 10,000.00	Bloomfield-Garfield Corporation	9/9/2025	9139	Peoples	PA	Allegheny C	Community	Environment		113 N. Pacific Ave		Pittsburgh,	Pittsburgh	PA	15224
$ 10,000.00	Butler Economic Development Corporation	9/9/2025	9138	Peoples	PA	Butler Cour	Community, Economic Growth/Dev			110 East Di	Suite 201/2	Butler, PA 1	Butler	PA	16001
$ 1,000.00	Roots of Faith	10/2/2025	9157	Peoples	PA	Allegheny C	Food Insecurity			800 Main Street		Sharpsburg	Sharpsburg	PA	15215
$ 1,000.00	Mon Valley Initiative	10/2/2025	9158	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			305 East Eighth Avenue		Homestead	Homestead	PA	15120
$ 2,500.00	Beverly's Birthdays	10/2/2025	9160	Peoples	PA	Allegheny C	Arts and Culture (A/C)			11065 Parker Drive		North Hunti	North Hunti	PA	15642
$ 2,500.00	Folds of Honor Foundation	10/2/2025	9159	Peoples	PA	Allegheny C	Education (	Diversity and Inclusion		5800 N Patriot Drive		Owasso, OI	Owasso	OK	74055
$ 3,500.00	St. Vincent de Paul Food for Families, Inc	10/2/2025	9161	Peoples	PA	Cambria Cc	Food Insecurity			945 Franklin Street		Johnstown,	Johnstown	PA	15905
$ 10,000.00	American Red Cross - Pittsburgh	10/2/2025	9162	Peoples	PA	Allegheny C	Emergency Services (EMS)			2801 Liberty Avenue		Pittsburgh,	Pittsburgh	PA	15222
$ 15,000.00	Humane Action Pittsburgh	10/2/2025	9163	Peoples	PA	Allegheny C	Environment			1307 Towne Court		Allison Park	Allison Park	PA	15101
$ 50.00	ASPCA	10/15/2025	9199	Peoples	PA		Misc.	Match		424 East 92nd Street		New York, N	New York	NY	10128
$ 51.75	Children's Cancer Research Fund	10/15/2025	9198	Peoples	PA		Health and	Match	Health and	1650 W. 82	Suite 400	Bloomingto	Bloomingto	MN	55431
$ 113.00	Beaver County Humane Society	10/15/2025	9197	Peoples	PA		Misc.	Match		3394 Brodhead Rd		Aliquippa, F	Aliquippa	PA	15001
$ 500.00	Villanova University	10/15/2025	9196	Peoples	PA		Education (	Match	Education (	800 Lancaster Ave		Villanova, P	Villanova	PA	19085
$ 1,965.00	New England Classic Charity Bike Tour Inc.	10/15/2025	9195	Peoples	PA		Health and	Match	Health and	16 Bearberry Path		Plymouth, M	Plymouth	MA	02360
$ 2,500.00	First Baptist Church of Corbin	10/15/2025	9190	Peoples	PA		Food Insecurity			401 N. Laurel Avenue		Corbin, KY	Corbin	KY	40701
$ 2,500.00	Glimmer of Hope	10/15/2025	9191	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			PO Box 908		Wexford, PA	Wexford	PA	15090
$ 2,500.00	Neighborhood Community Development Fund	10/15/2025	9194	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			3923 Perrysville Avenue		Pittsburgh,	Pittsburgh	PA	15214
$ 4,000.00	Young Adult Survivors United (YASU)	10/15/2025	9186	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			1000 Brook Ste 105		Wexford, PA	Wexford	PA	15090
$ 5,000.00	Pittsburgh Contingency, The	10/15/2025	9185	Peoples	PA	Allegheny C	Education (	Diversity and Inclusion		1716 Nevada St		Pittsburgh,	Pittsburgh	PA	15218-2328
$ 5,000.00	Andrew Carnegie Free Library	10/15/2025	9184	Peoples	PA	Allegheny C	Arts and Cu	Education (ED)		300 Beechwood Avenue		Carnegie, P	Carnegie	PA	15016
$ 50,000.00	Kamin Science Center	10/15/2025	9183	Peoples	PA	Allegheny C	Education (	Arts and Culture (A/C)		1 Allegheny Avenue		Pittsburgh,	Pittsburgh	PA	15212
$ 52.60	Stand Up to Cancer	11/12/2025	9205	Peoples	PA		Health and	Match	Health and	10880 Wils	Suite 1400	Los Angeles	Los Angeles	CA	90024
$ 500.00	Manchester Bidwell Corporation	11/12/2025	9202	Peoples	PA	Allegheny C	Education (	Match		1815 Metropolitan Stree		Pittsburgh,	Pittsburgh	PA	15233
$ 1,000.00	Hugh Lane Wellness Foundation	11/12/2025	9201	Peoples	PA	Allegheny C	Food Insecurity			925 Brighton Road		Pittsburgh,	Pittsburgh	PA	15233
$ 3,000.00	United Way of Southwestern PA	11/12/2025	9206	Peoples	PA	Allegheny C	Food Insecurity			407A West Jefferson Str		Butler, PA 1	Butler	PA	16001
$ 3,500.00	Soldiers & Sailors Memorial Hall & Museum Trust, Inc.	11/12/2025	9204	Peoples	PA	Allegheny C	Arts and Culture (A/C)			Soldiers & S	4141 Fifth A	Pittsburgh,	Pittsburgh	PA	15213
$ 5,000.00	McCandless Community Association	11/12/2025	9203	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			736 W Ingo	PO Box 376	Pittsburgh,	Pittsburgh	PA	15237
$ 15,000.00	Urban Impact Foundation	11/12/2025	9207	Peoples	PA	Allegheny C	Education (ED)			PO Box 995	Urban Impa	Pittsburgh,	Pittsburgh	PA	15233
$ 50,000.00	Greater Pittsburgh Community Food Bank	11/12/2025	9200	Peoples	PA	Allegheny C	Food Insecurity			1 N. Linden Street		Duquesne,	Duquesne	PA	15110
$ 26.01	ALS Association Western Pennsylvania Chapter, The	12/1/2025	9293	Peoples	PA		Health and Human Service (H/HS)			416 Lincoln Avenue		Pittsburgh,	Pittsburgh	PA	15209
$ 500.00	A + Schools, Pittsburgh's Community Alliance for Public Education	12/1/2025	9291	Peoples	PA	Allegheny C	Food Insecu	Education (ED)		4165 Blair S	Suite 118	Pittsburgh,	Pittsburgh	PA	15207
$ 1,000.00	Jewish Family and Community Services	12/1/2025	9276	Peoples	PA	Allegheny C	Arts and Culture (A/C)			5743 Bartlett Street		Pittsburgh,	Pittsburgh	PA	15217
$ 1,000.00	Knead Community Cafe	12/1/2025	9277	Peoples	PA	Westmorel	Community, Economic Growth/Dev			1011 Barnes Street		New Kensir	New Kensir	PA	15068
$ 1,000.00	Neighborhood Learning Alliance	12/1/2025	9281	Peoples	PA	Allegheny C	Education (ED)			5001 Baum Suite 550		Pittsburgh,	Pittsburgh	PA	15206
$ 1,000.00	Ronald McDonald House Charities of Pittsburgh	12/1/2025	9285	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			The Plaza B	451 44th St	Pittsburgh,	Pittsburgh	PA	15201
$ 1,000.00	Casa San Jose	12/1/2025	9272	Peoples	PA	Allegheny C	Health and	Diversity and Inclusion		2116 Broadway Avenue		Pittsburgh,	Pittsburgh	PA	15216

Amount	Organization	Date	Check Num	Company	State	County	Category 1	Category 2	Category 3	Org. Addres	Org. Addres	Org. Addres	PAC Org. C	PAC Org. St	PAC Org. Zip
$ 1,000.00	Waynesburg VFC	12/1/2025	9289	Peoples	PA	Greene Cou	Emergency Services (EMS)			667 Washington Road	Posperity, F	Posperity	PA		15329
$ 1,000.00	Alle-Kiski Area Hope Center	12/1/2025	9270	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			500 E 8th Ave	Tarentum, F	Tarentum	PA		15084
$ 1,000.00	North Hills Community Outreach	12/1/2025	9282	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			1975 Ferguson Rd	Allison Park	Allison Park	PA		15101
$ 1,000.00	Rankin Christian Center	12/1/2025	9283	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			230 3rd Ave	Rankin, PA	Rankin	PA		15104
$ 1,000.00	Women's Center & Shelter of Greater Pittsburgh	12/1/2025	9290	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			P.O. Box 9024	Pittsburgh,	Pittsburgh	PA		15224
$ 1,000.00	Lighthouse Foundation, The	12/1/2025	9278	Peoples	PA	Butler Cour	Health and Human Service (H/HS)			116 Browns Hill Road	Valencia, P.	Valencia	PA		16059
$ 1,000.00	Mechling-Shakley Veterans Center	12/1/2025	9280	Peoples	PA	Armstrong (	Health and Human Service (H/HS)			1413 State Route 268	Cowansville	Cowansville	PA		16218
$ 1,000.00	Beaver County Humane Society	12/1/2025	9271	Peoples	PA	Beaver Cou	Misc.			3394 Brodhead Rd	Aliquippa, F	Aliquippa	PA		15001
$ 2,000.00	Make-A-Wish (Punxsutawney)	12/1/2025	9267	Peoples	PA	Jefferson C	Health and Human Service (H/HS)			219 W. Mahoning Stree	Punxsutawı	Punxsutawı	PA		15767
$ 4,000.00	Salvation Army Western Pennsylvania Division, The	12/1/2025	9269	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			700 N. Bell Avenue	Carnegie, P	Carnegie	PA		15106
$ 5,000.00	Feeding the Spirit	12/1/2025	9266	Peoples	PA	Westmorel	Food Insecu	Health and Human Serv		611 Southwest Avenue	Greensburg	Greensburg	PA		15601
$ 10,000.00	Westmoreland County Food Bank	12/1/2025	9265	Peoples	PA	Westmorel	Food Insecurity			100 Devonshire Dr.	Delmont, P.	Delmont	PA		15626
$ 35,000.00	Bus Stops Here Foundation, The	12/1/2025	9264	Peoples	PA	Allegheny C	Education (ED)			545 Clever Road	McKees Ro	McKees Ro	PA		15136
$ 50,000.00	GENYOUth	12/1/2025	9263	Peoples	PA	Allegheny C	Food Insecu	Education (ED)		c/o Rich Ro 600 West V	Chicago, IL	Chicago	IL		60607
$ 100,000.00	GPCVB Educational Foundation	12/1/2025	9287	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			Fifth Avenu 120 Fifth Av	Pittsburgh,	Pittsburgh	PA		15222
$ 100,000.00	United Way of Southwestern Pennsylvania	12/1/2025	9262	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			1250 Penn Avenue	Pittsburgh,	Pittsburgh	PA		15222
$ 200,000.00	United Way of Greater Philadelphia & Southern NJ	12/1/2025	9261	Peoples	PA		Community	Match		P.O. Box 787897	Philadelphi	Philadelphi	PA		19178
$ 100.00	American Heart Association	12/22/2025	9333	Peoples	PA		Health and	Match	Health and	7272 Greenville Ave.	Dallas, TX 7	Dallas	TX		75231
$ 111.00	Beaver County Humane Society	12/22/2025	9332	Peoples	PA	Beaver Cou	Community	Match		3394 Brodhead Rd	Aliquippa, F	Aliquippa	PA		15001
$ 200.00	Sanctuary Church	12/22/2025	9331	Peoples	PA	Allegheny C	Arts and Cu	Match		1600 Fifth Avenue	Pittsburgh,	Pittsburgh	PA		15219
$ 206.00	Little Sisters of the Poor	12/22/2025	9330	Peoples	PA	Allegheny C	Health and	Match		1028 Benton Avenue	Pittsburgh,	Pittsburgh	PA		15212
$ 250.00	TRY, A Special Needs Organization	12/22/2025	9329	Peoples	PA		Diversity an	Match	Diversity an	PO Box 40	Wexford, P/	Wexford	PA		15090
$ 500.00	Philly Bully Team	12/22/2025	9328	Peoples	PA		Community	Match		3301 Hayes Road	Norristown,	Norristown	PA		19403
$ 1,000.00	Corner Cupboard Food Bank	12/22/2025	9327	Peoples	PA	Greene Cou	Food Insecurity			881 Rolling Meadows R	Waynesbur	Waynesbur	PA		15370
$ 2,500.00	Variety-The Children's Charity of Pittsburgh	12/22/2025	9326	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			11279 Perry #512	Wexford, P/	Wexford	PA		15090
$ 2,500.00	Robins Home Inc.	12/22/2025	9325	Peoples	PA	Butler Cour	Health and Human Service (H/HS)			302 Broad Street	Butler, PA 1	Butler	PA		16001
$ 4,000.00	Pittsburgh Metropolitan Area Hispanic Chamber of Commerce Foundation	12/22/2025	9323	Peoples	PA	Allegheny C	Education (	Diversity and Inclusion		1555 Broad Second Flo	Pittsburgh,	Pittsburgh	PA		15219
$ 7,500.00	Pittsburgh Downtown Community Development Corporation	12/22/2025	9322	Peoples	PA	Allegheny C	Arts and Cu	Community, Economic		320 Ft. Duq Suite 4a	Pittsburgh,	Pittsburgh	PA		15222
$ 12,500.00	Pittsburgh Penguins Foundation, The	12/22/2025	9321	Peoples	PA	Allegheny C	Education (	Arts and Culture (A/C)		One Chatha Suite 300	Pittsburgh,	Pittsburgh	PA		15219
$ 50,000.00	Keep Pittsburgh Running (P3R)	12/22/2025	9319	Peoples	PA	Allegheny C	Community, Economic Growth/Dev			810 River A Suite 120	Pittsburgh,	Pittsburgh	PA		15212
$ 50,000.00	Rivers of Steel	12/22/2025	9320	Peoples	PA	Allegheny C	Community	Arts and Cu	Education (	The Bost Bu 623 East Ei	Homestead	Homestead	PA		15120
$ 100,000.00	Salvation Army Western Pennsylvania Division, The	12/22/2025	9318	Peoples	PA	Allegheny C	Health and Human Service (H/HS)			700 N. Bell Avenue	Carnegie, P	Carnegie	PA		15106
$ 10,500.00	Pittsburgh Community Broadcasting			Peoples	PA		Education (ED)								

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AW Response to OCA Set 1

OCA-JA-1-62 Efficiencies.

a. Identify, quantify and explain all efficiencies that have been identified to date that are expected to be enabled by the proposed transaction.

b. Identify specifically the period of time over which AWWC will provide those benefits to Pennsylvania regulated utility customers.

c. Identify and explain all commitments that the Joint Applicants are making that there will be efficiencies and cost savings from the optimization of the combined business and that those benefits will accrue, i.e., be provided to, Pennsylvania ratepayers, and over what time period Pennsylvania utility ratepayers would receive those benefits.

Response:

a. The Joint Applicants have only recently started having integration discussions and therefore, the Joint Applicants have not quantified any efficiencies at this point or determined the time period over which they may be achieved. Nevertheless, Joint Applicants have identified the opportunity for efficiencies in the Joint Application and Testimony. These efficiencies include, but are not limited to:
    - Operational efficiencies associated with knowledge sharing and standardization of processes, practices and training
    - Consolidation of highly skilled industry professionals, the costs of which can be spread across a larger customer base
    - Technology based efficiencies that may include efficiencies from being on a full SAP platform
    - Efficiencies from leveraging the size and scale of the combined company to maximize its purchasing power and obtain significant discounts on necessary goods and services including, but not limited to, water treatment chemicals, pipe valves and fittings, meters, engineering services, consulting services, professional services, and employee benefits
    - Financing efficiencies, driven by a stronger combined balance sheet, providing greater liquidity to the combined entity, and more stable cash flows, providing an opportunity for improvement on the cost and availability of necessary financing.

b. See response to subpart a.

c. The Joint Applicants are confident that the Merger will result in efficiencies as described above and otherwise. However, as indicated in subpart a., the Joint Applicants do not yet know the magnitude or impact of those efficiencies.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer
Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

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AW Response to OCA Set 1

OCA-JA-I-63 Dividend policies.

a. What is AWWC's policy for paying dividends on common stock?

b. What is EU's policy for paying dividends on common stock?

c. Based on the dividends paid in 2024 and 2025 by AWWC and by EU, what is the approximate dividend yield on each company's common stock, and what is the approximate percentage of current year earnings per share that were paid out as dividends?

d. How will the dividend policy be impacted by the proposed transaction? Explain fully.

e. What are the expected earnings per share and common stock dividend payments for the first year of combined operations? Explain fully and provide best estimates of each, and show in detail how those estimates were derived.

Response:

a. The American Water Board of Directors authorizes the payment of dividends. The Company's ability to pay dividends on its common stock is subject to having access to sufficient sources of liquidity, net income and cash flows of the Company's subsidiaries, the receipt of dividends and direct and indirect distributions from, and repayments of indebtedness of, the Company's subsidiaries, compliance with Delaware corporate and other laws, compliance with the contractual provisions of debt and other agreements and other factors. The Company's dividend rate on its common stock is determined by the Board of Directors on a quarterly basis and takes into consideration, among other factors, current and possible future developments that may affect the Company's income and cash flows. When dividends on common stock are declared, they are typically paid in March, June, September and December. Historically, dividends have been paid quarterly to holders of record as of a date less than 30 days prior to the distribution date. Since the dividends on the Company's common stock are not cumulative, only declared dividends are paid.

b. Please see Essential response to OCA-JA-I-63.

c. Please see the table below for the AWWC dividend yield and earnings per share for 2024. The 2025 data is not available at this time.

	Cash Dividend Paid	EPS*	Market Value Per Share	Dividend Payout Ratio	Dividend Yield
12/31/2024	$ 3.00	$ 5.18	$ 124.49	58%	2.41%

*Weather-normalized and excluding HOS incremental interest

Please see Essential response to OCA-JA-I-63 for their responsive information.

d. American Water currently pays a quarterly dividend on shares of American Water common stock. American Water last paid a quarterly dividend of $0.8275 per share of American Water common stock on December 2, 2025. The terms of the merger agreement limit American Water's ability to declare or pay dividends prior to the completion of the merger, subject to certain exceptions, including the declaration and payment of quarterly dividends on shares of American Water common stock on a schedule consistent with American Water's past practices in amounts not in excess of the amounts set forth in the confidential disclosure schedule delivered by American Water.

The combined company cannot assure that it will be able to continue paying quarterly dividends at American Water's current rate, or to propose and/or maintain future quarterly dividend increases as planned.

The combined company's shareholders will have no contractual or other legal right to dividends that have not been declared by the combined company's board of directors. American Water and Essential currently expect that the combined company will continue to pay dividends in an amount consistent with American Water's dividend strategy and policy, and that the combined company will continue to propose future increases in its quarterly dividend rate consistent with American Water's announced dividend growth strategy. However, there is no assurance that American Water's shareholders will continue to receive payments of such dividends while the merger is pending, or that American Water's shareholders will continue to receive payments of dividends following completion of the merger.

e. The merger is expected to be accretive to American Water's earnings per share in the first year following the completion of the merger, and the combined company expects to maintain American Water's 7-9% earnings per share and dividend growth targets immediately following the effective time of the merger.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

Supplemental Response:

c. Please see the table below for the AWWC dividend yield and earnings per share for 2024 and 2025.

	Cash Dividend Paid	EPS*	Market Value Per Share	Dividend Payout Ratio	Dividend Yield
12/31/2024	$ 3.00	$ 5.18	$ 124.49	58%	2.41%
12/31/2025	$ 3.25	$ 5.64	$ 130.50	58%	2.49%

*Weather-normalized and excluding HOS incremental interest

Date of Supplemental Response: April 17, 2026

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AW Response to OCA Set 1

OCA-JA-I-67 Current work force and jobs at risk of being transferred or eliminated.

a. Identify all jobs currently at each AWWU, EU and subsidiary leased and owned building and work location in Pennsylvania.

b. Of the jobs identified in response to part a, identify and explain each job that is at risk for being eliminated or transferred out of Pennsylvania within five years of merger consummation. For each job at risk, identify the time frame in which the position may be eliminated or transferred, and the related annual salary and employee benefits.

Response:

a. Please see response to OCA-JA-I-42.

b. As part of the integration planning process, the Joint Applicants will evaluate all positions to determine the appropriate organizational structure for the combined company. The Joint Applicants have only recently started having integration discussions and therefore, have not yet identified positions at risk of being eliminated or transferred.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

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Joint Applicants Response to OCA Set 2

OCA-JA-2-10 Do the Applicants promise any increased assistance to low -income customers of PAWC, Aqua PA, and Peoples Natural Gas if this merger is approved? If so, identify any additional expenditures to increase enrollment in current programs, increase benefit amounts, or expand eligibility.

Response:

Essential is committed to assisting low-income customers in its Aqua PA and Peoples service territories and will continue to review and make adjustments to its program where appropriate. Incremental benefits include sharing best practices with American Water.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

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AW Response to OCA Set 2

OCA-JA-2-13

Identify the physical location, staffing level by "virtual" and in person, and the management chain of command for overseeing the quality of service and compliance with Pennsylvania laws and regulations for each customer service call center relied upon by each applicant to serve its Pennsylvania customers.

Response:

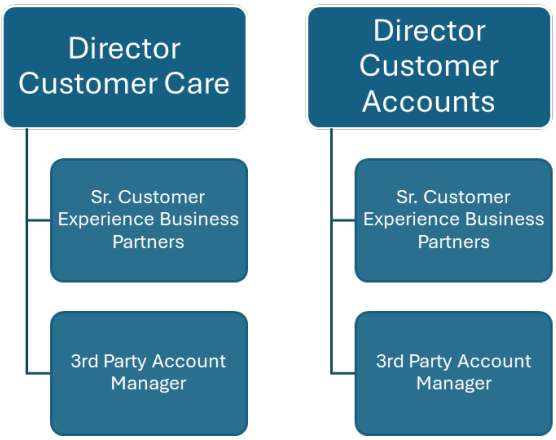
See below for responses on behalf of American Water. See Essential's response to OCA-JA-II-13 for their responsive information.

American Water's Customer Service Organization ("CSO") is operated by American Water Works Service Company and supports the customer service needs of Pennsylvania American Water Company and all other American Water utility subsidiaries. With the onset of the pandemic in 2020, causing a shift to remote work for American Water'sCSO employees and all outside service vendor employees working remotely, "locations of each call center" no longer exist in a traditional sense of a single physical "in-office" location.

The number of agents certified in Pennsylvania consumer protection regulations and requirements and available to handle calls from PAWC customers is provided in the table below:

	Remote	In Office
CSO Full Time	108	0
CSO Part Time	13	0
Agency inbound Full Time	95	0
Agency Collections Full Time	54	0

The management chain of command for American Water is listed below:



Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

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Joint Applicants Response to OCA Set 2

OCA-JA-2-13 Identify the physical location, staffing level by "virtual" and in person, and the management chain of command for overseeing the quality of service and compliance with Pennsylvania laws and regulations for each customer service call center relied upon by each applicant to serve its Pennsylvania customers.

Response:

Cary, North Carolina Contact Center (water only)

33 employees work on site to serve Pennsylvania customers

8 employees work remotely to serve Pennsylvania customers

The management chain of command for the Cary contact center is as follows: 2 supervisors, 1 manager, 1 director of customer operations, 1 senior vice president of administration

Kankakee, Illinois Contact Center (water only)

40 employees work on site to serve Pennsylvania customers

10 employees work remotely to serve Pennsylvania customers

The management chain of command for the Kankakee contact center is as follows: 2 supervisors, 1 manager, 1 director of customer operations, 1 senior vice president of administration

Bryn Mawr, Pennsylvania Customer Service Department (water only)

56 employees work 3 days on site/2 days remote per week to serve Pennsylvania customers

The management chain of command for the Bryn Mawr customer service department is as follows: 4 supervisors, 2 managers, 1 director of customer operations, 1 senior vice president of administration

Pittsburgh Customer Operations (gas only)

160 employees work on site to serve Pennsylvania customers

The management chain of command for the Pittsburgh contact center is as follows: 8 supervisors, 3 managers, 1 director of customer operations, 1 senior vice president of administration

Responsible Witness(es):

Whitney Kellett

Date: 02/02/2026

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AW Response to OCA Set 2

OCA-JA-2-16

Ms. Norton in Statement No. 1 (page 6) states: "This business combination expands diversification across service territories and broadens the customer base—17 states and 4.7 million water and wastewater connections. It also presents opportunities to leverage operational and financial expertise and efficiencies from complementary platforms to drive high-quality, affordable service, and maximize the ability to help solve water and wastewater challenges across the United States." Please respond to the following questions on this statement:

a. Define "high-quality" service in light of the current service quality performance provided by PAWC, Aqua PA, and Peoples Natural Gas.

b. Define "affordable" service in light of the current rates and services provided by PAWC, Aqua PA, and Peoples Natural Gas.

c. Identify any specific improvements or performance level that will be provided by PAWC, Aqua PA, and Peoples Natural Gas if this merger is approved for "high-quality, affordable service."

Response:

a. American Water is committed to delivering high quality drinking water service. To that end, we remain vigilant in meeting the challenges of source water protection, water conservation, environmental compliance, sustainability and community education while continuing to serve the needs of all our customers.

   Providing clean, safe, reliable and affordable water and wastewater service is American Water's primary goal. As discussed in the direct testimony of Ms. Norton (Joint Applicants Statement No. 1), American Water employs a team of top-notch scientists, engineers, and public health professionals to identify new threats to source water quality, act on evolving regulations and new health advisories, and research the influx of advanced treatment technologies.

   To follow through on our commitment to clean, safe, reliable and affordable water and wastewater service, we are continuously looking at a growing list of contaminants that may affect source water. Our Research and Development team is focused on identifying new contaminants and developing a plan to mitigate and treat any potential threats to water quality. We maintain state-of-the-art water quality testing equipment, so that our dedicated

team of water quality experts is better equipped to detect and respond to chemical and biological contaminants. See Joint Applicants Statement No. 1, pages 9-14.

b. The concept of affordability for water and wastewater service is based on the idea that everyone should have access to drinking water and wastewater service that is (1) safe, meaning it complies with the U.S. Safe Drinking Water Act and regulations promulgated by the U.S. Environmental Protection Agency ("EPA"); (2) reliable, so that it is resilient in the face of floods, droughts, and other climate risks; and (3) affordable, meaning that these services should be priced such that families and households can pay for these services without undue economic hardship.

c. The proposed merger expands diversification across service territories and broadens the customer base—17 states and 4.7 million water and wastewater connections. It also presents opportunities to leverage operational and financial expertise and efficiencies from complementary platforms to drive high quality, affordable service and maximize the ability to help solve water and wastewater challenges across the United States. The enhanced scale and operational efficiency of the combined company will support sustained and necessary investment in water, wastewater and natural gas infrastructure in Pennsylvania and across the country. The unification of two highly skilled and experienced teams will also expand the ability to attract top talent and to retain employees by offering broader career advancement prospects across the organization. The Merger will create benefits for Aqua PA and Peoples, their customers and the communities that they serve. First, the Merger will create a larger platform to continue and enhance industry-leading water and wastewater service and water quality best practices, support needed infrastructure investment, and drive innovation, sustainability, and a better overall customer experience. See also responses to OCA-JA-1-24, OCA-JA-1-62, OCA-JA-2-1, OCA-JA-2-5 and OCA-JA-2-6.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

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Joint Applicants Response to OCA Set 2

OCA-JA-2-18 With regard to Ms. Arnold's testimony in Statement No. 3 (page 8) concerning no changes to Aqua PA's billing and customer information system, what commitments do the Applicants provide to ensure that any changes in the future will benefit customers or ensure that no deterioration of service will occur?

Response:

Aqua PA is committed to complying with PUC regulations regarding billing practices and will continue to improve billing practices to help customers navigate and pay their bills.

Responsible Witness(es):

Colleen Arnold

Date: 02/02/2026

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Joint Applicants Response to OCA Set 2

OCA-JA-2-21 Does Mr. Huwar promise any commitments that would ensure that current levels of customer service and service quality, as well as programs designed to address affordability, will improve or reflect "best practices"? If so, identify specifically what performance levels or other indicia of improvement will occur if this merger is approved.

Response:

At this time, incremental customer service and/or service quality commitments have not yet been identified. At a minimum, Peoples will continue to meet its current levels of performance metrics if this merger is approved.

Responsible Witness(es):

Michael Huwar

Date: 02/02/2026

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AW Response to OCA Set 5

OCA-JA-5-01

In your response to OCA-JA-2-16 [AW], the phrases "best practices" and "better overall customer experience" are used to identify the potential benefits if the merger is approved. Please define these terms and give examples of the evidence that will be used or could be used to track this commitment.

Response:

As set forth in Exhibit C to the Application, American Water has identified many commitments, including its commitment to "providing clean, safe, reliable and affordable utility services to customers." The use of best practices and working towards achieving a better overall customer experience are means by which it continues to work towards maintaining that commitment.

"Best practices" refers to the methods, processes, or techniques recognized as the most effective and efficient way to achieve a desired outcome. They are based on experience, research, and demonstrated success. This may include, but is not limited to, operational, customer service, and technology related processes that are effective in improving reliability, efficiency, safety, or customer experience.

"Better overall customer experience" refers to improvements in how customers interact with the utility across billing, service requests, communication, reliability, and issue resolution. The term reflects the expectation that aligning processes, technologies, and organizational structures across the combined entity will provide more consistent and higher quality service.

The Joint Applicants have only recently started having integration discussions and, therefore, the Joint Applicants have not determined if or how these commitments can be tracked. Nonetheless, these commitments could be evidenced through but not limited to the following: various call center and operational metrics, outage management performance, customer satisfaction surveys, and adherence to standardized processes.

Please also see the Joint Applicants' responses to OCA-JA-1-24, OCA-JA-2-1, OCA-JA-1-62.

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AW Response to OCA Set 6

OCA-JA-6-03

Efficiencies. Refer to the response to OCA-JA-1-62. Do the Joint Applicants have any estimates of ranges of potential cost savings from any of the bullet point items listed in the response to OCA-JA-1-62(a)?

a. If not, explain fully why not.
b. If so, please provide the range of potential cost savings for each bullet point item that the Joint Applicants have identified.
c. What AWWC subsidiaries are currently using the SAP platform?
d. What EU subsidiaries are currently using the SAP platform?
e. What AWWC and EU subsidiaries are currently NOT using the SAP platform?
f. What is the estimated cost of converting and transferring each entity listed in response to part e onto the SAP platform?

Response:

a. The Joint Applicants have not yet quantified potential savings as a result of the Merger. See also American Water's response to OCA-JA-6-01.
b. Please see response for part a.
c. All AWWC regulated subsidiaries are currently using the SAP platform.
d. Please see Essential's response to OCA-JA-06-03 for their responsive information.
e. Please see response to part c. Please see Essential's response to OCA-JA-06-03 for their responsive information.
f. Please see response to part c. Please see Essential's response to OCA-JA-06-03 for their responsive information.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: April 20, 2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
THE JOINT APPLICANTS - SET 6
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set 6

OCA-JA-6-3 Efficiencies. Refer to the response to OCA-JA-1-62. Do the Joint Applicants have any estimates of ranges of potential cost savings from any of the bullet point items listed in the response to OCA-JA-1-62(a)?

a. If not, explain fully why not.

b. If so, please provide the range of potential cost savings for each bullet point item that the Joint Applicants have identified.

c. What AWWC subsidiaries are currently using the SAP platform?

d. What EU subsidiaries are currently using the SAP platform?

e. What AWWC and EU subsidiaries are currently NOT using the SAP platform?

f. What is the estimated cost of converting and transferring each entity listed in response to part e onto the SAP platform?

Response:

a. Please see American Water's response to this request.

b. Please see American Water's response to this request.

c. Please see American Water's response to this request.

d. The service companies and operating subsidiaries use SAP. The primary operating subsidiaries include Aqua Pennsylvania, Inc.; Aqua Pennsylvania Wastewater, Inc.; Peoples Natural Gas Company LLC; Delta Natural Gas Company, Inc.; Aqua Illinois, Inc.; Aqua Indiana, Inc.; Aqua New Jersey, Inc.; Aqua Ohio, Inc.; Aqua Texas, Inc.; Aqua Virginia, Inc.

e. All Essential operating utility companies are using SAP.

f. Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 04/20/2026

OSBA
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OSBA Set 1

OSBA TO JA-I-5

Please reference page 10, lines 10-15 of Ms. Arnold's testimony, which states:

> "[A]qua PA's billing and customer information system will not change immediately upon closing. Through our integration efforts, we expect to evaluate the future integration of billing systems and anticipate potential benefits moving onto the same SAP-based platform as American Water and that future integration of systems may be evaluated."

Please state whether the Joint Applicants currently anticipate incurring any costs associated with such potential system integration, or any other post-closing system changes. If yes, please describe how merger-related system costs would be identified and tracked separately from routine system upgrades undertaken in the ordinary course of business.

Response:

The Joint Applicants have only recently started having integration discussions and therefore have not yet determined any anticipated costs associated with such potential system integration, or any other post-closing system changes from the proposed Merger.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 9, 2026

CAUSE-PA Statement 1, Cicero

Appendix C

Letter from Governor Josh Shapiro

dated April 29, 2026

GOVERNOR JOSH SHAPIRO

April 29, 2026

Dear Utility Leaders:

As you are no doubt aware, many of your customers across the Commonwealth are experiencing markedly higher utility costs. Rising utility bills have themselves become drivers of inflation. While there are many factors affecting those increases, several core causes are directly within your control and result from your policy and fiscal decisions, including the excessive rate requests several utilities have sought in recent years. Last year alone, 13 Pennsylvania utilities requested $975 million in higher rates after those very same utilities had earned a total of $1.4 billion in profits in 2024.

We have reached a tipping point, and this is a moment to put your customers first and change the behaviors causing rate increases. As I've expressed publicly and privately, I believe the 20th century utility model is broken—we can no longer simply prioritize corporate profitability to drive infrastructure development. Rather, we must be laser focused on delivering on the actual needs of our communities. As I stated clearly in my Budget Address in February, Pennsylvania consumers should not be asked to pay a single dollar more than is needed to support a safe and reliable utility system.

Change is needed, and my Administration stands ready to support each Pennsylvania utility in raising the capital you need to invest in your service territories and workers, both in modernizing with cost-effective new technologies and maximizing the existing infrastructure that you have developed over time. However, as we work together to implement this new approach, you must seek to procure that capital in more affordable ways, conscious of the utility burdens facing many consumers across our Commonwealth.

I write today to lay out three commonsense practices to ensure the needs of Pennsylvanians come first. My Administration will use these three practices as a benchmark to evaluate rate case proposals going forward. Let me be clear: my Administration and I will vocally and forcefully oppose rate case requests from utilities that fail to adhere to these three commonsense practices.

First, utilities should seek to raise the most cost-effective forms of capital. Best practices now require you to protect consumers by disfavoring expensive equity when lower-cost debt is available. Given the low risk profile of monopolistic utilities, which maintain a captive rate base able to repay obligations over time, consumers should not be expected to bolster corporate profits through over reliance on costly equity. This means debt should normally represent a clear majority of a utility's proposed ratemaking capital structure, as it does in many other lower-risk industries. As one measure of this approach, any equity share proposed in a rate case in excess of the amount of equity employed by the utility's parent holding company will require extraordinary justification to receive my Administration's support.

For utilities looking to find low-cost sources of capital, my Administration encourages you to apply to the Department of Energy, which is currently offering loan terms as favorable as the 10-year U.S. Treasury yield plus 35 basis points. By comparison, the average Pennsylvania utility requested a return on equity a staggering 682 basis points above the 10-year U.S. Treasury yield last year. Before raising such expensive equity, you should take advantage of more affordable sources of capital, like these loans, that many of your fellow utilities across the country are pursuing. My Administration stands ready to facilitate an introduction to loan officers at the Department of Energy upon your request.

Second, whenever new revenue is sought, a utility must explain in plain, clear language why its proposed investments are necessary, using transparent data to identify a specific reliability or safety concern that will be addressed, or demonstrating with a thorough cost/benefit analysis that the investment will produce significant savings or reliability benefits for consumers. This means showing the value customers will receive in terms of discrete improvements producing tangible outcomes that are timebound, verifiable, and logically linked to the need for additional capital. Creating real value for customers also means maximizing existing grid resources in ways that control costs and defer the need for future upgrades. You must also describe explicitly what amount of your

requested rate increase will be remitted to shareholders through corporate dividends or other means, as compared to what would be used to directly advance the needs of your customers.

Third, you must provide transparent, justifiable equity returns. Pennsylvania has a long, proud tradition of trusting free markets to deliver fair, transparent pricing. In fact, this year marks the 30th anniversary of Act 138, which introduced competition into our utility sector for the first time. That bipartisan law embodies Pennsylvania's deep-seated belief that free-market competition—when properly implemented and overseen—is the best tool for delivering customers the fair value they deserve. Today, we use markets to price our wholesale power and rely on principles of competition to fairly and impartially award public contracts. Yet less accurate administrative determinations—essentially amounting to educated guesses—still govern how much utilities earn on their equity investment. And all too often the outcome of this administrative process is shrouded in "black box" settlements, that do not provide the public with transparency about costs they will have to pay. These vestiges of the past need to evolve to ensure that utilities are not seeking excessive profits but only the opportunity to earn the fair rate of return to which they are entitled.

To accomplish this, utilities can prove their need for a requested return on equity by providing a benchmark (representing at least 10% of the incremental requested equity) that is transparently derived through a public process with competitive bidding by multiple participants to establish a fair market cost of that equity. This sample offers the energy consumer and Public Utility Commission real-world evidence of the proper authorized return on equity, an amount that will allow the utility to earn reasonable equity returns under efficient operations. If a utility declines to justify its requested return on equity through a competitive, transparent process, it creates a presumption in the view of my Administration that the requested rate is higher than would have been derived from such a competitive process. Absent extraordinary and unforeseen circumstances, a utility can overcome that presumption by requesting a return on equity that does not exceed the rate of the current 10-year U.S. Treasury yield plus the five-year median of the equity risk premium as published in the Federal Reserve's Financial Stability Reports. In simple terms, this allows the filing utility to earn the same expected return as the stock market as a whole, according to Federal Reserve estimates, comfortably exceeding typical Public Utility Commission calculations of risk for the utility sector.

This provides an outcome that is fair for your utility and your customers even without an auction or other market-based price discovery mechanism.

This letter is an effort to be up front with you about my Administration's approach to rate requests going forward. In directly laying out these practices, I am making clear my expectations. I stand ready to collaborate with you, the Public Utility Commission, and other stakeholders in advancing thoughtful rate requests that put Pennsylvania families and businesses first and control costs after years of unacceptably high rate increases. Should you wish to have my Administration's support for any future rate requests, you must submit a description of your compliance with these practices to my Special Counsel for Energy Affordability alongside your rate case filings.

I appreciate your compliance with these practices and look forward to working together to control costs for ratepayers and build out the needed infrastructure for our Commonwealth.

Sincerely,



Governor Josh Shapiro

Cc: Honorable Stephen M. DeFrank, Chair, Pennsylvania Public Utility Commission
Honorable Kimberly M. Barrow, Vice Chair, Pennsylvania Public Utility Commission
Honorable Kathryn L. Zerfuss, Commissioner, Pennsylvania Public Utility Commission
Honorable John F. Coleman, Commissioner, Pennsylvania Public Utility Commission
Honorable Ralph V. Yanora, Commissioner, Pennsylvania Public Utility Commission
Mark Szybist, Special Counsel for Energy Affordability, Office of General Counsel

CAUSE-PA Statement 1, Cicero

Appendix D

Exhibit 1, a-d:

PA American Water Company (PAWC) Water/Wastewater Burden Tables (Errata)*

*PAWC 2025 Rate Proceeding, CAUSE-PA St. 1 at Exhibit 1 (Errata)

Exhibit 2:

Aqua Water/Wastewater Burden Tables

CAUSE-PA Exhibit 1-a Water/Wastewater Burden Tables
Current Full Tarriff vs. Current BDP

	2 Person Household						
	Income	PAWC Monthly ($) CURRENT	PAWC Annual ($) CURRENT	Burden (%) CURRENT	PAWC Monthly ($) H2O CURRENT	PAWC Annual ($) H2O CURRENT	Burden (%) PAWC H2O CURRENT
				1000 Gal.			
50% FPL	$ 10,820	$ 82.11	$ 985.32	9.11%	$ 12.31	$ 147.72	1.37%
100% FPL	$ 21,640	$ 82.11	$ 985.32	4.55%	$ 23.30	$ 279.60	1.29%
150% FPL	$ 32,460	$ 82.11	$ 985.32	3.04%	$ 39.18	$ 470.16	1.45%
200% FPL	$ 43,280	$ 82.11	$ 985.32	2.28%	$ 56.24	$ 674.88	1.56%
				3000 Gal			
50% FPL	$ 10,820	$ 178.73	$ 2,144.76	19.82%	$ 28.67	$ 344.04	3.18%
100% FPL	$ 21,640	$ 178.73	$ 2,144.76	9.91%	$ 52.40	$ 628.80	2.91%
150% FPL	$ 32,460	$ 178.73	$ 2,144.76	6.61%	$ 89.00	$ 1,068.00	3.29%
200% FPL	$ 43,280	$ 178.73	$ 2,144.76	4.96%	$ 123.50	$ 1,482.00	3.42%
				6000 Gal			
50% FPL	$ 10,820	$ 323.66	$ 3,883.92	35.90%	$ 53.21	$ 638.52	5.90%
100% FPL	$ 21,640	$ 323.66	$ 3,883.92	17.95%	$ 96.05	$ 1,152.60	5.33%
150% FPL	$ 32,460	$ 323.66	$ 3,883.92	11.97%	$ 163.73	$ 1,964.76	6.05%
200% FPL	$ 43,280	$ 323.66	$ 3,883.92	8.97%	$ 224.39	$ 2,692.68	6.22%
				8000 Gal			
50% FPL	$ 10,820	$ 420.28	$ 5,043.36	46.61%	$ 69.57	$ 834.84	7.72%
100% FPL	$ 21,640	$ 420.28	$ 5,043.36	23.31%	$ 125.15	$ 1,501.80	6.94%
150% FPL	$ 32,460	$ 420.28	$ 5,043.36	15.54%	$ 213.55	$ 2,562.60	7.89%
200% FPL	$ 43,280	$ 420.28	$ 5,043.36	11.65%	$ 291.65	$ 3,499.80	8.09%

	3 Person Household						
	Income	PAWC Monthly ($) CURRENT	PAWC Annual ($) CURRENT	Burden (%) CURRENT	PAWC Monthly ($) H2O CURRENT	PAWC Annual ($) H2O CURRENT	Burden (%) PAWC H2O CURRENT
				1000 Gal.			
50% FPL	$ 13,660	$ 82.11	$ 985.32	7.21%	$ 12.31	$ 147.72	1.08%
100% FPL	$ 27,320	$ 82.11	$ 985.32	3.61%	$ 23.30	$ 279.60	1.02%
150% FPL	$ 40,980	$ 82.11	$ 985.32	2.40%	$ 39.18	$ 470.16	1.15%
200% FPL	$ 54,640	$ 82.11	$ 985.32	1.80%	$ 56.24	$ 674.88	1.24%
				3000 Gal			
50% FPL	$ 13,660	$ 178.73	$ 2,144.76	15.70%	$ 28.67	$ 344.04	2.52%
100% FPL	$ 27,320	$ 178.73	$ 2,144.76	7.85%	$ 52.40	$ 628.80	2.30%
150% FPL	$ 40,980	$ 178.73	$ 2,144.76	5.23%	$ 89.00	$ 1,068.00	2.61%
200% FPL	$ 54,640	$ 178.73	$ 2,144.76	3.93%	$ 123.50	$ 1,482.00	2.71%
				6000 Gal			
50% FPL	$ 13,660	$ 323.66	$ 3,883.92	28.43%	$ 53.21	$ 638.52	4.67%
100% FPL	$ 27,320	$ 323.66	$ 3,883.92	14.22%	$ 96.05	$ 1,152.60	4.22%
150% FPL	$ 40,980	$ 323.66	$ 3,883.92	9.48%	$ 163.73	$ 1,964.76	4.79%
200% FPL	$ 54,640	$ 323.66	$ 3,883.92	7.11%	$ 224.39	$ 2,692.68	4.93%
				8000 Gal			
50% FPL	$ 13,660	$ 420.28	$ 5,043.36	36.92%	$ 69.57	$ 834.84	6.11%
100% FPL	$ 27,320	$ 420.28	$ 5,043.36	18.46%	$ 125.15	$ 1,501.80	5.50%
150% FPL	$ 40,980	$ 420.28	$ 5,043.36	12.31%	$ 213.55	$ 2,562.60	6.25%
200% FPL	$ 54,640	$ 420.28	$ 5,043.36	9.23%	$ 291.65	$ 3,499.80	6.41%

	4 Person Household						
	Income	PAWC Monthly ($) CURRENT	PAWC Annual ($) CURRENT	Burden (%) CURRENT	PAWC Monthly ($) H2O CURRENT	PAWC Annual ($) H2O CURRENT	Burden (%) PAWC H2O CURRENT
				1000 Gal.			
50% FPL	$ 16,500	$ 82.11	$ 985.32	5.97%	$ 12.31	$ 147.72	0.90%
100% FPL	$ 33,000	$ 82.11	$ 985.32	2.99%	$ 23.30	$ 279.60	0.85%
150% FPL	$ 49,500	$ 82.11	$ 985.32	1.99%	$ 39.18	$ 470.16	0.95%
200% FPL	$ 66,000	$ 82.11	$ 985.32	1.49%	$ 56.24	$ 674.88	1.02%
				3000 Gal			
50% FPL	$ 16,500	$ 178.73	$ 2,144.76	13.00%	$ 28.67	$ 344.04	2.09%
100% FPL	$ 33,000	$ 178.73	$ 2,144.76	6.50%	$ 52.40	$ 628.80	1.91%
150% FPL	$ 49,500	$ 178.73	$ 2,144.76	4.33%	$ 89.00	$ 1,068.00	2.16%
200% FPL	$ 66,000	$ 178.73	$ 2,144.76	3.25%	$ 123.50	$ 1,482.00	2.25%
				6000 Gal			
50% FPL	$ 16,500	$ 323.66	$ 3,883.92	23.54%	$ 53.21	$ 638.52	3.87%
100% FPL	$ 33,000	$ 323.66	$ 3,883.92	11.77%	$ 96.05	$ 1,152.60	3.49%
150% FPL	$ 49,500	$ 323.66	$ 3,883.92	7.85%	$ 163.73	$ 1,964.76	3.97%
200% FPL	$ 66,000	$ 323.66	$ 3,883.92	5.88%	$ 224.39	$ 2,692.68	4.08%
				8000 Gal			
50% FPL	$ 16,500	$ 420.28	$ 5,043.36	30.57%	$ 69.57	$ 834.84	5.06%
100% FPL	$ 33,000	$ 420.28	$ 5,043.36	15.28%	$ 125.15	$ 1,501.80	4.55%
150% FPL	$ 49,500	$ 420.28	$ 5,043.36	10.19%	$ 213.55	$ 2,562.60	5.18%
200% FPL	$ 66,000	$ 420.28	$ 5,043.36	7.64%	$ 291.65	$ 3,499.80	5.30%

**Income levels represent 50%, 100%, 150%, and 200% FPL, using 2026 federal poverty guidelines.
See HHS Poverty Guidelines for 2026, available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines

CAUSE-PA Exhibit 1-b Water/Wastewater Burden Tables
Proposed Full Tariff vs. PAWC Proposed BDP

	2 Person Household						
	Annual Income	PAWC Proposed Monthly ($) 2026	PAWC Annual Proposed ($) 2026	Burden (%) PAWC 2026	PAWC Proposed Monthly ($) H2O 2026	PAWC Proposed Annual ($) H2O 2026	Burden (%) PAWC H2O 2026
				1000 Gal.			
50% FPL	$ 10,820	$ 94.52	$ 1,134.24	10.48%	$ 15.46	$ 185.52	1.71%
100% FPL	$ 21,640	$ 94.52	$ 1,134.24	5.24%	$ 28.08	$ 336.96	1.56%
150% FPL	$ 32,460	$ 94.52	$ 1,134.24	3.49%	$ 47.24	$ 566.88	1.75%
200% FPL	$ 43,280	$ 94.52	$ 1,134.24	2.62%	$ 65.96	$ 791.52	1.83%
				3000 Gal			
50% FPL	$ 10,820	$ 203.56	$ 2,442.72	22.58%	$ 33.18	$ 398.16	3.68%
100% FPL	$ 21,640	$ 203.56	$ 2,442.72	11.29%	$ 60.24	$ 722.88	3.34%
150% FPL	$ 32,460	$ 203.56	$ 2,442.72	7.53%	$ 101.32	$ 1,215.84	3.75%
200% FPL	$ 43,280	$ 203.56	$ 2,442.72	5.64%	$ 141.48	$ 1,697.76	3.92%
				6000 Gal			
50% FPL	$ 10,820	$ 367.12	$ 4,405.44	40.72%	$ 59.76	$ 717.12	6.63%
100% FPL	$ 21,640	$ 367.12	$ 4,405.44	20.36%	$ 108.48	$ 1,301.76	6.02%
150% FPL	$ 32,460	$ 367.12	$ 4,405.44	13.57%	$ 182.44	$ 2,189.28	6.74%
200% FPL	$ 43,280	$ 367.12	$ 4,405.44	10.18%	$ 254.76	$ 3,057.12	7.06%
				8000 Gal			
50% FPL	$ 10,820	$ 476.16	$ 5,713.92	52.81%	$ 77.48	$ 929.76	8.59%
100% FPL	$ 21,640	$ 476.16	$ 5,713.92	26.40%	$ 140.64	$ 1,687.68	7.80%
150% FPL	$ 32,460	$ 476.16	$ 5,713.92	17.60%	$ 236.52	$ 2,838.24	8.74%
200% FPL	$ 43,280	$ 476.16	$ 5,713.92	13.20%	$ 330.28	$ 3,963.36	9.16%

	3 Person Household						
	Annual Income	PAWC Proposed Monthly ($) 2026	PAWC Annual Proposed ($) 2026	Burden (%) PAWC 2026	PAWC Proposed Monthly ($) H2O 2026	PAWC Proposed Annual ($) H2O 2026	Burden (%) PAWC H2O 2026
				1000 Gal.			
50% FPL	$ 13,660	$ 94.52	$ 1,134.24	8.30%	$ 15.46	$ 185.52	1.36%
100% FPL	$ 27,320	$ 94.52	$ 1,134.24	4.15%	$ 28.08	$ 336.96	1.23%
150% FPL	$ 40,980	$ 94.52	$ 1,134.24	2.77%	$ 47.24	$ 566.88	1.38%
200% FPL	$ 54,640	$ 94.52	$ 1,134.24	2.08%	$ 65.96	$ 791.52	1.45%
				3000 Gal			
50% FPL	$ 13,660	$ 203.56	$ 2,442.72	17.88%	$ 33.18	$ 398.16	2.91%
100% FPL	$ 27,320	$ 203.56	$ 2,442.72	8.94%	$ 60.24	$ 722.88	2.65%
150% FPL	$ 40,980	$ 203.56	$ 2,442.72	5.96%	$ 101.32	$ 1,215.84	2.97%
200% FPL	$ 54,640	$ 203.56	$ 2,442.72	4.47%	$ 141.48	$ 1,697.76	3.11%
				6000 Gal			
50% FPL	$ 13,660	$ 367.12	$ 4,405.44	32.25%	$ 59.76	$ 717.12	5.25%
100% FPL	$ 27,320	$ 367.12	$ 4,405.44	16.13%	$ 108.48	$ 1,301.76	4.76%
150% FPL	$ 40,980	$ 367.12	$ 4,405.44	10.75%	$ 182.44	$ 2,189.28	5.34%
200% FPL	$ 54,640	$ 367.12	$ 4,405.44	8.06%	$ 254.76	$ 3,057.12	5.60%
				8000 Gal			
50% FPL	$ 13,660	$ 476.16	$ 5,713.92	41.83%	$ 77.48	$ 929.76	6.81%
100% FPL	$ 27,320	$ 476.16	$ 5,713.92	20.91%	$ 140.64	$ 1,687.68	6.18%
150% FPL	$ 40,980	$ 476.16	$ 5,713.92	13.94%	$ 236.52	$ 2,838.24	6.93%
200% FPL	$ 54,640	$ 476.16	$ 5,713.92	10.46%	$ 330.28	$ 3,963.36	7.25%

	4 Person Household						
	Annual Income	PAWC Proposed Monthly ($) 2026	PAWC Annual Proposed ($) 2026	Burden (%) PAWC 2026	PAWC Proposed Monthly ($) H2O 2026	PAWC Proposed Annual ($) H2O 2026	Burden (%) PAWC H2O 2026
				1000 Gal.			
50% FPL	$ 16,500	$ 94.52	$ 1,134.24	6.87%	$ 15.46	$ 185.52	1.12%
100% FPL	$ 33,000	$ 94.52	$ 1,134.24	3.44%	$ 28.08	$ 336.96	1.02%
150% FPL	$ 49,500	$ 94.52	$ 1,134.24	2.29%	$ 47.24	$ 566.88	1.15%
200% FPL	$ 66,000	$ 94.52	$ 1,134.24	1.72%	$ 65.96	$ 791.52	1.20%
				3000 Gal			
50% FPL	$ 16,500	$ 203.56	$ 2,442.72	14.80%	$ 33.18	$ 398.16	2.41%
100% FPL	$ 33,000	$ 203.56	$ 2,442.72	7.40%	$ 60.24	$ 722.88	2.19%
150% FPL	$ 49,500	$ 203.56	$ 2,442.72	4.93%	$ 101.32	$ 1,215.84	2.46%
200% FPL	$ 66,000	$ 203.56	$ 2,442.72	3.70%	$ 141.48	$ 1,697.76	2.57%
				6000 Gal			
50% FPL	$ 16,500	$ 367.12	$ 4,405.44	26.70%	$ 59.76	$ 717.12	4.35%
100% FPL	$ 33,000	$ 367.12	$ 4,405.44	13.35%	$ 108.48	$ 1,301.76	3.94%
150% FPL	$ 49,500	$ 367.12	$ 4,405.44	8.90%	$ 182.44	$ 2,189.28	4.42%
200% FPL	$ 66,000	$ 367.12	$ 4,405.44	6.67%	$ 254.76	$ 3,057.12	4.63%
				8000 Gal			
50% FPL	$ 16,500	$ 476.16	$ 5,713.92	34.63%	$ 77.48	$ 929.76	5.63%
100% FPL	$ 33,000	$ 476.16	$ 5,713.92	17.31%	$ 140.64	$ 1,687.68	5.11%
150% FPL	$ 49,500	$ 476.16	$ 5,713.92	11.54%	$ 236.52	$ 2,838.24	5.73%
200% FPL	$ 66,000	$ 476.16	$ 5,713.92	8.66%	$ 330.28	$ 3,963.36	6.01%

**Income levels represent 50%, 100%, 150%, and 200% FPL, using 2026 federal poverty guidelines.
See HHS Poverty Guidelines for 2026, available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines

CAUSE-PA Exhibit 1-c Water/Wastewater Burden Tables
Current H2O at Current Rates vs. Proposed H2O at Current Rates

	2 Person Household						
	Income	PAWC Monthly ($) CURRENT H2O	PAWC Annual ($) CURRENT H2O	Burden (%) CURRENT H20	PAWC Monthly ($) PROPOSED H2O	PAWC Annual ($) PROPOSED H2O	Burden (%) PAWC PROPOSED H2O
			1000 Gal.				
50% FPL	$ 10,820	$ 12.31	$ 147.72	1.37%	$ 13.44	$ 161.28	1.49%
100% FPL	$ 21,640	$ 23.30	$ 279.60	1.29%	$ 24.42	$ 293.04	1.35%
150% FPL	$ 32,460	$ 39.18	$ 470.16	1.45%	$ 41.08	$ 492.96	1.52%
200% FPL	$ 43,280	$ 56.24	$ 674.88	1.56%	$ 57.36	$ 688.32	1.59%
			3000 Gal				
50% FPL	$ 10,820	$ 28.67	$ 344.04	3.18%	$ 29.06	$ 348.72	3.22%
100% FPL	$ 21,640	$ 52.40	$ 628.80	2.91%	$ 52.76	$ 633.12	2.93%
150% FPL	$ 32,460	$ 89.00	$ 1,068.00	3.29%	$ 88.68	$ 1,064.16	3.28%
200% FPL	$ 43,280	$ 123.50	$ 1,482.00	3.42%	$ 123.86	$ 1,486.32	3.43%
			6000 Gal				
50% FPL	$ 10,820	$ 53.21	$ 638.52	5.90%	$ 52.49	$ 629.88	5.82%
100% FPL	$ 21,640	$ 96.05	$ 1,152.60	5.33%	$ 95.27	$ 1,143.24	5.28%
150% FPL	$ 32,460	$ 163.73	$ 1,964.76	6.05%	$ 160.08	$ 1,920.96	5.92%
200% FPL	$ 43,280	$ 224.39	$ 2,692.68	6.22%	$ 223.61	$ 2,683.32	6.20%
			8000 Gal				
50% FPL	$ 10,820	$ 69.57	$ 834.84	7.72%	$ 68.11	$ 817.32	7.55%
100% FPL	$ 21,640	$ 125.15	$ 1,501.80	6.94%	$ 123.61	$ 1,483.32	6.85%
150% FPL	$ 32,460	$ 213.55	$ 2,562.60	7.89%	$ 207.68	$ 2,492.16	7.68%
200% FPL	$ 43,280	$ 291.65	$ 3,499.80	8.09%	$ 290.11	$ 3,481.32	8.04%

	3 Person Household						
	Income	PAWC Monthly ($) CURRENT H2O	PAWC Annual ($) CURRENT H2O	Burden (%) CURRENT H20	PAWC Monthly ($) PROPOSED H2O	PAWC Annual ($) PROPOSED H2O	Burden (%) PAWC PROPOSED H2O
			1000 Gal.				
50% FPL	$ 13,660	$ 12.31	$ 147.72	1.08%	$ 13.44	$ 161.28	1.18%
100% FPL	$ 27,320	$ 23.30	$ 279.60	1.02%	$ 24.42	$ 293.04	1.07%
150% FPL	$ 40,980	$ 39.18	$ 470.16	1.15%	$ 41.08	$ 492.96	1.20%
200% FPL	$ 54,640	$ 56.24	$ 674.88	1.24%	$ 57.36	$ 688.32	1.26%
			3000 Gal				
50% FPL	$ 13,660	$ 28.67	$ 344.04	2.52%	$ 29.06	$ 348.72	2.55%
100% FPL	$ 27,320	$ 52.40	$ 628.80	2.30%	$ 52.76	$ 633.12	2.32%
150% FPL	$ 40,980	$ 89.00	$ 1,068.00	2.61%	$ 88.68	$ 1,064.16	2.60%
200% FPL	$ 54,640	$ 123.50	$ 1,482.00	2.71%	$ 123.86	$ 1,486.32	2.72%
			6000 Gal				
50% FPL	$ 13,660	$ 53.21	$ 638.52	4.67%	$ 52.49	$ 629.88	4.61%
100% FPL	$ 27,320	$ 96.05	$ 1,152.60	4.22%	$ 95.27	$ 1,143.24	4.18%
150% FPL	$ 40,980	$ 163.73	$ 1,964.76	4.79%	$ 160.08	$ 1,920.96	4.69%
200% FPL	$ 54,640	$ 224.39	$ 2,692.68	4.93%	$ 223.61	$ 2,683.32	4.91%
			8000 Gal				
50% FPL	$ 13,660	$ 69.57	$ 834.84	6.11%	$ 68.11	$ 817.32	5.98%
100% FPL	$ 27,320	$ 125.15	$ 1,501.80	5.50%	$ 123.61	$ 1,483.32	5.43%
150% FPL	$ 40,980	$ 213.55	$ 2,562.60	6.25%	$ 207.68	$ 2,492.16	6.08%
200% FPL	$ 54,640	$ 291.65	$ 3,499.80	6.41%	$ 290.11	$ 3,481.32	6.37%

	4 Person Household						
	Income	PAWC Monthly ($) CURRENT H2O	PAWC Annual ($) CURRENT H2O	Burden (%) CURRENT H20	PAWC Monthly ($) PROPOSED H2O	PAWC Annual ($) PROPOSED H2O	Burden (%) PAWC PROPOSED H2O
				1000 Gal.			
50% FPL	$ 16,500	$ 12.31	$ 147.72	0.90%	$ 13.44	$ 161.28	0.98%
100% FPL	$ 33,000	$ 23.30	$ 279.60	0.85%	$ 24.42	$ 293.04	0.89%
150% FPL	$ 49,500	$ 39.18	$ 470.16	0.95%	$ 41.08	$ 492.96	1.00%
200% FPL	$ 66,000	$ 56.24	$ 674.88	1.02%	$ 57.36	$ 688.32	1.04%
				3000 Gal			
50% FPL	$ 16,500	$ 28.67	$ 344.04	2.09%	$ 29.06	$ 348.72	2.11%
100% FPL	$ 33,000	$ 52.40	$ 628.80	1.91%	$ 52.76	$ 633.12	1.92%
150% FPL	$ 49,500	$ 89.00	$ 1,068.00	2.16%	$ 88.68	$ 1,064.16	2.15%
200% FPL	$ 66,000	$ 123.50	$ 1,482.00	2.25%	$ 123.86	$ 1,486.32	2.25%
				6000 Gal			
50% FPL	$ 16,500	$ 53.21	$ 638.52	3.87%	$ 52.49	$ 629.88	3.82%
100% FPL	$ 33,000	$ 96.05	$ 1,152.60	3.49%	$ 95.27	$ 1,143.24	3.46%
150% FPL	$ 49,500	$ 163.73	$ 1,964.76	3.97%	$ 160.08	$ 1,920.96	3.88%
200% FPL	$ 66,000	$ 224.39	$ 2,692.68	4.08%	$ 223.61	$ 2,683.32	4.07%
				8000 Gal			
50% FPL	$ 16,500	$ 69.57	$ 834.84	5.06%	$ 68.11	$ 817.32	4.95%
100% FPL	$ 33,000	$ 125.15	$ 1,501.80	4.55%	$ 123.61	$ 1,483.32	4.49%
150% FPL	$ 49,500	$ 213.55	$ 2,562.60	5.18%	$ 207.68	$ 2,492.16	5.03%
200% FPL	$ 66,000	$ 291.65	$ 3,499.80	5.30%	$ 290.11	$ 3,481.32	5.27%

**Income levels represent 50%, 100%, 150%, and 200% FPL, using 2026 federal poverty guidelines.
See HHS Poverty Guidelines for 2026, available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines

CAUSE-PA Exhibit 1-d Water/Wastewater Burden Tables
PAWC Proposed BDP vs. CAUSE-PA Proposed BDP

	2 Person Household						
	Annual Income	PAWC Proposed Monthly ($) H2O 2026	PAWC Proposed Annual ($) H2O 2026	Burden (%) PAWC H2O 2026	CAUSE-PA Proposed Monthly ($) H2O 2026	CAUSE-PA Proposed Annual ($) H2O 2026	Burden (%) CAUSE-PA H2O 2026
				1000 Gal.			
50% FPL	$ 10,820	$ 15.46	$ 185.52	1.71%	$ 8.18	$ 98.16	0.91%
100% FPL	$ 21,640	$ 28.08	$ 336.96	1.56%	$ 13.63	$ 163.56	0.76%
150% FPL	$ 32,460	$ 47.24	$ 566.88	1.75%	$ 27.27	$ 327.24	1.01%
200% FPL	$ 43,280	$ 65.96	$ 791.52	1.83%	$ 40.89	$ 490.68	1.13%
				3000 Gal			
50% FPL	$ 10,820	$ 33.18	$ 398.16	3.68%	$ 24.54	$ 294.48	2.72%
100% FPL	$ 21,640	$ 60.24	$ 722.88	3.34%	$ 40.89	$ 490.68	2.27%
150% FPL	$ 32,460	$ 101.32	$ 1,215.84	3.75%	$ 81.81	$ 981.72	3.02%
200% FPL	$ 43,280	$ 141.48	$ 1,697.76	3.92%	$ 122.67	$ 1,472.04	3.40%
				6000 Gal			
50% FPL	$ 10,820	$ 59.76	$ 717.12	6.63%	$ 49.08	$ 588.96	5.44%
100% FPL	$ 21,640	$ 108.48	$ 1,301.76	6.02%	$ 81.78	$ 981.36	4.53%
150% FPL	$ 32,460	$ 182.44	$ 2,189.28	6.74%	$ 163.62	$ 1,963.44	6.05%
200% FPL	$ 43,280	$ 254.76	$ 3,057.12	7.06%	$ 245.34	$ 2,944.08	6.80%
				8000 Gal			
50% FPL	$ 10,820	$ 77.48	$ 929.76	8.59%	$ 65.44	$ 785.28	7.26%
100% FPL	$ 21,640	$ 140.64	$ 1,687.68	7.80%	$ 109.04	$ 1,308.48	6.05%
150% FPL	$ 32,460	$ 236.52	$ 2,838.24	8.74%	$ 218.16	$ 2,617.92	8.07%
200% FPL	$ 43,280	$ 330.28	$ 3,963.36	9.16%	$ 327.12	$ 3,925.44	9.07%

	3 Person Household						
	Annual Income	PAWC Proposed Monthly ($) H2O 2026	PAWC Proposed Annual ($) H2O 2026	Burden (%) PAWC H2O 2026	CAUSE-PA Proposed Monthly ($) H2O 2026	CAUSE-PA Proposed Annual ($) H2O 2026	Burden (%) CAUSE-PA H2O 2026
				1000 Gal.			
50% FPL	$ 13,660	$ 15.46	$ 185.52	1.36%	$ 8.18	$ 98.16	0.72%
100% FPL	$ 27,320	$ 28.08	$ 336.96	1.23%	$ 13.63	$ 163.56	0.60%
150% FPL	$ 40,980	$ 47.24	$ 566.88	1.38%	$ 27.27	$ 327.24	0.80%
200% FPL	$ 54,640	$ 65.96	$ 791.52	1.45%	$ 40.89	$ 490.68	0.90%
				3000 Gal			
50% FPL	$ 13,660	$ 33.18	$ 398.16	2.91%	$ 24.54	$ 294.48	2.16%
100% FPL	$ 27,320	$ 60.24	$ 722.88	2.65%	$ 40.89	$ 490.68	1.80%
150% FPL	$ 40,980	$ 101.32	$ 1,215.84	2.97%	$ 81.81	$ 981.72	2.40%
200% FPL	$ 54,640	$ 141.48	$ 1,697.76	3.11%	$ 122.67	$ 1,472.04	2.69%
				6000 Gal			
50% FPL	$ 13,660	$ 59.76	$ 717.12	5.25%	$ 49.08	$ 588.96	4.31%
100% FPL	$ 27,320	$ 108.48	$ 1,301.76	4.76%	$ 81.78	$ 981.36	3.59%
150% FPL	$ 40,980	$ 182.44	$ 2,189.28	5.34%	$ 163.62	$ 1,963.44	4.79%
200% FPL	$ 54,640	$ 254.76	$ 3,057.12	5.60%	$ 245.34	$ 2,944.08	5.39%
				8000 Gal			
50% FPL	$ 13,660	$ 77.48	$ 929.76	6.81%	$ 65.44	$ 785.28	5.75%
100% FPL	$ 27,320	$ 140.64	$ 1,687.68	6.18%	$ 109.04	$ 1,308.48	4.79%
150% FPL	$ 40,980	$ 236.52	$ 2,838.24	6.93%	$ 218.16	$ 2,617.92	6.39%
200% FPL	$ 54,640	$ 330.28	$ 3,963.36	7.25%	$ 327.12	$ 3,925.44	7.18%

	4 Person Household						
	Annual Income	PAWC Proposed Monthly ($) H2O 2026	PAWC Proposed Annual ($) H2O 2026	Burden (%) PAWC H2O 2026	CAUSE-PA Proposed Monthly ($) H2O 2026	CAUSE-PA Proposed Annual ($) H2O 2026	Burden (%) CAUSE-PA H2O 2026
			1000 Gal.				
50% FPL	$ 16,500	$ 15.46	$ 185.52	1.12%	$ 8.18	$ 98.16	0.59%
100% FPL	$ 33,000	$ 28.08	$ 336.96	1.02%	$ 13.63	$ 163.56	0.50%
150% FPL	$ 49,500	$ 47.24	$ 566.88	1.15%	$ 27.27	$ 327.24	0.66%
200% FPL	$ 66,000	$ 65.96	$ 791.52	1.20%	$ 40.89	$ 490.68	0.74%
			3000 Gal				
50% FPL	$ 16,500	$ 33.18	$ 398.16	2.41%	$ 24.54	$ 294.48	1.78%
100% FPL	$ 33,000	$ 60.24	$ 722.88	2.19%	$ 40.89	$ 490.68	1.49%
150% FPL	$ 49,500	$ 101.32	$ 1,215.84	2.46%	$ 81.81	$ 981.72	1.98%
200% FPL	$ 66,000	$ 141.48	$ 1,697.76	2.57%	$ 122.67	$ 1,472.04	2.23%
			6000 Gal				
50% FPL	$ 16,500	$ 59.76	$ 717.12	4.35%	$ 49.08	$ 588.96	3.57%
100% FPL	$ 33,000	$ 108.48	$ 1,301.76	3.94%	$ 81.78	$ 981.36	2.97%
150% FPL	$ 49,500	$ 182.44	$ 2,189.28	4.42%	$ 163.62	$ 1,963.44	3.97%
200% FPL	$ 66,000	$ 254.76	$ 3,057.12	4.63%	$ 245.34	$ 2,944.08	4.46%
			8000 Gal				
50% FPL	$ 16,500	$ 77.48	$ 929.76	5.63%	$ 65.44	$ 785.28	4.76%
100% FPL	$ 33,000	$ 140.64	$ 1,687.68	5.11%	$ 109.04	$ 1,308.48	3.97%
150% FPL	$ 49,500	$ 236.52	$ 2,838.24	5.73%	$ 218.16	$ 2,617.92	5.29%
200% FPL	$ 66,000	$ 330.28	$ 3,963.36	6.01%	$ 327.12	$ 3,925.44	5.95%

**Income levels represent 50%, 100%, 150%, and 200% FPL, using 2026 federal poverty guidelines.
See HHS Poverty Guidelines for 2026, available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines

CAUSE-PA Aqua Exhibit 2

Water and Wastewater Burden Tables

Current Full Tarriff vs. Current CAP

	2 Person Household						
	Income	Aqua Monthly ($) CURRENT	Aqua Annual ($) CURRENT	Burden (%) CURRENT	Aqua Monthly ($) CAP CURRENT	Aqua Annual ($) CAP CURRENT	Burden (%) Aqua CAP CURRENT
				1000 Gal.			
50% FPL	$ 10,820	$ 101.45	$ 1,217.40	11.25%	$ 11.86	$ 142.29	1.32%
100% FPL	$ 21,640	$ 101.45	$ 1,217.40	5.63%	$ 19.76	$ 237.15	1.10%
150% FPL	$ 32,460	$ 101.45	$ 1,217.40	3.75%	$ 32.11	$ 385.36	1.19%
200% FPL	$ 43,280	$ 101.45	$ 1,217.40	2.81%	$ 46.94	$ 563.22	1.30%
				3000 Gal			
50% FPL	$ 10,820	$ 163.72	$ 1,964.64	18.16%	$ 21.20	$ 254.38	2.35%
100% FPL	$ 21,640	$ 163.72	$ 1,964.64	9.08%	$ 35.33	$ 423.96	1.96%
150% FPL	$ 32,460	$ 163.72	$ 1,964.64	6.05%	$ 63.25	$ 758.98	2.34%
200% FPL	$ 43,280	$ 163.72	$ 1,964.64	4.54%	$ 93.64	$ 1,123.65	2.60%
				6000 Gal			
50% FPL	$ 10,820	$ 261.60	$ 3,139.20	29.01%	$ 35.88	$ 430.56	3.98%
100% FPL	$ 21,640	$ 261.60	$ 3,139.20	14.51%	$ 59.80	$ 717.60	3.32%
150% FPL	$ 32,460	$ 261.60	$ 3,139.20	9.67%	$ 112.19	$ 1,346.26	4.15%
200% FPL	$ 43,280	$ 261.60	$ 3,139.20	7.25%	$ 167.05	$ 2,004.57	4.63%
				8000 Gal			
50% FPL	$ 10,820	$ 326.86	$ 3,922.32	36.25%	$ 45.67	$ 548.03	5.06%
100% FPL	$ 21,640	$ 326.86	$ 3,922.32	18.13%	$ 76.12	$ 913.38	4.22%
150% FPL	$ 32,460	$ 326.86	$ 3,922.32	12.08%	$ 144.82	$ 1,737.82	5.35%
200% FPL	$ 43,280	$ 326.86	$ 3,922.32	9.06%	$ 215.99	$ 2,591.91	5.99%

	3 Person Household						
	Income	Aqua Monthly ($) CURRENT	AquaAnnual ($) CURRENT	Burden (%) CURRENT	Aqua Monthly ($) CAP CURRENT	Aqua Annual ($) CAP CURRENT	Burden (%) Aqua CAP CURRENT
				1000 Gal.			
50% FPL	$ 13,660	$ 101.45	$ 1,217.40	8.91%	$ 11.86	$ 142.29	1.04%
100% FPL	$ 27,320	$ 101.45	$ 1,217.40	4.46%	$ 19.76	$ 237.15	0.87%
150% FPL	$ 40,980	$ 101.45	$ 1,217.40	2.97%	$ 32.11	$ 385.36	0.94%
200% FPL	$ 54,640	$ 101.45	$ 1,217.40	2.23%	$ 46.94	$ 563.22	1.03%
				3000 Gal			
50% FPL	$ 13,660	$ 163.72	$ 1,964.64	14.38%	$ 21.20	$ 254.38	1.86%
100% FPL	$ 27,320	$ 163.72	$ 1,964.64	7.19%	$ 35.33	$ 423.96	1.55%
150% FPL	$ 40,980	$ 163.72	$ 1,964.64	4.79%	$ 63.25	$ 758.98	1.85%
200% FPL	$ 54,640	$ 163.72	$ 1,964.64	3.60%	$ 93.64	$ 1,123.65	2.06%
				6000 Gal			
50% FPL	$ 13,660	$ 261.60	$ 3,139.20	22.98%	$ 35.88	$ 430.56	3.15%
100% FPL	$ 27,320	$ 261.60	$ 3,139.20	11.49%	$ 59.80	$ 717.60	2.63%
150% FPL	$ 40,980	$ 261.60	$ 3,139.20	7.66%	$ 112.19	$ 1,346.26	3.29%
200% FPL	$ 54,640	$ 261.60	$ 3,139.20	5.75%	$ 167.05	$ 2,004.57	3.67%
				8000 Gal			
50% FPL	$ 13,660	$ 326.86	$ 3,922.32	28.71%	$ 45.67	$ 548.03	4.01%
100% FPL	$ 27,320	$ 326.86	$ 3,922.32	14.36%	$ 76.12	$ 913.38	3.34%
150% FPL	$ 40,980	$ 326.86	$ 3,922.32	9.57%	$ 144.82	$ 1,737.82	4.24%
200% FPL	$ 54,640	$ 326.86	$ 3,922.32	7.18%	$ 215.99	$ 2,591.91	4.74%

	4 Person Household						
	Income	Aqua Monthly ($) CURRENT	Aqua Annual ($) CURRENT	Burden (%) CURRENT	Aqua Monthly ($) CAP CURRENT	Aqua Annual ($) CAP CURRENT	Burden (%) Aqua CAP CURRENT
				1000 Gal.			
50% FPL	$ 16,500	$ 101.45	$ 1,217.40	7.38%	$ 11.86	$ 142.29	0.86%
100% FPL	$ 33,000	$ 101.45	$ 1,217.40	3.69%	$ 19.76	$ 237.15	0.72%
150% FPL	$ 49,500	$ 101.45	$ 1,217.40	2.46%	$ 32.11	$ 385.36	0.78%
200% FPL	$ 66,000	$ 101.45	$ 1,217.40	1.84%	$ 46.94	$ 563.22	0.85%
				3000 Gal			
50% FPL	$ 16,500	$ 163.72	$ 1,964.64	11.91%	$ 21.20	$ 254.38	1.54%
100% FPL	$ 33,000	$ 163.72	$ 1,964.64	5.95%	$ 35.33	$ 423.96	1.28%
150% FPL	$ 49,500	$ 163.72	$ 1,964.64	3.97%	$ 63.25	$ 758.98	1.53%
200% FPL	$ 66,000	$ 163.72	$ 1,964.64	2.98%	$ 93.64	$ 1,123.65	1.70%
				6000 Gal			
50% FPL	$ 16,500	$ 261.60	$ 3,139.20	19.03%	$ 35.88	$ 430.56	2.61%
100% FPL	$ 33,000	$ 261.60	$ 3,139.20	9.51%	$ 59.80	$ 717.60	2.17%
150% FPL	$ 49,500	$ 261.60	$ 3,139.20	6.34%	$ 112.19	$ 1,346.26	2.72%
200% FPL	$ 66,000	$ 261.60	$ 3,139.20	4.76%	$ 167.05	$ 2,004.57	3.04%
				8000 Gal			
50% FPL	$ 16,500	$ 326.86	$ 3,922.32	23.77%	$ 45.67	$ 548.03	3.32%
100% FPL	$ 33,000	$ 326.86	$ 3,922.32	11.89%	$ 76.12	$ 913.38	2.77%
150% FPL	$ 49,500	$ 326.86	$ 3,922.32	7.92%	$ 144.82	$ 1,737.82	3.51%
200% FPL	$ 66,000	$ 326.86	$ 3,922.32	5.94%	$ 215.99	$ 2,591.91	3.93%

**Income levels represent 50%, 100%, 150%, and 200% FPL, using 2026 federal poverty guidelines.
See HHS Poverty Guidelines for 2026, available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines

Pennsylvania Public Utility Commission, et al. v. Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc., Joint Petition for Settlement, Docket Nos. R-2024-3047822, et al., at Appendices H-1 and H2 (dated Nov. 7, 2024), available at: https://www.puc.pa.gov/pcdocs/1855672.pdf

BEFORE THE PENNSYLVANIA PUBLIC UTILTY 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	:	Docket Nos. A-2025-3058927 A-2025-3058928 A-2025-3058929

SURREBUTTAL TESTIMONY OF PATRICK M. CICERO
ON BEHALF OF
THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA ("CAUSE-PA")

July 23, 2026

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PREPARED SURREBUTTAL TESTIMONY OF PATRICK M. CICERO

I. INTRODUCTION AND BACKGROUND

Q: Please state your name, occupation, and business address?

A: My name is Patrick M. Cicero. I am an independent consultant and continue to serve as Of Counsel for the Pennsylvania Utility Law Project (PULP). My business address with PULP is 118 Locust Street, Harrisburg, PA 17101. I also have an office in my home.

Q: Have you previously submitted testimony in this proceeding?

A: Yes. On May 21, 2026, I submitted direct testimony on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), pre-marked for identification as CAUSE-PA Statement 1.

Q: What is the purpose of your surrebuttal testimony?

A: My surrebuttal testimony addresses the rebuttal testimony of the witnesses for the Joint Applicants:[1] Cheryl Norton (JA Statement 1-R); David Bowler (JA Statement 2-R); Daniel J. Schuller (JA Statement 5-R); and Matthew W. Prine (JA Statement 6-R). In total, I address witnesses' rebuttal arguments about the alleged benefits that they purport will occur because of the Merger, and the harms to Pennsylvania's consumers which I discuss in my direct testimony if the Merger is approved by the Commission.

I also address these witnesses' rebuttal to the recommendations which I set forth in my direct testimony so that Pennsylvania's consumers, including low income customers

[1] I refer to the following as the "Joint Applicants": American Water Works Company, Inc. (American Water); Essential Utilities, Inc. f/k/a Aqua America, Inc. (Essential), Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc. (Collectively Aqua), and Peoples Natural Gas Company, LLC (Peoples).

of the Companies (i.e. Aqua, PAWC, and Peoples)[2], can realize substantial affirmative benefits if the Merger is approved by the Commission. As I discuss below and as outlined more fully in my direct testimony, to ensure that these benefits can be realized by the Companies' customers, I recommend that as a condition of the Commission approving the Merger, the Companies be required to implement a range of important reforms. Specifically, in my direct testimony, I recommend various commitments to enhance the Companies' universal services programs; to implement rate case stay-outs so that consumers can be better insulated from increased unaffordability post-Merger; and to eliminate reconnection fees across the Companies for confirmed low income customers to ensure that all residential customers can better connect to and maintain services in their homes.[3] I also recommend several protective measures to better insulate consumers from negative aspects of the Merger, including measures to better protect customers from increased costs from future acquisitions if the Merger is approved.[4]

The Joint Applicants' witnesses' rebuttal continues to tout illusory benefits as set out in their initial filings. While the Joint Applicants set forth some additional conditions, by way of Ms. Norton's rebuttal testimony, in my view, these additional concessions are insufficient to overcome the significant potential for pervasive harm that would result if

[2] American Water's affiliate Pennsylvania companies – Pennsylvania American Water Company water and wastewater divisions (collectively PAWC) – are not parties to the Joint Application. However, their status as the main public utility affiliate of American Water makes them a relevant entity for inquiry in this proceeding along with all of the other operating companies that comprise the Joint Applicants' request for merger. When I use the word "Companies" in this testimony, it should be read to include the operating companies offering service in Pennsylvania including Aqua PA's water and wastewater utilities, Peoples Gas, and Pennsylvania American Water Company's water and wastewater utilities.

[3] See CAUSE-PA Statement 1 at 86.

[4] Id. at 53-56.

this Merger were allowed to proceed and do not rise to the level of providing substantial affirmative benefits to the Companies' customers or Pennsylvania's consumers.

I continue to stand by the recommendations which I have set forth in my direct testimony. To be clear, it is my position that, when viewed as a whole, the Joint Applicants have failed to meet their burden of proof to demonstrate that the Merger would create a substantial affirmative public benefit. The Commission should deny the Application or impose the conditions outlined in my testimony and the complementary conditions of other intervenors. As presented by the Joint Applicants, there is no tangible, clear, or durable public benefit from the Merger as proposed. If the Commission wants to approve the Merger, it must impose conditions of its own consistent with its ability to do so under the Public Utility Code.

While I address many of the arguments advanced by the Joint Applicants, my silence with respect to other issues raised in the rebuttal testimony of these witnesses should not be taken as an endorsement of or an agreement with their positions or recommendations. I stand by the analyses, conclusions, and recommendations in my direct testimony. Nothing stated in the Joint Applicants' rebuttal testimony has changed or revised my positions unless I have specifically stated otherwise in this testimony.

II. PURPORTED BENEFITS OF THE PROPOSED MERGER

Q: Please briefly summarize the concerns that you set forth in your direct testimony regarding the purported benefits of the proposed Merger, as set forth in the Joint Applicants' initial filings.

A: In my direct testimony, I explained that the benefits touted by the Joint Applicants in their initial filings amounted to mere promises to maintain the status quo and/or insulate

ratepayers from *harm caused by the Merger itself* rather than provide affirmative benefit *because of the Merger*.[5] Without a specific and enforceable commitments to the public and the Companies' customers, the Merger benefits would accrue solely to the Joint Applicants' shareholders[6] and not to the public at large.

Q: Do the Joint Applicants agree with your assessment that the Merger provides only private benefit?

A: No. Joint Applicants' witnesses continue to offer platitudes and promises of a brighter future rather than commitments that can be enforced. For example, Ms. Norton asserts that she "firmly *believe[s]* that the public will be better off if the proposed Merger is approved"[7], but this belief is belied by the facts presented by other parties. Ms. Norton also disagrees that the purported benefits set forth by the Joint Applicants in their initial filing are overstated,[8] and she and Mr. Bowler reiterate a range of claims which ultimately point back to the illusory and aspirational commitments which the Joint Applicants set forth in their initial filings, and which I have discussed at length in my direct testimony. Specifically, Ms. Norton points back to the Joint Applicants' allegations that the Merger would strengthen American Water and Essential's ability to provide clean, safe, reliable, and affordable services to Pennsylvania customers by increasing the scale of the combined company.[9] Ms. Norton similarly claims that the Merger will allow for a range of other synergies, including by providing the opportunity to share best practices, cross-training, and streamline enrollment across the Companies' programs.[10]

[5] CAUSE-PA St. 1 at 8-10.
[6] CAUSE-PA St. 1 at 12.
[7] JA St. 1-R at 4: 8-9 (emphasis added).
[8] Id. at 12: 1-10.
[9] Id. at 4: 8-20.
[10] Id. at 4: 8-20; 16: 1-11.

Ms. Norton and Mr. Bowler contend that the Merger would create a range of financial benefits which will flow to customers of the Pennsylvania operating Companies.[11] Mr. Bowler argues that these benefits and efficiencies are expected to help offset increases in costs to customers in future rate proceedings.[12] Yet, in rebuttal to my skepticism that customers will realize benefits from lower costs,[13] Mr. Bowler agrees that his direct testimony did not offer firm commitments of lower-cost financing because he cannot predict future interest rates, which he claims is a significant driver of financing costs.[14] Similarly, Ms. Norton alleges that the Joint Applicants' Pennsylvania operating Companies will separately track identifiable and quantifiable Merger costs/benefits, but she does not commit any specific return of financial benefits to customers.[15]

Q: What is your response to Ms. Norton's and Mr. Bowler's arguments reiterating the purported benefits of the proposed Merger?

A: I stand by the analyses in my direct testimony. The Joint Applicants have failed to set forth tangible or actual benefits of the Merger. Ms. Norton's and Mr. Bowler's arguments amount to reiterations of arguments that the Joint Applicants in their initial filings and set forth vague and undefined assurances which are then labelled as benefits.[16]

The synergies, operation efficiencies, and opportunities for sharing best practices purported by the Joint Applicants are neither adequately explained nor quantified.[17] Ms. Norton doubles down on mere promises of a brighter future. It appears that the Joint

[11] JA St 2-R at 2: 12-23. JA St 1-R at 10-11.
[12] Id. at 3: 1-9.
[13] CAUSE-PA St. 1 at 58.
[14] JA St 2-R at 9: 1-8.
[15] JA St 1-R at 15: 11-21.
[16] CAUSE-PA St. 1 at 15.
[17] Id. at 16-17.

Applicants, through their witness rebuttal, are again setting forth hopes that certain operation and synergistic benefits will occur without specifics about how these benefits would be measurable or enforceable.[18] Ms. Norton's belief that things will be better for customers after the Merger is insufficient, and I stand by my position that, without defined, specific, and time bound commitments related to these enhancements – or even a clear articulation of what the best practices or enhancements would be – these statements should be disregarded.[19]

The Joint Applicants have also failed to provide assurance that tangible financial benefits would occur if the Merger were approved. As discussed, Mr. Bowler and Ms. Norton point back to a range of financial benefits at the corporate level which they claim would occur. While they allege that these financial benefits would be shared by the Companies' customers, they do not say how this will materialize and make no commitments to ensure that better access to debt and equity by the operating companies will actually reduce customers' bills or otherwise flow through to customers.[20] I therefore stand by my analyses as set forth more fully in my direct testimony that the Joint Applicants have failed to put forward actual financial benefits for Pennsylvania consumers.

[18] CAUSE-PA St. 1 at 15.
[19] Id. at 11-12; 15.
[20] Id. at 20: 6-13.

Q: In your direct testimony, you express concern that "many of the tangible details related to how the Companies will operate post-Merger have been shunted to future integration discussions."[21] Please describe Ms. Norton's rebuttal to this analysis.

A: Ms. Norton argues that deferring commitments to implement benefits that would be realized from the Merger to a future integration planning processes is appropriate.[22] Ms. Norton argues that to do otherwise would require rushed decision making and echoes the Joint Applicants' initial filings that "definitive decisions have not been made" related to critical decisions which would affect integration and the resulting impacts.[23]

Q: What is your response?

A: It is inappropriate to defer these issues to the future without defined commitments. I understand that not all decisions have been made. But if a rushed integration process serves no one's interest neither does a rushed merger. The fact that the Companies' integration process is in the "very early" stages with only decisions about executive team leadership having been made[24] is troubling. The Joint Applicants have chosen to defer integration planning processes including those related to actual cost savings, program and organization structure, and integration of customer and technological system.[25] These issues are central to determining whether the Merger will result in substantial affirmative public benefits.

[21] Id. at 52: 12-13.
[22] JA St 1-R at 13; I&E St. 1 at 12-13; OCA St. 1 at 10-11, 35-38; CAUSE-PA St. 1 at 8.
[23] JA St 1-R at 14: 4-13.
[24] CAUSE-PA St. 1 at 31: 1-10.
[25] Id. at 19; 21; 26; 31.

Q: In response to your concern that the commitments made by the Joint Applicants do nothing more than maintain the status quo, Ms. Norton contends that "there is no guarantee that the status quo would be maintained in the absence of the Merger."[26] What is your response?

A: This Merger combines two very large, very well capitalized water and wastewater utilities, each of which is highly technically proficient and has access to highly skilled workers, and robust access to capital. Peoples Gas, for its part, is also large, technically sophisticated and highly proficient with access to adequate capital. There is simply no credible evidence that absent the Merger this would not continue. The fact that the Joint Applicants attempt to cast the prevention of harm that would not occur but for the Merger as a benefit turns the standard for approval of this Merger on its head. One cannot create harm, agree to mitigate it and then call it a benefit. Counsel for CAUSE-PA will fully address the legal issues in this case, suffice it to say that the Commission should not consider maintaining the status quo as an affirmative public benefit.

Q: In his rebuttal testimony, Mr. Bowler argues that your concerns that the Merger would result primarily in shareholder benefits is misplaced.[27] Please briefly summarize these arguments.

A: Mr. Bowler argues "that the transaction may also benefit shareholders does not diminish or negate the meaningful benefits that will flow to customers."[28] Mr. Bowler also claims that basic ratemaking principles are that rates reflect costs, and when cost savings are achieved, these benefits are passed on to customers through rates.[29]

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[26] JA St. 1-R at 12:4-5.
[27] JA St 2-R at 10-11, citing CAUSE-PA St. 1 at 12, 17, 53, 70.
[28] JA St. 2-R at 10: 12-14.
[29] Id. at 10: 15-19.

Q: What is your response to Mr. Bowler's arguments?

A: Mr. Bowler appears to acknowledge that the proposed Merger, if approved, would result in benefits to the Joint Applicants' shareholders. I agree. The problem is that it is hard to see tangible benefits for consumers. Mr. Bowler does not set forth a clear commitment that Pennsylvania customers will see rate benefits from the Merger, only generally states that rates will reflect costs when savings are achieved. This is the crux of my concern in this case: The Joint Applicants presume savings because of efficiencies and economies of scale but then balk at providing commitments or quantification. I take little solace in this approach and continue to be concerned that the proposed Merger would result in increased costs if the Companies' customers are required to bear the costs of transition and integration of the Companies.[30] I am also concerned that the newly combined company's strategic growth strategy will lead to increases in customers' rates and monthly bills, including through Section 1329 acquisition costs.[31] Mr. Bowler's arguments related to shareholder and customer benefits do not meaningfully address these concerns, and I stand by my analyses related to the same.

III. ADDITIONAL CONDITIONS OF THE JOINT APPLICANTS

Q: Please summarize Ms. Norton's rebuttal testimony related to the Joint Applicants' purported commitments if the Merger is approved.

A: Ms. Norton argues that several parties ignore benefits that the Merger will allegedly bring.[32] While arguing that that parties' recommendations amount to a "wish list" which

[30] CAUSE-PA St. 1 at 26.
[31] Id. at 27; 50-51.
[32] JA St 1-R at 3: 13-18.

they are attempting to leverage from this proceeding,[33] Ms. Norton sets forth in Exhibit CN-2R additional conditions which she claims is responsive to the recommendations set forth by parties to this proceeding.[34]

Ms. Norton characterizes these additional commitments as including a range of categories, including related to service quality; customer protection; employee benefits; and community support. [35] Exhibit CN-2R specifically indicates commitments, which Ms. Norton classifies as responsive to my recommendations, and includes commitments that Aqua PA and PAWC will not bid against each other in acquisition cases because of their common ownership; that the Companies will maintain operational presence in Pennsylvania for as long as the Companies serve Pennsylvania utility consumers; and several commitments to coordinate the Companies' universal service and Act 129 programs.[36]

Q: What is your response to these additional commitments?

A: While I appreciate the Joint Applicants adoption of these additional considerations, they have rejected the recommendations that I (and others) have proposed that would meaningfully benefit the public and agree to provide only the barest commitments. Ms. Norton touts that the Joint Applicants revised list of commitments "reflect more than 70 of the conditions proposed by the other parties in their direct testimony."[37] But the numerosity of these added commitments is not consistent with the weight of the rejected recommendations that would meaningfully benefit the public.

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[33] Id. at 4: 1-4.
[34] JA St 1-R at 5: 1-5; Exhibit CN-2R.
[35] JA St 1-R at 5-6; 8.
[36] JA St. 1-R at Exhibit CN-2R ¶¶ 69-75
[37] JA St. 1 at 5:11-12.

I agree that it is possible that the Merger *could* create an affirmative public benefit if the Joint Applicants were committed to doing so, but unfortunately, I continue to be concerned that the Merger would impose broad harms on Pennsylvania consumers, including by increasing rates for the Companies' low income customers.[38] While Ms. Norton's additional commitments help better ensure some level of operational presence in the Commonwealth, and additional coordination related to the Companies' assistance programs, the Joint Applicants continue to disagree with the broader range of recommendations which I set forth in my direct testimony. These recommendations are essential to ensuring that Pennsylvania's consumers can realize actual and substantial benefits from the Merger, if approved. As such, I stand by my conclusion that the Joint Applicants have failed to articulate substantial benefits to Pennsylvania consumers.

IV. HARM FROM THE PROPOSED MERGER

Q: Please briefly summarize the concerns related to customer affordability that you raised in your direct testimony.

A: In my direct testimony, I explain that, while the Merger is not proposing to increase customer rates, it will lead to increases in customer costs, including cost to residential ratepayers as a result of post-Merger transition and consolidation costs, and reliance on acquisitions as part of the merged entity's business models.[39] I also noted that the Joint Applicants do not set forth meaningful or substantial benefits for low income customers.[40] While these customers may be no worse off absent the Merger – though that is not certain given the transition costs involved, there is not credible evidence that they are better off.

[38] CAUSE-PA St. 1 at 23-32; 25-26.
[39] Id. at 25-26.
[40] Id. at 32; 42-43.

From my perspective, prior to Commission approval, the Commission should impose commitments that ensure that these low income customers can derive meaningful improvements and reforms to better maintain and afford services.

Q: Please summarize Ms. Norton's rebuttal related to these affordability concerns.

A: Ms. Norton argues that customer affordability is integral to the Company and customers will benefit because of the Merger because of the improved financial strength of the combined company, including through operation efficiencies, and shared best practices.[41] Despite this assertion, Ms. Norton fails to quantify how or when this will occur, arguing that it is too early in the integration process to quantify cost savings, as integration planning teams have not made critical decisions related to integration of the two organizations.[42] Instead, Ms. Norton says that Pennsylvania customers will see lower future rate increases than they otherwise would have seen, and that there will be improvements to customer service from the larger combined company if the Merger is approved.[43]

Q: What is your response to Ms. Norton's rebuttal related to customer affordability?

A: Ms. Norton's rebuttal underscores my concerns that I noted above: the continued insistence that decisions which will affect customer affordability must happen through future integration planning processes emphasizes the impalpability of the Joint Applicants'

[41] JA St 1-R at 9-10.
[42] Id. at 11: 3-20.
[43] Id.

claims. As I have discussed above, it is unclear the extent to which, if at all, the Companies' customers will see rate benefits and improvements to bill affordability.

V. RECOMMENDED CONDITIONS OF APPROVAL

Q: Does Ms. Norton make any overarching arguments in her rebuttal testimony in response to your recommended conditions if the proposed Merger is approved?

A: Yes. Ms. Norton argues that the conditions recommended by me and the other parties are not required because the Joint Applicants have made multiple commitments regarding operations, quality of services, and their employees.[44]

Ms. Norton also argues that issues related to PAWC's customers service and customer assistance programs overlap or are identical to certain proposals made in the context of PAWC's recent rate proceeding.[45] Ms. Norton argues that these issues are best addressed in the context of the base rate proceeding especially where PAWC is not a party to this proceeding.[46] Mr. Bowler similarly argues my recommended enhancements to customer service, including those contained in my direct testimony,[47] are better considered in the context of base rate cases where all costs and revenues are being reviewed.[48]

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[44] JA St 1-R at 19-20.
[45] JA St. 1-R at 19: 5-13. See, e.g., CAUSE-PA St. 1 at 59-60; 63-643 (identifying alignment with several recommendations made by CAUSE-PA witness Harry Geller in PAWC's pending base rate proceeding); OCA St. 2 at 6-7, 31-33 (identifying customer service and universal service recommendations, noting that many are based on testimony and recommendations in PAWC's pending base rate case). Mr. Bowler similarly claims that CAUSE-PA and OCA request improvements to customers assistance programs, despite recent opposition in the context of PAWC's rate proceeding. JA St 2-R at 13: 9-17.
[46] CAUSE-PA St. 1 at 1-2 ("American Water's affiliate Pennsylvania companies – Pennsylvania American Water Company water and wastewater divisions (collectively PAWC) – are not parties to the Joint Application. However, their status as the main public utility affiliate of American Water, and only real competitor of Aqua in the state, makes them a relevant entity for inquiry in this proceeding along with all of the other operating companies that comprise the Joint Applicants' request for merger.")
[47] See, e.g., CAUSE-PA St. 1 at 85-86.
[48] JA St. 2-R at 34: 1-10.

Q: What is your response?

A: I disagree with Ms. Norton that recommendations to improve the Companies' customer service and customer assistance programs should be rejected because they could be addressed in other proceedings. This is a common refrain from utilities who want to avoid accountability – defer to another proceeding what could and should be addressed in the one that is presently before the Commission. My recommendations are appropriately addressed here, in the context of the decision that the Commission has before it and are designed to ensure that customers of the operating Companies, if the Merger is approved, can realize tangible benefits from the proposed Merger. Similarly, any overlap in recommendations with other proceedings does not lessen the need for these recommendations to ensure that the Companies' customers can realize such benefits. I address the Joint Applicants' objections to my specific recommendations in detail below

A. <u>Rate Case Stay Out</u>

Q: Please briefly summarize the rebuttal of the Joint Applicants' witnesses to your recommendation related to a base rate case stay out if the Commission approves the proposed Merger.

A: In my direct testimony, I recommend a "5-year rate case stay-out that would begin at the latter of approval of the Merger application in this case or the end of the fully projected future test year for any rate case that is pending or filed prior to approval of the application in this case."[49] To be clear, this includes Aqua PA, Aqua PA-WW, Peoples and PAWC water and wastewater. Similarly, the Bureau of Investigation & Enforcement (I&E)

[49] CAUSE-PA St. 1 at 44.

witness Patel and the Office of Small Business Advocate (OSBA) witness Hashlamoun recommend a three-year stay-out following the closing of the Transaction,[50] while the Office of Consumer Advocate (OCA) witness Smith recommends a moratorium on rate case filings "of three years from the date of each of their most recent rate case filing."[51]

Ms. Norton disagrees with all these recommendations and argues that utilities are entitled "to recover prudent and reasonable costs, and an opportunity to earn a reasonable return."[52] Ms. Norton argues that recommended stay-outs would defer needed investments or increase rates more in the future because of projects which cannot be deferred.[53] Mr. Bowler further argues that stay-out provisions would increase rate volatility and contradict principles of gradualism.[54] Mr. Bowler also argues that these stay-outs are unnecessary because the Commission would have to review and approve costs (including cost savings) in future proceedings.[55]

Q: What is your response?

A: A rate case stay-out would ensure that ratepayers are able to realize a benefit from the Merger through stabilized rates. Furthermore, the operational savings that the companies tout – if they will in fact occur – should mitigate the Companies' need to come in for rate increases because rates are currently set without including these savings and, thus, do not account for them. A stay-out will allow tangible, clear, and defined benefits for consumers and allow the Companies to realize the operational savings that can be reflected on a forward-going basis when they come in for a rate case post stay-out.

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[50] I&E St. 1 at 39 (including PAWC in the recommendation in addition to the parties to the proceeding – Aqua PA, Aqua PA-WW, and Peoples); OSBA St. 2 at 5, 9.
[51] OCA St. 1 at 73 (the reference to "their" includes Aqua PA, Aqua PA-WW, Peoples and PAWC).
[52] JA St 1-R at 35: 14-19.
[53] Id. at 36.
[54] JA St 2-R at 15: 1-13.
[55] Id. at 15: 14-23.

I disagree with Ms. Norton and Mr. Bowler's assessment that imposing a stay-out would be contrary to principles of gradualism or result in rate volatility. Indeed, a stay-out would ensure that rates are more stable over the near terms – a benefit in line with the Joint Applicants' contention that the Merger would mitigate rate increases for customers. In addition, it is far from certain that a stay-out would be contrary to the principles of gradualism. The Joint Applicants tout that the Merger will lessen the amount of increased costs recovered through rates. Assuming – for the sake of argument – that this is true, this mitigation should also blunt requests for base rate increases after stay-out periods end. As such, I disagree with Ms. Norton's and Mr. Bowler's arguments against my recommended stay-out and support the stay-out recommended in my direct testimony.

B. <u>Commitment to Follow Shapiro Principles</u>

Q: Please briefly summarize Mr. Bowler's opposition to your recommendation that the Commission should require, if the proposed Merger is approved, that PAWC, Aqua PA, and Peoples adhere to the "Shapiro principles" in future rate cases.[56]

A: Mr. Bowler takes issue with this recommendation and argues that it is inappropriate to apply these principles to American Water but not other Pennsylvania utilities.[57] Mr. Bowler also claims that these principles should be applied on a case-by-case basis through rate proceedings.[58] While rejecting application of the Governor's principles, Mr. Bowler indicates that American Water is concerned with customer affordability and will meet its affordability goals through least cost financing and its financial strength post-

[56] CAUSE-PA St. 1 at 48-49. JA St 2-R at 23.
[57] JA St 2-R at 23.
[58] <u>Id.</u>

Merger.[59] He further argues that increasing the leverage of Pennsylvania utilities would increase their level of risk, and reduce or eliminate potential savings achieved through a lower cost of capital.[60]

Q: What is your response?

A: Simply saying that American Water is concerned about customer affordability does not substitute for meaningful commitments towards customer affordability. The common-sense recommendations in the Governor's letter dated April 29, 2026, are aimed at directly improving customer bill affordability.[61] I disagree with Mr. Bowler that it is necessary to defer consideration of these recommendations to a rate proceeding. These recommendations would create long-lasting improvements to bill affordability and constitute a meaningful benefit of the Merger, if approved by the Commission in this proceeding.[62]

I also disagree with Mr. Bowler that is unfair to apply these recommendations to American Water affiliates rather than other Pennsylvania utilities. This proceeding examines the extent of public benefits that will result from the Joint Applicants' Merger proposal. It is appropriate to ensure that the Companies' customers can realize benefits from the Merger through application of the recommendations in the Governor's Letter.

Finally, I disagree with Mr. Bowler that implementing a capital structure in which debt represents the meaningful majority for a utility's capital structure for ratemaking purposes is inappropriate.[63] First, even Mr. Bowler himself seems to concede that

[59] Id.
[60] JA St 2-R at 9-10; 24-25.
[61] CAUSE-PA St. 1 at 48-49.
[62] Id.
[63] JA St 2-R at 24-25.

increasing the percentage of debt used to capitalize a utility "could theoretically lower its cost of capital initially."[64] Second, there is currently a large gap between the cost of equity and the cost of debt, and even at the Governor's proposed approach, the cost of debt would have to rise considerably to overcome the rate benefit to consumers from an adjustment in capital structure.

C. Protection from Inflated Acquisition Costs Under Section 1329

Q: Please briefly summarize the recommendations set forth in your direct testimony, and the direct testimony of OCA witness Smith, aimed at controlling the costs of Section 1329 acquisitions if the Merger is approved.

A: OCA witness Smith and I set forth recommendations in our direct testimony aimed at controlling customer costs because of Section 1329 acquisitions if the Merger is approved.[65] Mr. Smith recommends a three year stay out on Section 1329 acquisitions, other than for troubled water/ wastewater systems, including acquisitions in progress at the time of closing.[66] I similarly recommend that cost recovery be limited to the amount of rate base that can put into rates to the lesser of the negotiated purchase price, fair market value, or 125% of the depreciated original cost of the system if the system does not meet the definition of a troubled system contained in Section 1327(a) – and that the Commission prohibit Aqua and PAWC from bidding against each other in any acquisitions post-closing.[67]

[64] Id. at 24:20-25:2.
[65] OCA St. 1 at 42. CAUSE-PA St. 1 at 44, 51.
[66] OCA St. 1 at 42.
[67] CAUSE-PA St. 1 at 44, 51.

Q: Please briefly summarize the rebuttal of the Joint Applicants' witnesses in response to your recommendations related to Section 1329 acquisitions.

A: Ms. Norton and Mr. Bowler disagree with my recommendations related to Section 1329.[68] Ms. Norton attempts to narrow the scope of review in this case by arguing that this proceeding is not about future acquisitions but about the proposed Merger.[69] Mr. Bowler similarly argues that future Commission proceedings are sufficient to protect the public interest rather than imposing conditions in this proceeding aimed at protecting customers with respect to Section 1329.[70]

In addition, Mr. Bowler disagrees with my assessment that Section 1329 has resulted in significant increases in rate base and customer rates.[71] Mr. Bowler similarly disagrees with my estimate of the rate impact of the Section 1329 acquisitions and points instead to various factors that he attributes to these increases – including that acquired systems often lack financial or technical capacity, and rates are often not covering the cost of service prior to acquisition.[72]

Mr. Bowler also claims, on advice of counsel, that my recommendation that the Commission require a further limitation on the rate base of non-troubled system acquisitions is contrary to the provisions of Section 1329(c), which provides, in relevant part, that: [73] "The ratemaking rate base of the selling utility shall be the lesser of the purchase price negotiated by the acquiring public utility or entity and selling utility or the fair market value of the selling utility."

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[68] JA St 1-R at 37-38. JA St 2-R at 11, 32-33.
[69] JA St 1-R at 37-38. Mr. Norton does commit American Water to not having Aqua PA and PAWC bid against each other in any acquisitions following completion of the Merger.
[70] JA St 2-R at 11: 7-13.
[71] CAUSE-PA St. 1 at 50.
[72] JA St 2-R at 33: 1-12.
[73] Id. at 33: 15-23.

Q: What is your response to Ms. Norton's and Mr. Bowler's rebuttal against your recommendations that the Commission require consumer protections related to Section 1329 acquisitions as a condition of Merger approval?

A: I disagree with Ms. Norton and Mr. Bowler that it is inappropriate for the Commission to require the additional Section 1329 conditions which I recommend in my direct testimony within the context of this proceeding. Counsel for CAUSE-PA will address legal arguments related to Section 1329 through briefing. This includes how my recommendations related to Section 1329 comport with the legal requirements of Section 1329(c). However, it is worth reiterating that the standard for merger approval allows the Commission to impose any condition on the Merger that it determines to be just and reasonable.[74] If the parties to the Merger disagree with those conditions, they are not compelled to move forward with the Merger, they can decide to walk away. Thus, I contend – and counsel will fully brief – that the Commission could impose the conditions on future acquisitions that I have outlined in my testimony. As a matter of public policy, I note that capping the dollar amount of Section 1329 acquisitions that can be rate-based will help protect the Companies' customers, while not disincentivizing acquisitions of troubled systems.

Regarding the merits of whether such conditions are necessary, as I have discussed, I am highly concerned that the proposed Merger will result in American Water's growth strategy continuing to lean heavily on acquisitions of water/ wastewater systems, and lead to increased customer rates.[75] Section 1329 has added significant costs across

[74] 66 Pa. C.S. § 1103(a).
[75] CAUSE-PA St. 1 at 50-51.

the Commonwealth for utility consumers, including the Joint Applicants' Companies.[76] Mr. Bowler argues against the specific figure and underlying citations of my analysis related to the increased consumer costs from Section 1329 acquisitions but does not dispute the overarching conclusion that these acquisitions have led to increases in customers' monthly bills. As such, I stand by the recommendations related to Section 1329 protections as a condition of Merger approval, as set forth in detail in my direct testimony.[77]

D. Commitment That Any Future Sale Of Peoples Gas Will Benefit Customers

Q: Please briefly summarize Mr. Bowler's rebuttal to your recommendation that, as a condition of the Merger, a portion of the sale proceeds be credited to customers if American Water divest Peoples.[78]

A: As I threshold matter, I would like to clarify that my recommendation is that the Commission impose these additional conditions if American Water, or any subsidiary under its control, seeks permission from the Commission to sell Peoples within 60 months (5 years) of the date of approval of the proposed Merger. Specifically, I recommend that the Commission require as a condition of sale of Peoples within this time frame, that no less than 20% of any net proceeds from the sale be shared with PAWC and Aqua ratepayers in terms of bill credits.[79] In my direct testimony, I inadvertently used a 30% figure in one place and a 20% in the other. My recommendation is for no less than 20% within 60 months.

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[76] Id.
[77] CAUSE-PA St. 1 at 51-52.
[78] CAUSE-PA St. 1 at 53. JA St 2-R at 14.
[79] CAUSE-PA St. 1 at 52-53.

Mr. Bowler argues that any future sale is not relevant at this time or as part of this proceeding as it would require Commission approval through a separate proceeding in which CAUSE-PA could participate.[80]

Q: What is your response to Mr. Bowler's arguments against this recommendation?

A: I disagree with Mr. Bowler's assessment that issues related to the sale of Peoples should not be considered in the context of this proceeding. Based on my review of the materials submitted in this case, it seems clear to me that American Water does not intend to retain Peoples Gas as an operating company for any significant period post-closing.[81] If that is incorrect then there is nothing about the recommendation that I made that would need to be effectuated. However, this sale, if it occurs, would be informed by the business and operational decisions made by American Water as a merged entity and thus I believe it material to consider the possible financial benefit of the sale for the remaining customers and that the proceeds benefit those customers.

E. Additional Protections for Residential Customers

1. Charitable Contributions

Q: Please briefly summarize recommendations in your direct testimony, and the direct testimony sponsored by OCA, aimed at safeguarding and improving charitable contributions if the proposed Merger is approved.

A: OCA and I both recommend in this proceeding that the Joint Applicants increase their charitable contribution levels for their Pennsylvania public utilities as a condition of Merger approval. OCA recommends increased charitable contributions over a ten-year

[80] JA St 2-R at 14: 1-14.
[81] CAUSE-PA St. 1 at 52.

period following the Merger close.[82] I recommend maintaining charitable contributions at existing levels for the Essential, Aqua PA and Peoples for at least 10 years following the Merger and further recommends that American Water and its affiliates be required to commit for 10 years post-closing to provide annual charitable contributions at levels equal to at least their highest annual amount during the past three calendar years.[83]

Q: Please briefly summarize Joint Applicant witness Norton's rebuttal to your recommendations related to charitable contributions in Pennsylvania.

A: Ms. Norton disagrees with these recommendations, despite touting that American Water is committed to community support.[84] Ms. Norton classifies the Joint Applicants' commitments to charitable contributions as substantial, and argues that recommendations of OCA and CAUSE-PA to increase these contributions as "highest levels in recent history" without allowing for flexibility.[85]

Q: What is your response to Ms. Norton's arguments against improving charitable contributions as a condition of Merger approval?

A: Ms. Norton's general allegations that American Water is committed to community support is belied by the failure to commit to a tangible and clear requirement for continued community support. The Joint Applicants assert that they will keep charitable contributions at Essentials' (Aqua and Peoples) levels based on historic levels for two years, after which these contributions will be at levels consistent with American Water's far less generous contribution levels in the areas it serves.[86] These alleged commitments to community

[82] OCA St. 1 at 75.
[83] CAUSE-PA St. 1 at 54.
[84] JA St 1-R at 40: 1-6.
[85] Id. at 40: 6-10.
[86] CAUSE-PA St. 1 at 22-23.

support for two years are insufficient. I disagree with Ms. Norton's arguments that my recommendations would be overly generous. My recommendation is aimed at, for at least a 10-year period, maintaining consistent levels of charitable contributions in Pennsylvania. This recommendation would make concrete the Joint Applicant's narrow commitments to charitable contributions on a longer-term basis and should be approved.

2. Operational Presence

Q: Please briefly summarize Ms. Norton's rebuttal testimony on your recommendations related to the Companies' operational presence in Pennsylvania.

A: In my direct testimony, I raise concerns about the Joint Applicants continued presence in Pennsylvania if the Merger was approved and recommend that the Joint Applicants be required to maintain customer service and field office staffing for current Essential Companies (inclusive of Aqua and Peoples) at physical locations in the Commonwealth so long as the merged entity serves Pennsylvania ratepayers.[87]

Despite the Joint Applicants committing in their Exhibit CN-2R to obtain some operational presence in Pennsylvania so long as the Companies serve Pennsylvania utility consumers, Ms. Norton argues that the Joint Applicants should not be precluded from evaluating office locations and other facilities from time to time – and should not be required to seek Commission approval for relocating headquarters unless they are selling real property.[88] Ms. Norton similarly argues that it is important to preserve flexibility to locate customer service functions to better provide services.[89] Instead, Ms. Norton only commits on behalf of the Joint Applicants in this short term – that American Water and

[87] CAUSE-PA St. at 55: 1-10.
[88] JA St 1-R at 28-29.
[89] Id. at 29: 9-23.

Essential will maintain offices located in Bryn Mawr and Peoples' headquarters in Pittsburgh for 5 years, and are willing to maintain the Bryn Mawr testing facility for at least 5 years following the Merger.[90]

Q: What is your response to Ms. Norton's rebuttal in opposition to your recommendations that the American Water and Essential's Pennsylvania Companies maintain certain presence in Pennsylvania?

A: The Joint Applicants generally commit in their initial filings to maintain presence in the Commonwealth if the Merger occurs. However, Ms. Norton's rebuttal provides further evidence to support my concerns that these commitments are non-specific and short-lived.[91] Ms. Norton's arguments that the Joint Applicants' Pennsylvania Companies need to maintain flexibility raise further concerns about the commitment to the Companies' operational presence in the Commonwealth. While Ms. Norton indicates that the Joint Applicants are willing to maintain certain presence in Pennsylvania for up to 5 years, this does not substitute for longer term commitments which would constitute firm protections for Pennsylvania consumers. Ms. Norton statement that "just because the option is preserved does not mean that the Joint Applicants intend to use it"[92] underscores the non-specific and unenforceable nature of the commitments that the Joint Applicants' have made related to their presence in the Commonwealth, and the need to impose meaningful and tangible conditions related to the same.

As such, I stand by the recommendations set forth in my direct testimony related to the Companies operational presence in Pennsylvania.[93]

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[90] Id. at 28.
[91] CAUSE-PA St. 1 at 54-55.
[92] JA St 1-R at 30: 1-3.
[93] CAUSE-PA St. 1 at 55.

3. Transition Costs

Q: Mr. Bowler disagrees with your recommendation that the Companies be prohibited from assessing any transition costs and integration costs as a condition of Merger approval.[94] Please briefly summarize Mr. Bowler's rebuttal on this issue.

A: As set forth in Exhibits CN-1R and CN-2R, the Joint Applicants agree to track all identifiable and quantifiable Merger benefits and savings and include them in the rate case filings of Aqua PA, PAWC, and Peoples post-Merger. While the Joint Applicants have agreed to additional tracking related to savings, Mr. Bowler argues against my recommendation that transition or integration costs should not be recoverable through rates.[95] Mr. Bowler calls my recommendation that no transition or integration costs be recoverable to be "sweeping" and encompassing a range of unknown costs from alleged synergies from the Merger.[96] Mr. Bowler argues that my recommendations related to transition/ integration costs, including costs to achieve synergies, coupled with my recommended rate case stay-out, would require a five year period without broad recovery of capital investments or synergies.[97]

Mr. Bowler further argues that the upfront nature of transition costs, and gradual emergence of benefits including savings, makes it inappropriate to condition recovery solely on measurable savings.[98] Mr. Bowler argues that such costs should be considered in rate cases to determine recovery of such costs. In response to my concerns that

[94] CAUSE-PA St. 1 at 55. JA St 2-R at 17, 19.
[95] JA St 2-R at 17: 16-22.
[96] Id. at 19: 13-19.
[97] Id. at 21: 1-12.
[98] Id. at 21: 13-22.

ratepayers should not have to bear the unknown weight of transition costs and changes, Mr. Bowler again points generally to the Joint Applicants' integration planning efforts.[99]

Q: What is your response to Mr. Bowler's arguments against your recommendation that that the Companies should be prohibited from assessing transition and integration costs related to the proposed Merger.

A: I stand by my position that the Commission should prohibit the Companies from assessing transition and integration costs of the Merger to customers.[100] Transition/ integration costs should not be recoverable from Pennsylvania ratepayers, as it is not a benefit for customers to have to pay for changes they did not ask for, and which they may not ultimately see any benefits from.[101] Any benefits in terms of operational efficiencies that result from these costs – when coupled with a rate case stay out – would allow the Company to effectively recover them over the duration of the stay out because current rates do not account for these purported efficiencies. If the efficiencies never materialize, then they clearly have no benefit for consumers and so should not be assessed in rates in any event.

[99] Id. at 20.
[100] CAUSE-PA St. 1 at 55.
[101] Id.

F. Conditions to Improve Assistance to Low Income Households

Q: Does Joint Applicant witness Matthew W. Prine make any overarching comments in his rebuttal related to your universal service recommendations if the Merger is approved?

A: Yes. Mr. Prine claims that many of the conditions regarding enhancements to the Companies' universal service programs and customer service standards are inappropriate and premature due to the anticipated integration planning process following completion of the Merger.[102] Mr. Prine generally acknowledges that there are opportunities for improvements to best practices, including improved customer service infraction rates and streamlined assistance program enrollment, based on this integration planning process – but fails to make specific commitments in this context of this proceeding related to these issues.[103] Like other witnesses, Mr. Prine simply asks that Commission and parties trust the integration process to deliver results and that, in any event, these recommendations are not necessary to address the impacts of the transaction or to establish affirmative public benefits.[104]

Q: What is your response to Mr. Prine's general rebuttal in opposition to your recommendations to improve universal service programs as a condition of Merger approval?

A: I disagree with Mr. Prine that the Joint Applicants' integration planning processes after the Merger is approved stand in place of implementing recommendations which would clearly ensure that the Merger would result in substantial affirmative public benefits,

[102] JA St 6-R at 5-6.
[103] JA St 6-R at 5-9: 2.
[104] Id. at 9: 11-18.

including for the Companies' low income customers who are already struggling to afford services.[105] The Joint Applicants' integration planning process will only fully occur after Merger approval, and – by the Joint Applicants' accounts – these are in the "very early" stages.[106] There is no indication, and certainly no guarantee, that these processes will result in meaningful improvements and reforms to the Companies' universal service programs or customer services. There is no reason to delay to some future state what can be achieved now. The Joint Applicants' position that the Commission and parties should simply trust them that all will be better in the future should not be adopted. Instead, the recommendations which I and other parties' witnesses make related to universal services and customer service issues are aimed at providing tangible, specific, and substantial benefits to the Companies' customers if the Commission approves the Merger.

Q: What does Mr. Prine assert about the timeframe for implementing your recommendations related to universal services?

A: Mr. Prine disagrees that the universal service program changes should occur within one year of the close of the transaction, asserting that these recommendations require IT and billing system changes.[107]

Q: What is your response?

A: Mr. Prine's assertion is a generality, and he does not indicate the specifics of what information technology or system changes would be needed to implement the universal service recommendations. Mr. Prine also does not give a more specific timeframe for when such recommendations could be implemented. I do not find it reasonable for Mr.

[105] CAUSE-PA St. 1 at 41-42.
[106] Id. at 31.
[107] JA St 6-R at 29: 7-11.

Prine to dismiss a range of my recommendations based on general system concerns. This is particularly the case as the Joint Applicants' tout certain technological benefits will result from the Merger, including related to integration of customer information systems.[108] I therefore stand by these recommendations.

1. Customer Assistance Programs/ Bill Discount Programs

Q: Aside from the generalized concerns that you note above, please summarize the rebuttal of the Joint Applicants' witnesses to your recommendation that Aqua and PAWC should be required, within a year of Merger close, to submit a joint petition to transition their bill discount programs (BDPs) to a percent of income payment (PIP) program.[109]

A: Joint Applicant witness Daniel J. Schuller classifies this recommendation as unnecessary and argues that Aqua's Customer Assistance Program (CAP) offers significant benefits to low income customers and that Aqua's current information systems do not allow it to move to a PIP.[110]

Mr. Prine also argues that a rate proceeding is the proper forum to decide CAP/BDP structure and again argues that PAWC is not party to this proceeding.[111] Mr. Prine further argues that PAWC cannot transition to a PIP because of "IT system constraints" which would require costs to overhaul, but points to the current tiered discount structure of PAWC's BDP.[112]

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[108] JA St. 3 at 10-11. CAUSE-PA St. 1 at 64.
[109] CAUSE-PA St. 1 at 60-61.
[110] JA St 5-R at 12-13. JA St 6-R at 19.
[111] JA St 6-R at 19: 15-22.
[112] Id. at 22-23.

Q: What is your response to Mr. Schuller's and Mr. Prine's arguments that Aqua and PAWC should not be required to move to a PIP-structured CAP/BDP?

A: As threshold matters, I continue to emphasize that universal service issues, including issues related to PAWC and Aqua's CAP/ BDP structures, are properly addressed in the context of this proceeding. The structure and adequacy of assistance provided by these programs directly impact whether low income customers can afford and maintain utilities services – and, in turn, whether these customers can realize benefits because of the proposed Merger. I also disagree that issues related to PAWC, including issues related to its universal service programs, are not properly considered in this case because PAWC is not a named party. PAWC represents American Water's operating Company in Pennsylvania – and would necessarily be impacted if the Merger was approved.

I disagree with Mr. Schuller and Mr. Prine that the current assistance provided by Aqua's CAP and PAWC's BDP is adequate to provide low income customers with affordable monthly bills. As outlined more fully in my direct testimony, these programs currently provide inconsistent levels of affordability, with many customers – particularly those with larger usage levels and lower incomes – bearing combined water/wastewater burdens well above the recommended 4%.[113] Transitioning to a PIP would more precisely target affordability across income and usage levels, and would be in line with Peoples' PIP-structure for its CAP.[114]

It is unclear the extent of IT constraints that Mr. Prine references as standing as a roadblock to implementing these PIP structures. Nor is it clear the extent of the costs that

[113] CAUSE-PA St. 1 at 59-60.
[114] Id. at 60-61.

Mr. Prine opines would be added to rates. That said, the Joint Applicants tout a range of technological benefits, including to the Companies' customer system, if the Merger is approved.[115] The benefits that, in turn, flow to the Companies' customers – including through implementation of reforms to Aqua's and PAWC's CAP/BDP – will help customers to realize material and tangible benefits from the Merger, if approved. As such, I stand by the recommended reforms to Aqua's CAP and PAWC's BDP, as set forth in my direct testimony.

2. Arrearage Forgiveness Assistance

Q: Please summarize Mr. Prine's and Mr. Schuller's rebuttal to your concerns that the level of arrearage forgiveness offered by the Joint Applicants' Pennsylvania companies is not adequate?[116]

A: In my direct testimony I raise concerns that the current level of arrearage forgiveness provided by Aqua, Peoples, and PAWC is not adequate to timely address low income customers need for arrearage forgiveness.[117] I recommend that the Commission direct modification each of the Companies' existing arrearage forgiveness assistance to 24-month forgiveness plans.[118] In addition, I recommend that the Companies be required to grant forgiveness for each in full payment even if that payment is not made timely because of the challenges associated with managing payments for households with insufficient income.[119]

[115] JA St. 3 at 10-11.
[116] CAUSE-PA St. 1 at 63-64.
[117] CAUSE-PA St. 1 at 63.
[118] Id. at 63-64.
[119] Id. at 64: 1-12.

As a threshold matter, Mr. Prine argues that decisions related to arrearage forgiveness assistance programs should be made in rate proceeding, and claims that PAWC is not a party to this proceeding.[120] Mr. Prine further argues that future integration planning processes can consider changes to both arrearage forgiveness plans (AFP) and CAP/BDP structures.[121] Mr. Schuller also points to Aqua's 2024 base rate proceeding, where Aqua agreed to develop a plan to be filed with its next base rate case to modify its arrearage forgiveness component of its CAP to provide full forgiveness in 36 months.[122]

Mr. Prine argues against revising Aqua and PAWC's arrearage forgiveness structures to provide full forgiveness over 24 months because he alleges that doing so would increase costs of the AMP – though he does not quantify what these costs would be.[123] Mr. Prine also disagrees with my recommendations that the Companies' customers receive arrearage forgiveness credits, regardless of timeliness of their payments. Mr. Prine argues against modifying the AFP to provide arrearage forgiveness for full payments, regardless of timeliness, because it would allegedly lessen the incentive for customers to make consistent payments, while providing no evidence in support of this contention.[124] Mr. Schuller points to other existing program rules for Aqua's and Peoples' arrearage forgiveness assistance, including that customers are not required to make timely bill payments to receive arrearage forgiveness credits, as evidence that these offerings provide adequate support for low income households.[125]

[120] JA St 6-R at 19-20.
[121] Id.
[122] JA St 5-R at 11: 11-24.
[123] JA St 6-R at 20: 14-23.
[124] JA St 6-R at 20: 4-13.
[125] JA St 5-R at 11-12.

Q: What is your response to Mr. Schuller's and Mr. Prine's rebuttal regarding your recommendations to reform the Companies' arrearage forgiveness programs?

A: As discussed above in the context of other recommendations, I continue to emphasize that these and other universal service issues must be examined in the context of this proceeding to ensure that the Companies' many low income customers can realize tangible benefits if the Merger is approved. Similarly, Aqua agreeing in 2024 to revise its arrearage forgiveness offerings to a 1/36th structure does not diminish the need to provide increased assistance across the Companies' so that low income customers can better manage their arrearage and afford their services if the Merger is approved.

While I understand that these recommendations may incur added costs, Mr. Schuller and Mr. Prine do not quantify these added costs. Nor do these witnesses compare any added costs to the estimated financial growth and benefits which may accrue to the Joint Applicant's shareholders if the Merger is approved. As such, I stand by my recommended improvements to the Companies' arrearage forgiveness program structure.

Finally, I disagree strongly with Mr. Prine that allowing for arrearage forgiveness credits, regardless of timeliness of payments, will lessen the incentive for low income customers to make consistent payments. Low income customers are those customers who are experiencing the most profound bill affordability struggles. These customers regularly make the untenable choice between paying for utility services and other basic necessities. These pronounced financial struggles may place insurmountable barriers to consistently having needed funds by a pre-determined due date. Low income customers

should not be penalized for making payments towards their account by withholding arrearage credits if they are not made by specified due dates. As such, I continue to stand by my recommendation that customers in the Companies' arrearage forgiveness programs/ program components can receive arrearage forgiveness credits for full payments, regardless of the timeliness of customer payments.

3. Universal Service Cost Recovery

Q: Please summarize the Joint Applicants' rebuttal to your recommendation that the Companies propose to recover the cost of universal service programs from all ratepayers.[126]

A: Mr. Schuller disagrees with this recommendation and argues that it is inappropriate to consider these issues in this Merger proceeding because this recommendation would entail changes to rate design, including Peoples' universal service rider.[127] Mr. Prine similarly argues it is inappropriate to consider the recommendations related to the Companies' universal service programs because water/wastewater utilities do not have access to universal service cost riders and must file base rate proceeding to recover such costs.[128]

Mr. Schuller also argues that my recommendation should be rejected because residential customers are the only class to receive these benefits.[129] Mr. Prine similarly argues that my recommendation related to broader recovery of universal service costs should be rejected because the BDP/AMP is only available to residential customers, and

[126] CAUSE-PA St. 1 at 61.
[127] JA St 5-R at 12: 9-19.
[128] JA St 6-R at 21: 1-15.
[129] JA St 5-R at 12: 9-19.

because PAWC has a proposed CAP rider pending in its rate proceeding which only applies to residential customers.[130]

Q: What is your response to these arguments against broader recovery of universal service costs from all ratepayers?

A: As noted in my direct testimony, broader recovery of Aqua's and PAWC's universal services program costs is appropriate because universal service programs benefit all ratepayers, and the communities in which they live and work.[131] Pennsylvania's General Assembly has recognized that universal service costs are public purpose costs for gas and electric services – and those same principles apply for water and wastewater services. Water and wastewater services are vital to consumers ability to stay healthy and safe in their homes.[132] The need for universal service programs is caused by poverty – a societal problem that demands societal solutions. Low income customers do not cause poverty, and there is no rational basis to cabin the costs of these programs to only residential customers. In its Final CAP Policy Statement and Order, the Commission indicated that it is appropriate to consider recovery of the costs of customer assistance programs from all ratepayer classes because "poverty, poor housing stock, and other factors that contribute to households struggling to afford utility service are not just 'residential class' problems."[133] The Commission indicated that "the Commission will no longer routinely exempt non-residential classes from universal service obligations."[134] While the CAP Policy Statement is not currently directed to water and wastewater utilities,

[130] JA St 6-R at 23: 1-11.
[131] CAUSE-PA St. 1 at 61; FN 190.
[132] Id. at 41.
[133] Final CAP Policy Statement and Order, Docket No. M-2019-3012599, at 94; 97 (Order entered Nov. 5, 2019); see also 52 Pa. Code §§ 69.265(1), 69.266(b).
[134] Final CAP Policy Statement and Order at 7, 94-97, 107.

these principles apply to water/ wastewater services which are necessary to consumers' health and wellbeing. It is therefore wholly appropriate for these costs to be recovered across the Companies' rate classes, as I recommend in my direct testimony.

I disagree with Mr. Schuller that these recommendations should be deferred to a future rate proceeding. These recommendations are aimed at ensuring that all customers contribute to these programs which provide broad community benefits and will help to better control costs for residential customers. As such, these impacts would represent meaningful and tangible benefits from the Merger and are directly tied to my recommendation that PAWC and Aqua transition to a more equitable PIP structure for their customer assistance programs.[135]

I also disagree with Mr. Prine that a universal service rider is necessary to implement these recommendations. Without such a rider, Aqua and PAWC currently can seek recovery related to universal service costs through base rate proceedings. Given the nascency of these programs and the relatively low enrollment rate, neither PAWC nor Aqua have a compelling reason to implement these riders other than seeking to guarantee revenue recovery through a rider rather than rates. I believe that it is appropriate to continue to collect the costs of these programs through base rates - without implementation of separate riders.

4. Hardship Funds

Q: Please summarize Mr. Prine's rebuttal to your recommendations for improved hardship funding as a condition of the proposed Merger.

A: To address the significant arrearage and affordability challenges of the Companies'

[135] CAUSE-PA St. 1 at 61.

low income customers,[136] I recommend through my direct testimony that Peoples, Aqua PA, and PAWC increase their hardship program funding levels by at least 30% over existing levels and maintain such funding for no less than 10 years.[137]

Mr. Prine disagrees with these recommendations and argues that the Commission cannot order a utility to increase its shareholder contributions to a hardship fund.[138] Mr. Prine also argues that the Companies already provide substantial shareholder contributions to the respective hardship funds, which he classifies as more generous than other Pennsylvania water/wastewater utilities.[139]

Q: What is your response to Mr. Prine's rebuttal that the Companies should not have to increase contributions to their respective hardship funds?

A: American Water's shareholders are projected to substantially benefit from the Merger, if it occurs.[140] It is unreasonable that the Companies argue that these shareholders should not provide additional funding to help low income customers who are struggling to maintain services. When these customers pay utility bills it is not indicative of a bill that is affordable as they often forgo food, housing, medicine, and other basic necessities, to do so. Increasing hardship fund contributions would represent a clear and tangible benefit for these struggling low income customers, and I stand by this recommendation.

I also do not agree that the Companies' hardship funds are adequately funded. Available funding for each of the Companies' hardship funds are sorely out of line with

[136] CAUSE-PA St. 1 at 70.
[137] Id. at 71.
[138] JA St 6-R at 27: 12-21.
[139] Id. at 27: 12-21.
[140] CAUSE-PA St. 1 at 17.

evidenced need amongst low income customers, with hardship funds in recent years representing only a fraction of total confirmed low income arrearages.[141] Additional funding is needed to bolster the assistance provided under the Companies' hardship funds so that low income customers can remain connected to vital water, wastewater, and gas services in their homes. Regarding the legal argument made by Mr. Prince, counsel for CAUSE-PA will fully brief whether the Commission can impose conditions that it deems just and reasonable before granting its approval for the Merger.

5. Peoples Low Income Usage Reduction Program (LIURP)

Q: Please summarize Mr. Schuller's rebuttal to your recommendation that Peoples should increase its LIURP budget by $1,500,000 to a total of $5,000,000 annually, as well as increase its Emergency Furnace/House and Service Line Repair Program ("ERP") budget by 20%.[142]

A: Mr. Schuller disagrees with this recommendation.[143] He argues that Peoples has increased its LIURP funding in 2024, but failed to expend its full budget in 2024 and 2025 because of a transition in its program administration.[144] He similarly argues that an increase to Peoples' Emergency Repair Program of 22% was approved in March 2026.[145] Mr. Schuller also argues that Peoples is currently undergoing an independent evaluation of its universal service programs as required by the Commission's Bureau of Consumer Services, and is due to file a proposed Universal Service and Energy Conservation Plan

[141] Id. at 70.
[142] Id. at 75: 6-17.
[143] JA St 5-R at 10-11.
[144] Id. at 10: 14-25.
[145] JA St 5-R at 11: 1-5.

(USECP) by April 1, 2028.[146] Mr. Schuller argues that these factors make an increase unnecessary.[147]

Q: What is your response to Mr. Schuller's arguments against your recommended funding improvements to Peoples' LIURP?

A: While I acknowledge increases to Peoples' LIURP budget over the last several years, I continue to be concerned about the unmet need for usage reduction services.[148] At Peoples current rate of administering LIURP services, it would take 19 years to weatherize all eligible customers.[149] Addressing this unmet need, and the unmet need across the Companies' universal service programs, is essential to addressing the significant hardships faced by the many low income customers in the Companies' service territories – and to ensure that the Companies' customers can realize substantial affirmative benefits if the Merger is approved. I therefore stand by my recommended funding reforms to Peoples' LIURP, as set forth in my direct testimony.

[146] Id.
[147] Id.
[148] CAUSE-PA St. 1 at 72-73.
[149] Id. at 73: 4-6.

6. Need for a PAWC Usage Reduction/ Repair Program

Q: Please summarize the recommendations set forth in your direct testimony related to PAWC developing a conservation and leak/line repair program.

A: In my direct testimony, I note that PAWC does not maintain a customer-side service line repair assistance program or a customer-side leak repair assistance program.[150] This is a critical gap in PAWC's assistance offerings, as low income customers most often lack any discretionary income and cannot reasonably afford the high costs of necessary repairs – including to customer-side service lines.[151] I recommend that PAWC be required to develop a comprehensive conservation and leak repair/replacement assistance program available to customers at or below 250% of federal poverty level (FPL).[152]

Q: Please summarize Mr. Prine's rebuttal to your recommendation that PAWC develop a comprehensive conservation and leak/line repair program.

A: Mr. Prine rejects my recommendation, and points instead to the Joint Applicants' future integration planning processes as a forum to evaluate PAWC implementing such a program.[153] Mr. Prine also argues, on advice of counsel, that Pennsylvania water/wastewater jurisdictional utilities are not required to maintain such programs.[154] Mr. Prine also argues that this recommendation is inappropriate because PAWC would have to hire additional staff and manage additional costs, without receiving "full and timely" recovery as Peoples does.[155]

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[150] CAUSE-PA St. 1 at 77: 1-7.
[151] Id. at 77: 8-15.
[152] CAUSE-PA St. 1 at 77-78. OCA St. 2 at 32 (OCA sets forth a similar recommendation for customers at or below 150% FPL).
[153] JA St 6-R at 24: 9-13.
[154] Id. at 24: 13-16.
[155] Id. at 24-25.

Q: What is your response to Mr. Prine's opposition that PAWC be directed develop a conservation/ repair program through this proceeding?

A: PAWC customers would materially and meaningfully benefit from the implementation of such a program now, as a condition of the Merger, rather than at some uncertain point in the future. Currently, PAWC provides only limited conservation assistance to low income customers in the form of kits and education.[156] This leaves a substantial gap in assistance for low income households who can oftentimes not afford the steep costs of repairs and other conservation assistance measures.[157] Customer's ability to make necessary repairs and engage in conservation directly impacts their quality and affordability of services – and whether they will be able to realize tangible benefits from the Merger.

I similarly disagree with Mr. Prine that these recommendations should not be implemented because of additional costs which may occur from development of this program. Mr. Prine has not quantified these costs, and as discussed, American Water stands to accrue significant financial benefits from the Merger. The Companies' low income customers must also be able to realize meaningful benefits because of the Merger, including important improvements to PAWC's conversion and repair assistance so that they can better stay connected to services and manage their monthly bills.

[156] CAUSE-PA St. 1 at 77.
[157] Id.

7. Coordination of Universal Service Programs

Q: Please summarize your recommendation about the Joint Applicants' Pennsylvania Companies better coordinating their universal service programs.

A: In my direct testimony, I recommend improved coordination activities among various conservation and universal service programs. Specifically, I recommend that:

- Each of the Companies coordinate when customers present high usage across utility
- The Companies coordinate their usage reduction programs, including that Aqua and PAWC coordinate their program offerings with Peoples' LIURP and Act 129 programs to permit referrals and program access assistance; and
- The Companies allow for cross-referral and enrollment across their universal service programs for households who are served by more than one Company, so that enrollment should also be standardized and streamlined.[158]

Q: Please summarize the rebuttal of the Joint Applicants' witnesses to these recommendations.

A: Despite indication in Exhibit CN-2R that the Companies would agree to allow cross referral and enrollment across their universal service programs and to better coordinate referral and enrollment related to usage reduction/ repair programs,[159] Mr. Schuller disputes that more is needed in this area or that Aqua be required to better coordinate referrals and enrollment in its usage-reduction/ repair programs due to underspending of these offerings.[160] Mr. Schuller indicates that Aqua has been working to increase participation in this program and has shared updates for feedback to its advisory

[158] CAUSE-PA St. 1 at 65-66, 80-81.

[159] In Exhibit CN-2R at 11, the Joint Applicants also agree that Companies should be required to standardize enrollment criteria and allow their Program administrator to enroll a customer in all eligible programs via one application, this should also allow for a streamlined processes for referral of customers who are identified as low income and in need of assistance by the Companies.

[160] JA St 5-R at 9-10.

committee.[161] Mr. Schuller argues that Aqua has increased participation in this program, with April 2026's leak repair program expenses exceeding total expenditures for October 2025 through March 2026.[162]

Mr. Prine indicates that American Water agrees to my coordination recommendations to the extent that the Companies will generally work together post-Merger to compare universal service programs to identify efficiencies related to these programs.[163] However, with regards to CAUSE-PA's specific recommendations to standardize and streamline enrollment, Mr. Prine calls such recommendations premature and vaguely states that "[i]n the future, there may be an opportunity to combine their offerings together into a formal program."[164]

Q: What is your response to Mr. Schuller's and Mr. Prine's arguments related to coordination of usage reduction programs and other universal service programs?

A: With regards to Mr. Schuller's arguments, I do not believe that they detract from my recommendations related to additional coordination of these programs. Indeed, my recommendations related to additional coordination and enrollment are meant to supplement these recent efforts and are necessary with the substantial underspending of the program in recent years.[165]

With regards to Mr. Prine's arguments, I am concerned that American Water continues to make diffuse and non-specific allegations which they deem commitments. American Water indicating, through Mr. Prine's rebuttal, that they will only generally

[161] Id.
[162] JA St 5-R at 10: 1-7.
[163] JA St 6-R at 25-26.
[164] Id. at 26: 15-18.
[165] CAUSE-PA St. 1 at 78-79.

evaluate changes related to coordinating their universal service programs, and may implement certain change in the future, does not constitute tangible, material, or specific commitments or benefits. For these reasons, I stand by my recommendations related to the coordination of the Companies' usage reduction and other universal service programs, as set forth in my direct testimony.

G. Reconnection Fees

Q: Please summarize Mr. Prine's rebuttal regarding your recommendation that Aqua and PAWC, within 90 days of a final order in this case, should be required to waive reconnection fees for all confirmed low-income customers and advise customers of this reform.[166]

A: Mr. Prine argues that there is no connection between a final order in this case and reconnection fees, as no Pennsylvania subsidiary integration is proposed in this proceeding.[167]

Q: What is your response to Mr. Prine's arguments related to your recommendation that Aqua and PAWC waive reconnection fees for all confirmed low income customers?

A: I disagree. Reconnection fees pose a substantial barrier to low income customers reconnecting to service and increase the level of bill unaffordability faced by these customers.[168] The Joint Applicants tout that the Merger will result in more affordability for customers than without its approval.[169] Being able to reconnect to and maintain service is part of this alleged affordability and linked to the imposition of reconnection fees. As

[166] CAUSE-PA St. 1 at 83-86.
[167] JA St 6-R at 18: 1-13.
[168] CAUSE-PA St. 1 at 85.
[169] JA St. 5 at 8. CAUSE-PA St. 1 at 20.

such, I stand by my recommendations related to waiver of reconnection fees for confirmed low income customers, set forth in my direct testimony.

H. Most Favored Nations Clause

Q: Ms. Norton disagrees with your recommendation related to "most favored nations".[170] Please briefly summarize Ms. Norton's rebuttal on this issue.

A: In my direct testimony, I recommend that the Commission requires that the Joint Applicants apply commitments from other jurisdictions where Merger approval is necessary, otherwise known as a "most favored nations" or "most favored states" provision.[171] Ms. Norton argues that the Merger involves seven different jurisdictions, and automatically applying provisions in this manner may lead to overlapping or inconsistent conditions, which may be inappropriate or inequitable in Pennsylvania without consideration to cost or operational impacts.[172]

Q: What is your response to Ms. Norton's rebuttal related to these provisions?

A: I stand by my recommendation that the Commission impose a "most favored state" requirement if it approves the proposed Merger. This commitment would provide that, in obtaining approved of the proposed Merger is another jurisdiction, the Joint Applicants would commit to providing these additional benefits in Pennsylvania, without the need for additional approval.[173] This recommendation ensures that Pennsylvania ratepayers will not be disadvantaged, or see disproportionately less benefits, compared to consumers in the other jurisdictions where American Water is seeking regulatory approval to merge. [174]

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[170] JA St 1-R at 14: 14-22; CAUSE-PA St. 1 at 87-88.
[171] Id.
[172] JA St 1-R at 14-15.
[173] CAUSE-PA St. at 88.
[174] Id. at 87.

This recommendation would similarly help ensure that conditions and benefits connected to the Merger are not being applied in an uneven manner across these jurisdictions.

VI. CONCLUSION

Q: Does this conclude your surrebuttal testimony?

A: Yes.

OSBA EXHIBIT NO. 1

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

OFFICE OF SMALL BUSINESS ADVOCATE'S
ADMITTED TESTIMONY AND EXHIBITS
OSBA EXHIBIT NO. 1

The Office of Small Business Advocate ("OSBA") admitted the enclosed following testimony and exhibits, as OSBA Exhibit No. 1, as evidence into the evidentiary record, at the Evidentiary Hearing on August 4, 2026, in the above- captioned proceeding:

- Direct Testimony of Joseph Kubas, labeled OSBA Statement No. 1. with signed Verification of Joseph Kubas.
- Direct Testimony and Exhibit of Celia Hashlamoun, labelled OSBA Statement No. 2, with associated Exhibit ES-1, with signed Verification of Celia Hashlamoun,
- Surrebuttal Testimony of Celia Hashlamoun, labelled OSBA Statement No. 2-SR, with signed Verification of Celia Hashlamoun.

Date: August 4, 2026

COMMONWEALTH OF PENNSYLVANIA

May 21, 2026

The Honorable Emily DeVoe
Administrative Law Judge
PA Public Utility Commission
Office of Administrative Law Judge
Piatt Place
301 Fifth Avenue, Suite 220
Pittsburgh, PA 15222

The Honorable Ann Quimby
Administrative Law Judge
PA Public Utility Commission
Office of Administrative Law Judge
Piatt Place
301 Fifth Avenue, Suite 220
Pittsburgh, PA 15222

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 Judge DeVoe and Judge Quimby:

Enclosed please find the Direct Testimony of Joseph Kubas, labeled OSBA Statement No. 1, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceedings.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

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 I.D. No. 77538

Enclosures

cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service Only)
Celia Hashlamoun
Kevin C. Higgins
Joseph Kubas
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	:	**Docket Nos. A-2025-3058927** **A-2025-3058928** **A-2025-3058929**

DIRECT TESTIMONY

of

JOSEPH KUBAS

on behalf of the

Pennsylvania Office of Small Business Advocate

Topics:
Future Wastewater Cost of Service Studies

Date Served: May 21, 2026

Date Submitted for the Record: August 4, 2025

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Joseph Kubas. My business address is Forum Place, 555 Walnut Street, 1st floor, Harrisburg, PA 17101.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Office of Small Business Advocate ("OSBA") as an Economic Development Consultant.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. My testimony is being sponsored by the OSBA.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE AND QUALIFICATIONS.

A. My academic and professional background is described in the attached Appendix A.

Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THIS COMMISSION?

A. Yes. As described in my Appendix A, I provided testimony in many proceedings before the Commission on many occasions.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my direct testimony is to address Future Cost of Service Studies submitted by Aqua Pennsylvania, Inc.

INTRODUCTION

Q. PLEASE DESCRIBE THE FILING.

A. On November 26, 2025, the American Water Works Company, Inc., (AWC) Essential Utilities, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., (Aqua) 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).

Q. HOW DID AQUA CLASSIFY AND GROUP WASTEWATER CUSTOMERS IN THE MOST RECENT CASE?

A. In the most recent Aqua base rate case, Aqua determined the present and proposed revenue for the Residential, Commercial, Industrial, Public Authority, and Third-Party Sales classes separately (Aqua Exhibit 5-B, Part II, R-2024-3087424, page 4). In the same case for Cost of Service (COSS) purposes, Aqua presented the Residential customers in one class, but grouped the Commercial, Industrial, and

Public Authority classes into the Non-Residential class and showed the revenue from Third-Party sales along with miscellaneous revenue as not belonging to any class of service (Exhibit 5-B, Part I, Schedule A-WW).

Q. WHY ARE CUSTOMERS GROUPED INTO DIFFERENT CLASSES?

A. Customers are grouped into different classes because they have different usage characteristics. By grouping them into different classes, the cost of providing service to these groups of customers can be determined. Then the Commission can determine reasonable rates the customers in each class pay, with the goal of having all customers in a class pay the same rates.

Q. WHAT DO YOU RECOMMEND THE COMPANY DO IF THE COMMISSION APPROVES THIS APPLICATION?

A. I have two recommendations for all future wastewater systems. First, I recommend that the Company split off the Commercial customers into a separate class of service. Second, I recommend that Aqua show the cost of providing service to Third-Party sales as a separate class.

Q. WHY DO YOU RECOMMEND THAT AQUA SEPARATE COMMERCIAL CLASS CUSTOMERS INTO A SEPARATE CLASS?

A. There are several reasons. First, in the current wastewater COSSs as compiled by Aqua, it's not possible to determine if Commercial customers are subsidizing

Industrial or Public Authority customers since Commercial customers are grouped with these customers under the one Non-Residential class. Not knowing is detrimental to Commercial and other customers. Second, the Company is currently separating the Commercial class in the water COSS (Aqua Exhibit 5-A, Part 1, Schedule B). Therefore, to be consistent with its water operations, Aqua should do this in all future wastewater COSSs. Third, PAWC agreed to do this in the current PAWC base rate case (PAWC Statement 12-R, Docket R-2025-3057983). Therefore, to be consistent with what PAWC agreed with, Aqua should separate Commercial customers into their own class in all future wastewater COSSs.

Q. WHY DO YOU RECOMMEND THAT AQUA SHOW THIRD-PARTY CUSTOMERS AS A SEPARATE CLASS?

A. There are two reasons. Showing the revenue from Third-Party Sales as miscellaneous makes it impossible to determine if the revenue received from Third-Party Sales is more or less than the cost of providing service to these customers. Not knowing is detrimental to Commercial and other customers. Second, PAWC is currently doing this as shown in its latest base rate case (PAWC Volume 17, Exhibit 12-B, Schedule B). Therefore, to be consistent with PAWC, Aqua should show Third-Party sales as a separate class in all future wastewater COSSs.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

APPENDIX A

Resume & Expert Testimony List

of

Joseph Kubas

JOSEPH KUBAS
OFFICE OF SMALL BUSINESS ADVOCATE
Forum Place,
555 Walnut Street, 1St Floor
Harrisburg, PA 17101

Education: Bachelor of Science in Civil Engineering Technology, 1985, University of Pittsburgh at Johnstown, Johnstown, PA.

Continuing Education: Legal Principles and Practices of Surveying at the University of Maryland. Economics, Accounting, 33 Credit hours of accounting at the Howard County Community College and the University of Pittsburgh at Johnstown. Managing Multiple Priorities at the Pennsylvania State University. Various PA-PUC and Utility Company Seminars.

Professional: Engineer In Training, 1985,

Exams: Uniform Certified Public Accounting Exam, 1993.

Rate School: Cost of Service - Rate Structure & Rate Design instructor at Commission's Rate School - September 2010, 2012, 2014, 2016, 2022, and 2024.

Title: **ECONOMIC DEVELOPMENT CONSULTANT**

May 2025 - Present
Office of Small Business Advocate

Duties: Provide consultation and assist the OSBA the areas of Engineering, Revenue and Rate Structure, issues for all fixed utility types. This includes measure of value claims, plant additions, cost of service, rate structure and rates, revenue annualizations, depreciation claims, and economic analyses. The types of dockets reviewed by the OSBA include base rate cases, applications, formal complaints, investigations, applications, and petitions.

Title: **RATE CASE REVIEW SPECIALIST - ANNUITANT**

July 2023 – December 2024
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Duties: Provide consultation and assist the Bureau of I&E in the areas of Engineering, Revenue and Rate Structure for all fixed utility types. This includes measure of value claims, rate structure and rates, revenue annualizations, depreciation claims, fuel purchasing practices and economic analyses. The types of dockets reviewed by the Bureau of I&E included applications, formal complaints, investigations, applications, petitions and rate investigations. The review includes analyzing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue schedules, depreciation studies, and formal complaints.

Title: **FIXED UTILITY VALUATION ENGINEER SUPERVISOR**

December 2011 – June 2023
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Duties: Duties included the areas of Engineering, Revenue and Rate Structure for all fixed utility types. During the course of formal and informal investigations personnel under my direction were responsible for reviewing and presenting recommendations regarding tariff rate schedules, tariff rules and regulations, measures of value claims, revenue annualizations, depreciation claims, fuel purchasing practices and economic analyses. The types of dockets reviewed by the Bureau of I&E included: applications, formal complaints, investigations, petitions and rate investigations. The Engineering Section was also responsible for reviewing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue, depreciation studies, water quality test results and formal complaints. Duties also included reviewing default service petitions by electric distribution companies and Act 129 Filings by the seven major electric Utilities, including energy efficiency and conservation plans and Smart Meter Plans.

Title: **RATE CASE REVIEW SPECIALIST**

December 2009 - December 2011
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement and Office of Trial Staff

Duties: These duties included the determination of the reasonableness of claims and proposals in the areas of plant in service, rate base, depreciation expense, cost of service, quality of service, revenues, acquisitions, purchase gas expense, rate structure, and tariff proposal submitted by Water, Sewer,

Telephone, Gas and Steam Heat utilities to justify utility service rates, or alternative forms of regulation. Research, analyze, and review rate case filings, tariff filings, acquisitions and investigations. Participate in on-site inspections of utility properties to determine the used and usefulness of the plant-in service and make recommendations. Prepare interrogatories in the areas of rate base, depreciation expense, purchase gas expense, amortizations, rate structure, revenue and quality of service in order to obtain additional information regarding a utility's filing. Analyze present revenue, proposed revenue, rate structure and tariff issues. Recommend adjustments to rate base, depreciation expense, revenue, rate structure and other issues concerning fixed utilities. Prepare testimony and exhibits for the purpose of establishing the I&E position in formal and informal proceedings before the Commission. Assist I&E employees with engineering and rate structure issues, including briefs and exceptions input. Participate in Commission consultative report proceedings and collaboratives undertaken by the Commission.

Title: **FIXED UTILITY VALUATION ENGINEER III**

December 1999 - December 2009
Pennsylvania Public Utility Commission
Office of Trial Staff

Duties: These duties included the determination of the reasonableness of claims and proposals in the areas of plant in service, rate base, depreciation expense, cost of service, quality of service, revenues, acquisitions, purchase gas expense, rate structure, and tariff proposal submitted by Water, Sewer, Telephone, Gas and Steam Heat utilities to justify utility service rates, or alternative forms of regulation. Research, analyze, and review rate case filings, tariff filings, acquisitions and investigations. Participate in on-site inspections of utility properties to determine the used and usefulness of the plant-in service and make recommendations. Prepare interrogatories in the areas of rate base, depreciation expense, purchase gas expense, amortizations, rate structure, revenue and quality of service in order to obtain additional information regarding a utility's filing. Analyze present revenue, proposed revenue, rate structure and tariff issues. Recommend adjustments to rate base, depreciation expense, revenue, rate structure and other issues concerning fixed utilities. Prepare testimony and exhibits for the purpose of establishing the OTS position in formal and informal proceedings before the Commission. Assist OTS employees with engineering and rate structure matters, including briefs and exceptions. Participate in Commission consultative report proceedings and collaboratives undertaken by the Commission.

Title: **FIXED UTILITY VALUATION ENGINEER II**

April 1996 - December 1999
Pennsylvania Public Utility Commission
Office of Trial Staff and Bureau of Fixed Utility Services

Duties: Perform the duties of a Fixed Utility Valuation Engineer II in the Office of Trail Staff (OTS) and Bureau of Fixed Utility Services.

Title: **FIXED UTILITY VALUATION ENGINEER TRAINEE, I & II**

May 1993 - March 1996
Pennsylvania Public Utility Commission
Office of Trial Staff
Telecommunications and Water Division

Duties: Perform the duties of a Fixed Utility Valuation Engineer II in the Rate Structure/Engineering Section of the Telecommunications and Water Division of the Office of Trial Staff (OTS).

Title: **CIVIL ENGINEER**

May 1985 - January 1991
Clark Finefrock & Sackett Inc.
7135 Minstrel Way
Columbia, MD 21045

Duties: Engineering, Surveying, Computer, and Field Inspection work related to land development projects in Maryland.

Testimony Before the Pennsylvania Public Utility Commission

1.	National Utilities Inc. (Water)	R-00953416
2.	Consumer Pennsylvania Water Company - Roaring Creek Division	R-00973869
3.	Philadelphia Suburban Water Company	R-00973952
4.	Bell Atlantic - Pennsylvania Inc.	P-00971307
5.	City of Bethlehem- Bureau of Water	R-00984375
6.	Pennsylvania Telephone Association - Chapter 30 Plan	P-00981425
7.	GTE North Inc. Telephone Chapter 30 Plan	P-00981449

8.	Pennsylvania American Water Co.	R-00994638
9.	Philadelphia Suburban Water Co.	R-00994868
10.	PG Energy (Gas)	R-00005119
11.	Pennsylvania American Water - Coatesville Acquisition	A-212285-F0071
12.	T. W Phillips Gas and Oil Company	R-00005459
13.	Verizon North - Chapter 30 Plan	P-00001854
14.	Philadelphia Gas Works	R-00006042
15.	PFG Gas Inc. & Penn Fuels Gas Co.	R-00013679
16.	Pennsylvania American Water Co.	R-00016339
17.	Philadelphia Suburban Water Co.	R-00016750
18.	Philadelphia Gas Works	R-00017034
19.	PFG Gas Inc. & Penn Fuels Gas Co	R-00027389
20.	Verizon - Pennsylvania, Inc.	P-00021973
21.	Verizon - Pennsylvania, Inc.	P-00937105-F0002
22.	Pennsylvania American Water Co.	R-00027982
23.	Dominion Peoples 1307(f)	R-00038170
24.	Verizon PA / Verizon North	C-20027195
25.	National Fuel Gas Distribution, Inc.	R-00038168
26.	Aqua Pennsylvania Inc.	R-00038805
27.	Dominion Peoples 1307 (f)	R-00049153
28.	PPL Electric Utilities	R-00049255
29.	National Fuel Gas Distribution, Inc.	R-00049656
30.	City of Lancaster - Sewer	R-00049862
31.	Dominion Peoples 1307(f)	R-00050267
32.	Verizon PA / Verizon North	C-20027195
33.	PPL Gas Utilities Inc. 1307(f)	R-00050540
34.	United Telephone	A-313200-F0007
35.	Aqua Pa	R-00051030
36.	T.W. Phillips 1307(f)	R-00051134
37.	City of Dubois	R-00050671
38.	T.W. Phillips	R-00051178
39.	The Peoples Natural Gas Co. 1307(f)	R-00061301
40.	Meted/Penelec	R-00061366 and R-00061367
41.	The York Water Company	R-00061322
42.	PPL Gas Utilities Corporation	R-00061398
43.	National Fuel Gas Distribution, Inc.	R-00061493
44.	Pennsylvania American Water Co.	P-00062241
45.	Philadelphia Gas Works	R-00061931
46.	PPL Electric	R-00072155
47.	Pennsylvania-American Water Co.	R-00072229
48.	Valley Energy	R-00072349
49.	City of Bethlehem	R-00072492

50.	Aqua Pennsylvania, Inc.	R-00072711
51.	T.W. Phillips 1307(f)	R-2008-2013026
52.	Columbia Gas	R-2008-2011621
53.	The Peoples Natural Gas Co. 1307(f)	R-2008-2022206
54.	PECO Energy	P-2008-2032333
55.	NRG Energy Center Harrisburg	R-2008-2028395
56.	PAWC - Coatesville Wastewater	R-2008-2032689
57.	York Water	R-2008-2023067
58.	Pike County Power and Light (Gas)	R-2008-2046520
59.	Columbia Water	R-2008-2045157
60.	T. W. Phillips Gas (1307-f)	R-2008-2075250
61.	The Peoples Natural Gas Co. (1307-f)	R-2009-2088069
62.	UGI Utilities Inc. (1307-f)	R-2009-2105911
63.	PAWC Water	R-2009-2097323
64.	UGI Utilities Inc.	R-2009-2105911
65.	Penn Estates Water	R-2009-2117532
66.	Penn Estates Sewer	R-2009-2117740
67.	AT&T Communications	C-2009-2098380
68.	Aqua Pennsylvania Inc.	R-2009-2132019
69.	T.W. Phillips Gas (1307-f)	R-2009-2145441
70.	PGW Gas	R-2009-2139884
71.	City of Bethlehem - Remand	R-00072492
72.	Dominion Peoples (1307-f)	R-2010-2155608
73.	PECO Energy - Gas Division	R-2010-2161592
74.	UGI Penn National Gas	R-2010-2172928
75.	PAWC Coatesville Operations	R-2010-2166212
76.	PAWC Northeast Operations	R-2010-2166214
77.	Duquesne Light	R-2010-2179522
78.	Peoples Natural Gas Company	R-2010-2201702
79.	T.W. Phillips - Steel River Application	A-2010-2210326
80.	Peoples Natural Gas 1307(f)	R-2011-2228694
81.	UGI Penn Natural Gas 1307(f)	R-2011-2238943
82	Pennsylvania American Water	R-2011-2232243
83.	Aqua Pennsylvania, Inc.	R-2011-2267958
84.	Borough of Quakertown	R-2011-2251181
85.	Peoples Natural Gas Company	R-2012-2285985
86.	Columbia Gas of Pennsylvania	R-2012-2321748
87.	UGI Utilities Inc.	R-2015-2518438
88.	Aqua Wastewater	A-2017-2605434
89.	Pennsylvania American Water	R-2017-2595853
90.	UGI Electric	R-2017-2640058
91.	PECO Electric	R-2018-3000164
92.	York Water Company	R-2018-3000019

93.	Penn Power	P-2019-3012628
94.	Aqua-PA -New Garden Twp	A-2019-2580061
95.	UGI Gas	R-2019-3015162
96.	Pittsburgh Water and Sewer	R-2019-3017951
		P-2019-3019019
97	PAWC Wastewater	R-2020-3019371
98.	Aqua PA Wastewater	R-2021-3027386
99.	PECO Electric	R-2021-3024601
100.	Borough of Ambler	R-2022-3031704
101.	PAWC – Borough of Brentwood	A-2022-3024058
102.	PAWC – Wastewater	R-2023-3043190
103.	First Energy	R-2024-3047068
104.	PPL Electric	P-2024-3048732
105.	Pittsburgh Water Sewer Stormwater	R-2025-3055010
		R-2025-3055011
		R-2025-3055012
106.	Lancaster Water	R-2025-3057238
107.	PAWC – Wastewater	R-2025-3058051

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water	**:**	
Works Company, Inc., Essential Utilities,	**:**	**Docket Nos. A-2025-3058927**
Inc., Aqua Pennsylvania, Inc., Aqua	**:**	**A-2025-3058928**
Pennsylvania Wastewater, Inc., Peoples	**:**	**A-2025-3058929**
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	**:**	

VERIFICATION

I, Jospeh Kubas, hereby state that the facts set forth in my Direct Testimony, labeled OSBA Statement No. 1, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATE: 05/19/2026

/s/ Joseph Kubas
JOSEPH KUBAS

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	:	**Docket 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 Emily DeVoe
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Date: May 21, 2026

/s/ Steven C. Gray
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COMMONWEALTH OF PENNSYLVANIA

May 21, 2026

The Honorable Emily DeVoe
Administrative Law Judge
PA Public Utility Commission
Office of Administrative Law Judge
Piatt Place
301 Fifth Avenue, Suite 220
Pittsburgh, PA 15222

The Honorable Ann Quimby
Administrative Law Judge
PA Public Utility Commission
Office of Administrative Law Judge
Piatt Place
301 Fifth Avenue, Suite 220
Pittsburgh, PA 15222

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 Judge DeVoe and Judge Quimby:

Enclosed please find the Direct Testimony and Exhibit of Celia Hashlamoun, labelled OSBA Statement No. 2, with associated Exhibit ES-1, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceedings.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

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 I.D. No. 77538

Enclosures

cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service Only)
Celia Hashlamoun
Kevin C. Higgins
Joseph Kubas
Parties of Record

OSBA STATEMENT NO. 2

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

DIRECT TESTIMONY AND EXHIBIT

of

CELIA B. HASHLAMOUN

on behalf of

Pennsylvania Office of Small Business Advocate

Topics:

Ratemaking Impacts
Customer-Related Merger Protections

Date Served: May 21, 2026

Date Submitted for the Record: August 4, 2025

DIRECT TESTIMONY OF CELIA B. HASHLAMOUN

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Celia Hashlamoun. My business address is 111 East Broadway, Suite 1200, Salt Lake City, Utah, 84111.

Q. By whom are you employed and in what capacity?

A. I am a Senior Consultant at Energy Strategies, LLC. Energy Strategies is a private consulting firm specializing in economic and policy analysis applicable to energy production, transportation, and consumption.

Q. On whose behalf are you testifying in this proceeding?

A. My testimony is being sponsored by the Pennsylvania Office of Small Business Advocate ("OSBA").

Q. Please describe your professional experience and qualifications.

A. I earned a Bachelor of Science in Business Administration from the University of Akron in 2007. I joined Energy Strategies in 2025, where my responsibilities include reviewing utility case filings, conducting financial and regulatory analyses, and developing expert testimony to support regulatory proceedings. Prior to joining Energy Strategies, I was a Regulatory Consultant for The East Ohio Gas Company d/b/a Enbridge Gas Ohio. In that role, I was responsible for planning and preparing analyses that supported various regulatory proceedings and internal business initiatives.

Before my time at Enbridge Gas Ohio, I worked in the Rates and Regulatory Affairs Department at FirstEnergy Corp, where I supported regulatory filings and

rate-related analysis. Earlier in my career, I was employed at Plante & Moran Corporate Finance as an Investment Banking Analyst.

Q. Have you previously testified before this Commission or any other regulatory Commission?

A. Yes. I testified in Case No. A-2025-3055551 which involved the merger and transfer of all assets of Community Utilities of Pennsylvania Inc. ("CUPA") to Pennsylvania American Water Company ("PAWC"). I have also previously testified before the Public Utilities Commission of Ohio, the New Jersey Board of Public Utilities and the New Mexico Public Regulation Commission.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your direct testimony in this proceeding?

A. The purpose of my testimony is to respond to the Joint Application filed by American Water Works Company, Inc. ("American Water"), Essential Utilities, Inc. f/k/a Aqua America, Inc. ("Essential"), Aqua Pennsylvania, Inc. ("Aqua PA"), Aqua Pennsylvania Wastewater, Inc. ("Aqua WW"),[1] Peoples Natural Gas Company LLC ("Peoples") and Alpha Merger Sub, Inc. ("Merger Sub") seeking approval for a change of control of Aqua PA and Peoples, through a merger of Essential and Merger Sub, a wholly owned subsidiary of American Water (the "Merger"). My testimony focuses on issues raised by the proposed Merger and its potential impact on small business customers in Pennsylvania which are relevant to the Commission's determination of whether the proposed transaction serves the public interest.

[1] References to Aqua PA also include Aqua PA WW, which is a wholly owned subsidiary of Aqua PA, unless otherwise noted.

III. OVERVIEW OF THE JOINT APPLICANTS' MERGER PROPOSAL

Q. Please describe the merger proposal between American Water and Essential.

A. The proposed transaction is an all-stock merger in which Essential will become a wholly owned subsidiary of American Water. Essential serves approximately 1.9 million water, wastewater and natural gas customer connections across nine states.[2] American Water serves approximately 3.5 million customer water and wastewater connections in fourteen states.

Upon closing of the transaction, American Water will be the ultimate corporate parent of Essential, and all its subsidiaries including Aqua PA and Peoples, in addition to its existing subsidiary, Pennsylvania-American Water Company ("PAWC").[3] American Water is not proposing to merge PAWC and Aqua PA at this time.

In connection with the proposed Merger, the Joint Applicants are also seeking Commission approval of three new affiliated interest agreements. These include: (1) a service agreement for shared support services between Aqua PA, Aqua WW and Peoples and American Water Works Service Company (the "Service Company"); (2) a financial services agreement with American Water Capital Corp. ("AWCC")[4]; and (3) an office space lease between Aqua PA and Service Company.[5]

[2] Essential Utilities, Inc., 2025 Annual Report, at 5.
[3] Direct Testimony of Cheryl Norton, page 3, lines 2-15 and footnote 1.
[4] AWCC provides certain financial services to American Water and its regulated subsidiaries, including short-term loans, long-term borrowings and cash management. A financial services agreement will be executed by AWCC and each of Aqua PA, Aqua PA WW, and Peoples. American Water is evaluating the extent to which AWCC will be utilized for Peoples.
[5] Joint Application ¶ 30

Q. What are the statutory requirements that the Joint Applicants must satisfy for approval of the proposed change in control?

A. Under Section 1103(a) of the Pennsylvania Public Utility Code, the Commission must determine whether granting approval of the proposed transaction is "necessary or proper for the service, accommodation, convenience, or safety of the public."[6]

Pennsylvania courts have further clarified this standard. In *City of York v. Pennsylvania Public Utility Commission*, the Pennsylvania Supreme Court held that a proposed transaction must affirmatively promote the public interest in a substantial way. While this standard does not require quantifiable benefits in every area, the record must demonstrate that the transaction, viewed as a whole, will produce an affirmative public benefit.[7]

Additionally, Section 2210(a) requires the Commission to consider the potential anti-competitive effects of the transaction and its impact on employees in mergers involving natural gas utilities.[8]

Q. What is your overall conclusion regarding the proposed Merger?

A. I do not oppose the Joint Applicants' request, provided that appropriate conditions are adopted. The Joint Applicants have not proposed sufficient safeguards to protect customers from merger-related risks. Accordingly, I recommend that the Commission impose specific ratemaking and other customer protections to ensure customers are held harmless and that the proposed transaction serves the public interest.

[6] 66 Pa. C.S. § 1103(a)
[7] Joint Application ¶ 24
[8] 66 Pa. C.S. § 2210(a)

Q. Please summarize your financial recommendations.

A. I recommend:

(1) A three-year moratorium on base rate cases following the closing of the transaction;

(2) For three years following closing, all costs associated with the integration of the Companies' systems shall be tracked and excluded from recovery in future rates; and

(3) For two years following the closing, all costs incurred or arising from agreements entered into during this period for retention bonuses, incentive compensation, change-in-control payments and severance should be tracked and excluded from rates.

Q. Please summarize your operational recommendations.

A. I recommend:

(1) For five years following the closing of the transaction, Peoples should maintain separate operational, safety, engineering, compliance and regulatory reporting functional areas and such functions should not be consolidated into a centralized corporate structure;

(2) For five years following closing of the transaction, the Companies should be required to maintain a local operational presence and annually report to the Commission regarding Pennsylvania staffing levels, facility locations and use of Pennsylvania contractors and vendors; and

(3) For three years following closing of the transaction, the Companies should notify the Commission and provide notice to customers of any billing system conversion or integration after the close of the transaction and waive all late fees for a period of 90 days following implementation

IV. ASSESSMENT OF JOINT APPLICANTS CLAIMED BENEFITS AND CUSTOMER IMPACTS

Q. What benefits do the Joint Applicants assert the Merger will produce?

A. The Joint Applicants assert that the proposed Merger will produce a range of financial, operational and customer-related benefits for Aqua PA and Peoples. They contend that the Merger will create a larger and more diversified utility platform capable of enhancing the provision of utility services.[9]

Q. Why is it important to evaluate these asserted benefits?

A. The Joint Applicants' asserted benefits form the basis for their claim that the Merger will serve the public interest. Accordingly, it is important to evaluate whether those benefits are likely to be realized and whether they will result in measurable improvements for customers, including impacts on rates, service quality and operations.

Q. What financial benefits do the Joint Applicants claim?

A. Joint Applicants witness Bowler asserts that American Water and all its subsidiaries will benefit in three areas: (1) a stronger balance sheet for the combined company than either would have on a stand-alone basis, (2) more stable operating cash flows and (3) enhanced access to capital markets at competitive rates.[10]

Joint Applicants witness Norton states that customers will benefit from increased scale and scope, including maximizing their purchasing power and the ability to "obtain significant discounts on necessary goods and services" and that the Joint Applicants are "confident that the Merger will generate synergies" and

[9] Direct Testimony of Cheryl Norton, page 7, lines 21-23.
[10] Direct Testimony of David Bowler, page 7, lines 7-11.

result in cost saving opportunities for the combined company over the long-term.[11] She further states that, while there will be some costs to achieve Merger-related synergies, customers will realize benefits from those synergies as they are recognized in future rate cases in the form of costs that are lower than they would have been absent the Merger.[12]

Q. What do the Joint Applicants state regarding rate impacts?

A. The Joint Applicants state that the proposed Merger will not have any adverse impact Aqua PA's or Peoples' rates for two reasons: (1) existing Commission-approved rates, rules, and terms and conditions of service will remain unchanged at closing; and (2) Aqua PA and Peoples will not seek recovery of any acquisition adjustment or goodwill associated with the Merger, nor recovery of transaction costs incurred in connection with the Merger.[13]

Q. Do the Joint Applicants make any commitments regarding future rates?

A. No. The Joint Applicants do not specify how long current rates will remain in effect after closing or quantify the anticipated impact on future rates. They state that the intent is for future rate increases to be mitigated by efficiencies resulting from the transactions.[14]

Q. What is your overall conclusion regarding the Joint Applicants' financial benefits claims, including rate impacts?

A. I agree that rates should not change at closing, as rates cannot be modified absent Commission approval in a rate proceeding. However, this does not establish that the proposed transaction will not adversely affect customers over the long-term or

[11] Direct Testimony of Cheryl Norton, page 8, lines 4-6 and 14-23.
[12] *Id.* at page 16, lines 3-5.
[13] Joint Application ¶ 32
[14] Direct Testimony of Daniel Schuller, page 8, lines 4-8.

demonstrate that the transaction is in the public interest. The Joint Applicants provide little support for their claims regarding future rate impacts beyond general statements of long-term merger-related benefits.

I also agree that customers should not bear any acquisition premium or transaction costs associated with the proposed Merger. However, the Joint Applicants' position does not preclude the possibility that customers bear transition and integration related costs.[15] While the Joint Applicants assert that future rate increases will be mitigated by merger-related benefits, they acknowledged in discovery that they "have not yet established estimates for synergy savings or costs to achieve."[16] Without quantified estimates of anticipated synergies and associated integration costs, it is difficult to assess the extent to which the claimed financial benefits will offset the costs required to achieve them.

Accordingly, I recommend the Commission require the Joint Applicants to comply with certain ratemaking requirements to protect customers from unquantified merger-related transition and integration costs.

Q. Please explain your financial recommendations.

A. Transition and integration activities associated with a merger can give rise to costs across a range of categories. Given that the Joint Applicants have not quantified or provided sufficient detail regarding such expected costs or synergies, I have identified specific areas where there is risk of adverse customer impacts, while preserving the opportunity for customers to benefit from long-term efficiencies. My recommendations are as follows:

[15] American Water's response to OSBA-JA-I-2 (b)
[16] American Water's response to OCA-JA-I-13.

(1) For a period of three years following the closing of the transaction, the Companies shall not file a base rate case,[17]

(2) For a period of three years following the closing of the transaction, all costs associated with the integration of the Companies' systems shall be tracked and excluded from recovery in future rates, and

(3) For a period of two years following the closing of the transaction, all costs incurred or arising from agreements entered into during this period for retention bonuses, incentive compensation, change-in-control payments and severance should be tracked and excluded from rates.

Q. Please explain the basis for your recommendation that the Companies be required not to file a rate case for three years following the close of the transaction.

A. My recommendation is based on two primary considerations. First, the period following the closing is expected to involve significant integration activities. As acknowledged in American Water's 2025 Annual Report, "[w]e anticipate that the integration of the two companies may ultimately be complex, and we expect to devote significant time and resources to this integration process." [18] As a result, the Companies' operating costs during this period may not be representative of normal ongoing utility operations.

Second, permitting a base rate case during the integration period increases the risk that customers could bear costs associated with merger-related activities before any claimed synergies are realized. A temporary stay-out period helps mitigate the risk that rates established in a future proceeding would reflect transitional merger integration costs rather than stabilized operations and costs.

[17] Peoples Natural Gas filed a base rate case with the Pennsylvania Public Utility Commission on March 27, 2026 (Docket Number R-2026-3060855).
[18] American Water Works Company, Inc., 2025 Annual Report (Form 10-k), at 53.

In addition, integration periods may involve increased reliance on shared services and affiliate support, which could increase costs allocated to Aqua PA and Peoples. This further supports deferring base rate proceedings until operations and cost structures have stabilized.

Accordingly, I recommend a three-year moratorium on base rate case filings, as this is a reasonable mechanism to protect ratepayers during a period of operational transition and uncertainty following the Merger.

Q. Please explain the basis for your recommendation that system integration costs be excluded from recovery in future rates.

A. My recommendation is based on the potential for merger-related system integration costs to be recovered from ratepayers if appropriate safeguards are not established. Such costs may not have been incurred at this time, or based on the same scope, absent the Merger.

As part of a merger, it is common for companies to seek to standardize systems across the combined organization, including financial, billing, and work management systems. While such integration efforts may be operationally beneficial to the combined company, they are driven by the transaction itself rather than the standalone needs of the utilities.

Per Essential's 2025 10-K, "[t]he cost of software upgrades and enhancements are capitalized if they result in added functionality" and "[i]nformation technology costs associated with major system installations, conversions and improvements, such as software training, data conversion and business process reengineering costs, are deferred as a regulatory asset if it is

probable that such costs are recoverable in future rates."[19] This creates a risk that costs incurred solely as a result of the Merger could be characterized as system enhancements or new functionality and subsequently included in rate recovery.

In testimony Ms. Arnold states "[A]qua PA's billing and customer information system will not change immediately upon closing. Through our integration efforts, we expect to evaluate the future integration of billing systems and anticipate potential benefits moving onto the same SAP-based platform as American Water." [20]

The Joint Applicants have not provided any estimates on the scope, timing or costs associated with any potential future system integration activities. System integration costs undertaken to align operations with the combined company's preferred platform or organization structure are distinct from investments independently required to provide safe and reliable service. For example, standardizing the customer relationship management platform across affiliates may create additional functionality or operational efficiencies for the combined organization, but these changes are driven by *integration* objectives rather than utility service requirements.

Given the size and complexity of the proposed transaction, and the fact that integration discussions have only recently commenced, it is reasonable to expect that system integration activities may occur over multiple years following close.

Accordingly, to protect ratepayers from unreasonable cost recovery, the Companies should be required to track all merger related system integration and

[19] Joint Application, Exhibit F, at 71.
[20] Direct Testimony of Colleen Arnold, page 8, lines 10-15.

implementation costs for a period of three years and exclude such costs from future cost recovery proceedings, whether the costs are capitalized, deferred as regulatory assets or recorded as operation and maintenance ("O&M") expenses.

To the extent the Companies contend that certain system investments are independent of the Merger, they should be required to demonstrate that such investments were planned and justified prior to the transaction announcement or are otherwise supported by a merger-independent business need.

Q. Please explain the basis for your recommendation that costs associated with retention bonuses, incentive compensation, change-in-control payments and severance be excluded from recovery in future rates.

A. My recommendation is based on the nature of the costs, which are directly attributable to the Merger and would not have been incurred absent the transaction. Such costs are typically incurred to facilitate workplace stability and organizational changes associated with a merger, rather than to support the provision of utility service in the ordinary course of operations. Customers should not bear extraordinary compensation costs associated with corporate restructuring or employee retention strategies arising from the Merger, particularly since the Joint applicants have not quantified any associated customer benefits.

In response to discovery, American Water indicated that while retention bonuses are not currently anticipated and would not be recovered from customers,[21] the Joint Applicants indicated that change-in-control payments will be made to certain senior executives, with the potential for additional payments that are not yet known.[22] The Joint Applicants further classify these costs as "transition costs",

[21] American Water's response to OCA-JA-1-70.
[22] Essential's response to OCA JA-I-71

rather than transaction costs, which they have stated will be excluded from recovery. This creates a risk that such costs could ultimately be reflected in rates and without adequate transparency and safeguards.

Therefore, it is appropriate to establish a clear requirement that all such costs, including retention bonuses, incentive compensation, change-in-control payments and severance be excluded from recovery in future rates.

Q. What operational benefits do the Joint Applicants claim?

A. The Joint Applicants claim that the Merger "combines the expertise, experience and resources" of the two companies and will permit the sharing of best practices and lead to operational efficiency to support solutions to infrastructure challenges across an expanded footprint in Pennsylvania.[23]

Q. What operational commitments have the Joint Applicants made in support of the proposed Merger?

A. The Joint Applicants have made general commitments related to service quality, local operational presence, workforce continuity and community support.[24] These include:

- Maintaining current service quality;
- Continuing to invest in infrastructure replacement, renewal, upgrades or additions;
- Maintaining day-to-day operations under local management;
- Honoring existing labor agreements;
- Continuing to make charitable contributions at levels consistent with those historically provided by Aqua PA and Peoples in their service areas for a period of two years following close; and

[23] Joint Application ¶ 31
[24] Joint Application, Exhibit C, at 1-3.

- Maintaining separate financial structures and avoiding cross-subsidization between affiliates

Q. Do these commitments provide meaningful support for the claimed operational benefits of the Merger?

A. No. While the commitments generally address operational and customer service matters, they are stated at a high level and lack measurable standards or specific performance commitments.

For example, when asked in discovery to define "current service quality" and explain how such performance will be measured, the Joint Applicants responded generally that it is the utilities' "present standard of service as it exists today," but they did not provide any performance metrics or benchmarks associated with the commitment.[25]

Similarly, when asked whether the transaction would improve customer service performance, the Joint Applicants stated they have a "continuous improvement mindset and that the Merger would unite "two highly skilled and experienced teams." However, no specific customer service improvements or measurable performance standards were stated.[26]

Moreover, the record does not establish that the Merger is needed to achieve these outcomes. In some instances, a transaction is undertaken to address a specific utility need, such as operational or reliability concerns. However, that does not appear to be the case here. Essential is already a large, established, and financially stable utility. The application refers to the combining of "two industry leaders".[27]

[25] American Water's response to OCA-JA-2-4
[26] American Water's response to OCA-JA-2-5
[27] Joint Application, at 14.

According to Essential's 2026 Proxy Statement, the Company completed more than 70 acquisitions since 2015 and had a market capitalization of $10.8 billion at year-end of 2025.[28]

Accordingly, the record does not demonstrate that the Merger will produce incremental benefits beyond those already available to each entity as a standalone company.

Q. Do you have concerns regarding the proposed operational integration of Peoples into American Water?

A. Yes.

Q. Please explain your concern.

A. American Water's operational experience is focused primarily on water and wastewater utility service rather than natural gas distribution operations. While both water and natural gas utilities involve pipeline networks and underground infrastructure, natural gas distribution operations involve materially different operational, safety, engineering, compliance and regulatory considerations due to the transportation of combustible fuel.

These differences include federal pipeline safety compliance requirements, gas leak classification and response obligations, pressure management associated with combustible gas distribution, and gas-specific operational and emergency response protocols.

While the Joint Applicants state that Peoples' day-to-day operations will continue to be locally managed following the transaction[29], they do not make any

[28] Essential Utilities, Inc., *Form DEF 14A Proxy Statement* (Mar 17. 2026), at 16 (under the qualifications of Christopher Franklin describing his leadership experience).
[29] Direct Testimony of Michael Huwar, page 10, lines 17-19.

specific long-term commitments regarding the continued local management or the preservation of dedicated natural gas functional areas.

Q. Please explain your operational recommendations.

A. In light of the operational differences between water and natural gas utility operations, and the limited detail provided regarding how operational integration will occur following the Merger, I recommend several operational protections to help mitigate the risk that customers would be adversely impacted by the transaction. My recommendations are as follows:

(1) For a period of five years following closing of the transaction, Peoples should maintain separate operational, safety, engineering, compliance and regulatory reporting functional areas and such functions should not be consolidated into a centralized corporate structure;

(2) For a period of five years following closing of the transaction, the Companies should be required to maintain a local operational presence and annually report to the Commission regarding Pennsylvania staffing levels, facility locations and use of Pennsylvania contractors and vendors; and

(3) For a period of three years following closing of the transaction, the Companies should notify the Commission and provide notice to customers of any billing system conversion or integration after the close of the transaction and waive all late fees for a period of 90 days following implementation

Q. Please further explain your recommendation regarding the separation of Peoples' operations from a centralized corporate structure.

A. I recommend that, for a period of five years following closing, Peoples should maintain separate operational, safety, engineering, compliance, and regulatory reporting functional areas and such functions should not be consolidated into a centralized corporate structure.

Thereafter, critical natural gas operational and safety functions, including pipeline safety, integrity management, leak response, and emergency operations should remain under Peoples management and organizational oversight and should not be consolidated into centralized corporate or broader water utility functional groups unless otherwise approved by the Commission.

These recommendations are intended to preserve dedicated oversight and sustained leadership focused on gas operations following the transaction, helping to support the continued safe and reliable service of natural gas. As Peoples may represent a smaller portion of the combined company, and because American Water doesn't currently operate a natural gas utility, there is a risk that broader organizational priorities could center on water and wastewater operations. Without dedicated gas-focused oversight, managerial decisions may not fully account for the distinct operational, safety and regulatory considerations associated with natural gas operations.

Q. Please explain the basis for your recommendation regarding maintaining a local operational presence.

A. My recommendation is based on the importance of maintaining sufficient local staffing, facilities and operational resources to ensure service quality, reliability and effective emergency response. Local operational presence is important to maintain familiarity with system conditions, regional operating characteristics, coordination with municipal officials, just to name a few. Reductions in local staffing or operational resources may not immediately appear in service quality metrics but can affect operational responsiveness and customer experience over time.

The Joint Applicants state that they *intend* to maintain a local presence and continue local management of operations.[30] However, these statements are not accompanied by specific commitments or measurable standards.

As noted earlier in my testimony, the Applicants have acknowledged that the integration planning is still in its early stages. As part of this process, they have indicated that all positions will be evaluated to determine the appropriate structure of the combined company.[31]

As a result, there is uncertainty regarding how staffing levels, operational functions and local decision making may evolve over time. Absent clear requirements, changes to workforce levels, facility use or operational structure could occur that may affect the Companies' ability to maintain current service quality and responsiveness.

Accordingly, it is appropriate to require the Companies, for a period of five years to report on staffing levels, facility locations and the use of contractors and vendors to provide transparency and allow the Commission to monitor whether the Companies are maintaining sufficient local operational presence following the Merger. Given that the Joint Applicants have not committed to specific levels or benchmarks, ongoing reporting ensures that any changes can be evaluated and that service quality is not adversely affected.

[30] Direct Testimony of Cheryl Norton, page 16, line 20 through page 17, line 4.
[31] American Water response to OCA-JA-I-67, part (b).

Q. Please explain the basis for your recommendation regarding billing system integration activities.

A. My recommendation is based on the potential risks to customers associated with billing system conversion activities following the Merger. Billing system conversions are complex and can result in billing errors, delayed bills and customer confusion, particularly during periods when the Companies are also undertaking broader integration efforts.

In the testimony of Joint Applicants witness Huwar, he states that the Peoples' billing or customer information system won't change "immediately upon closing,"[32] but he does not indicate whether such changes are anticipated or may be evaluated as part of the integration process. Similarly, Joint Applicants witness Arnold states that Aqua PA's billing and customers information system will not change immediately upon closing, but provided no detail as to whether future changes are being considered.[33]

Billing system issues can have direct and immediate impacts on customers. For example, billing errors or delays may require customers to spend time contacting the Company to resolve discrepancies. In some cases, customers may feel compelled to pay disputed bills to avoid late fees or service disruption while issues are under review. In addition, system transitions can increase call volumes and strain customer service resources, potentially delaying resolution times.

Accordingly, I recommend that the Companies be required to provide advance notice to the Commission and customers of any billing system conversion

[32] Direct Testimony of Michael Huwar, page 9, lines 14-17.
[33] Direct Testimony of Colleen Arnold, page 8, lines 8-15.

within three years following the closing of this transaction. In addition, all late fees should be waived for a period of 90 days following any such system conversion.

Q. Why is it important to establish these requirements now?

A. Establishing these requirements at the time of approval is important to ensure that appropriate safeguards, tracking and documentation practices are in place from the outset of the integration process. Doing so provides clarity to the Companies and ensures that the relevant data and operational information are identified, tracked and maintained to allow for a meaningful review in future proceedings.

In response to discovery, the Joint Applicants acknowledged that they have only recently begun having integration discussions and have not yet determined anticipated transition, implementation, or integration costs. In addition, they have not addressed how such costs will be separately tracked or distinguished from routine operation or capital expenditures.

Absent requirements established at this stage, there is a risk that such costs and operational data will not be adequately tracked or documented, making it difficult to distinguish between routine costs and those that are attributable to the Merger and assess its impact on operations and customer service.

Q. Does this conclude your direct testimony?

A. Yes

EXHIBIT ES-1

Resume & Expert Testimony List

of

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Celia Hashlamoun

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PROFESSIONAL EXPERIENCE

Senior Consultant

Energy Strategies, LLC. | Salt Lake City, Utah | 2025 – Present

Member of the firm's regulatory practice, supporting a broad range of energy-related matters. Responsibilities include evaluating utility regulatory filings, analyzing work papers and financial models, and developing discovery requests to support regulatory proceedings. Provides analytical and strategic support across diverse energy projects to assist clients in navigating market and regulatory environments.

Regulatory Consultant

Enbridge Gas Ohio (formerly Dominion Energy Ohio) | Cleveland, Ohio | 2018-2025

Contributed to the development of regulatory strategy in support of company filings and compliance efforts. Conducted detailed financial analyses, led cost recovery filings and related regulatory audits, developed expert witness testimony and provided strategic support to internal teams across the company.

Analyst IV – Rate Strategy

FirstEnergy Corp. | Akron, Ohio | 2009 – 2018

Held increasing responsibilities within the Rates & Regulatory Affairs team, progressing to Analyst IV. Designed and maintained financial models to evaluate various regulatory scenarios. Collaborated with cross-functional teams to assess and quantify the impact of proposed regulatory changes.

Investment Banking Analyst

Plante Moran Corporate Finance | Cleveland, Ohio | 2008 – 2009

Conducted regional and industry-specific trend analyses to support market overviews and client deliverables. Performed financial valuation analyses for strategic and transactional purposes.

VALUATION ANALYST

APPLE GROWTH PARTNERS | MAYFIELD VILLAGE, OHIO | 2007 – 2008

Assisted in preparing valuation reports for various purposes, including domestic relations, estate and gift tax, ESOPs, mergers and acquisitions, and feasibility studies. Conducted industry and economic research to support company-specific forecasts and assumptions.

EDUCATION

BACHELOR OF SCIENCE, BUSINESS ADMINISTRATION

Concentration in Corporate Finance
University of Akron | 2007

Expert Testimony

OHIO

"In the Matter of the Application of The East Ohio Gas Company d/b/a Enbridge Gas Ohio for Authority to Adjust Its Capital Expenditure Program Rider Charges," Public Utilities Commission of Ohio, Docket No. 26-619-GA-RDR. Direct testimony submitted April 1, 2026.

"In the Matter of the Application of The East Ohio Gas Company d/b/a Enbridge Gas Ohio for Authority to Adjust Its Capital Expenditure Program Rider Charges," Public Utilities Commission of Ohio, Docket No. 25-619-GA-RDR. Direct testimony submitted March 31, 2025. Supplemental direct submitted December 17, 2025.

In the Matter of the Application of The East Ohio Gas Company d/b/a Enbridge Gas Ohio for Approval to Increase Natural Gas Rates, Public Utilities Commission of Ohio, Docket No. 23-894-GA-AIR et al. Direct testimony submitted November 14, 2023; Supplemental Direct testimony submitted August 9, 2024; Second Supplemental Direct testimony submitted December 18, 2024; Rebuttal testimony submitted February 5, 2025; and testified at hearing January 16, 2025 and February 12, 2025

"In the Matter of the Application of The East Ohio Gas Company d/b/a Enbridge Gas Ohio for Authority to Adjust Its Capital Expenditure Program Rider Charges," Public Utilities Commission of Ohio, Docket No. 24-619-GA-RDR. Direct testimony submitted March 28, 2024.

"In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Authority to Adjust Its Capital Expenditure Program Rider Charges," Public Utilities Commission of Ohio, Docket No. 23-619-GA-RDR. Direct testimony submitted March 30, 2023.

"In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Authority to Adjust Its Capital Expenditure Program Rider Charges," Public Utilities Commission of Ohio, Docket No. 22-619-GA-RDR. Direct testimony submitted April 1, 2022. Supplemental Direct testimony submitted August 31, 2022.

"In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of an Alternative Form of Regulation," Public Utilities Commission of Ohio, Docket No. 21-1109-GA-ALT. Direct Testimony submitted November 30, 2021.

"In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Authority to Adjust Its Capital Expenditure Program Rider Charges," Public Utilities

Commission of Ohio, Docket No. 21-619-GA-RDR. Direct testimony submitted April 1, 2021. Testimony in Support of Stipulation submitted September 10, 2021.

"In the Matter of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of an Alternative Form of Regulation," Public Utilities Commission of Ohio, Docket No. 19-468-GA-ALT. Direct testimony submitted May 1, 2019.

Pennsylvania

"In the Matter of the Joint Application of American Water Works Company, Inc., et al." Pennsylvania Public Utility Commission, Docket No. A-2025-3055551 et al. Direct Testimony submitted October 14, 2025; Surrebuttal Testimony submitted November 13, 2025.

New Jersey

"In the Matter of the Verified Petition of Jersey Central Power & Light Company ('2016 Base Rate Filing')." New Jersey Board of Public Utilities, Docket No. ER1604038. Direct testimony submitted April 28, 2016.

New Mexico

"In the Matter of Southwestern Public Service Company's Application for: (1) Revision of Its Retail Rates Under Advice Notice No. 341; and (2) Other Associated Relief," New Mexico Public Regulation Commission, Case No. 25-00079-UT. Direct Testimony submitted May 1, 2026.

"In the Matter of Southwestern Public Service Company's Application for Approval of Long-Term Purchased Power Agreements for Battery Energy Storage Systems and Related Relief," New Mexico Public Regulation Commission, Case No. 25-00085-UT. Direct testimony submitted March 20, 2026; Testimony in Support of Stipulation submitted April 17, 2026.

"In the Matter of Southwestern Public Service Company's Application for Certificates of Public Convenience and Necessity and Related Ratemaking and Regulatory Approvals," New Mexico Public Regulation Commission, Case No. 25-00066-UT. Direct testimony submitted December 23, 2025; Rebuttal Testimony submitted January 12, 2026; testified at hearing January 28, 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	:	**Docket Nos. A-2025-3058927** **A-2025-3058928** **A-2025-3058929**

VERIFICATION

I, Celia Hashlamoun, hereby state that the facts set forth in my Direct Testimony and Exhibit, labelled OSBA Statement No. 2, with associated Exhibit ES-1, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: May 21, 2026

Celia Hashlamoun

Celia Hashlamoun

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	:	**Docket 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).

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Date: May 21, 2026

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

COMMONWEALTH OF PENNSYLVANIA

July 23, 2026

The Honorable Emily DeVoe
Administrative Law Judge
PA Public Utility Commission
Office of Administrative Law Judge
Piatt Place
301 Fifth Avenue, Suite 220
Pittsburgh, PA 15222

The Honorable Ann Quimby
Administrative Law Judge
PA Public Utility Commission
Office of Administrative Law Judge
Piatt Place
301 Fifth Avenue, Suite 220
Pittsburgh, PA 15222

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 Judge DeVoe and Judge Quimby:

Enclosed please find the Surrebuttal Testimony of Celia Hashlamoun, labelled OSBA Statement No. 2-SR, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceedings.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

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 I.D. No. 77538

Enclosures

cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service Only)
Celia Hashlamoun
Kevin Higgins
Joseph Kubas
Parties of Record

OSBA STATEMENT NO. 2-SR

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

SURREBUTTAL TESTIMONY

of

CELIA B. HASHLAMOUN

on behalf of

Pennsylvania Office of Small Business Advocate

Topics:

Ratemaking Impacts
Customer-Related Merger Protections

Date Served: July 23, 2026

Date Submitted for the Record: August 4, 2025

SURREBUTTAL TESTIMONY OF CELIA B. HASHLAMOUN

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Celia Hashlamoun. My business address is 111 East Broadway, Suite 1200, Salt Lake City, Utah, 84111.

Q. By whom are you employed and in what capacity?

A. I am a Senior Consultant at Energy Strategies, LLC. Energy Strategies is a private consulting firm specializing in economic and policy analysis applicable to energy production, transportation, and consumption.

Q. Are you the same Celia Hashlamoun who submitted Direct Testimony in this proceeding on behalf of the Pennsylvania Office of Small Business Advocate ("OSBA")?

A. Yes.

Q. What is the purpose of your Surrebuttal Testimony?

A. I am responding to the rebuttal testimony of the Joint Applicants' witnesses David Bowler, Matthew W. Prine and Colleen Arnold. Specifically, I address Mr. Bowler's testimony concerning proposed rate case stay-outs and merger-related transition costs, Ms. Arnold's testimony regarding my recommendation for annual reporting on local operational presence and Mr. Prine's testimony regarding my recommendations for customer protections in the event of a billing system conversion following the proposed Merger. I explain why I continue to believe these recommendations are reasonable and in the public interest.

II. CONCLUSIONS

Q. What conclusions do you offer in your testimony?

A. I continue to recommend a three-year rate case stay-out following the closing of the proposed transaction to help ensure that customers do not bear merger-related transition costs during the post-merger integration period. I also continue to recommend annual reporting regarding local operational presence for a period of five years following the proposed Merger. That recommendation does not restrict the Joint Applicants' flexibility to make organizational or staffing changes during the integration process. Rather, it provides a reasonable mechanism for the Commission to monitor the Companies' implementation of their commitments regarding local management and operational presence. Finally, I continue to recommend advance notice to customers before any billing system conversion or integration occurring within three years of closing, together with a temporary waiver of late fees following implementation. These measures provide reasonable customer protections by informing customers of an upcoming billing system conversion and reducing the potential financial consequences if implementation-related billing issues occur.

III. RESPONSE TO THE JOINT APPLICANTS' REBUTTAL TESTIMONY REGARDING MY RECOMMENDATIONS

Q. Mr. Bowler states that, "a mandated rate case stay-out provision of any duration is not consistent with sound regulatory principles" because "[r]ate cases are the primary mechanism through which a utility aligns its revenues with costs of providing safe and reliable service." [1] Do you agree?

A. No. I do not agree that a rate case stay-out provision of any duration is necessarily inconsistent with sound regulatory principles. Whether a temporary stay-out is appropriate depends on the particular facts and circumstances. My recommendation is limited to a three-year period following the proposed Merger and is intended to address the unique circumstances associated with post-merger integration. It is a customer protection designed to allow the Companies' operations to stabilize before new base rates are established.

As I explained in my direct testimony, American Water has acknowledged that integrating the two companies will be complex and require significant time and resources.[2] During this period, the Companies' operating cost structure may not be representative of normal ongoing utility operations. Permitting a base rate case before those integration activities have been substantially complete increases the risk that rates will reflect transitional merger-related costs before the anticipated benefits and synergies of the Merger are realized. Accordingly, I continue to believe that a three-year rate case stay-out is a reasonable mechanism to protect customers during the post-merger integration period.

[1] Direct Testimony of David Bowler, p. 14 lines 17-21.
[2] Direct Testimony of Celia B. Hashlamoun, pp. 9-10.

Q. Mr. Bowler states that costs such as retention bonuses, change-in-control payments, and severance are normal costs of doing business and part of the cost to achieve synergies and savings related to the Merger.[3] Do you agree?

A. No. I continue to believe that these costs should be excluded from recovery in future rates. As I explained in my direct testimony, the costs I recommend excluding are directly attributable to the proposed Merger and would not have been incurred absent the transaction.[4] They result from workforce and organizational changes undertaken to implement the Merger, rather than from the provision of utility service in the ordinary course of business. Accordingly, I continue to recommend that, as a condition of approval the Commission require these merger-related costs to be tracked and excluded from recovery in future rates.

Q. Ms. Arnold states that it is important that the Joint Applicants maintain flexibility to determine the appropriate organizational structure for the combined company[5] and that reporting is unnecessary because staffing information will be available in future rate cases and Commission management audits.[6] Do you agree?

A. No. The Joint Applicants have made a number of commitments regarding local management and operational presence following the Merger. My recommendation does not prescribe specific staffing levels or organizational structures or otherwise limit the Joint Applicants' flexibility to determine the appropriate organizational structure. Rather, it provides the Commission with information to monitor the implementation of those commitments during the post-merger integration period.

[3] Direct Testimony of David Bowler, pp. 18-19 (summarizing the recommendations of OCA witness Smith, I&E witness Patel, and OSBA witness Hashlamoun regarding the exclusion of recovery of merger-related transition costs, including retention bonuses, change-in-control payments, severance, and similar costs).
[4] Id. p.12, lines 11-18.
[5] Rebuttal Testimony of Charyl Norton, p. 24, lines 9-12.
[6] Id. p.25, lines 2-10.

Periodic reporting regarding staffing levels, facility locations, and the use of contractors and vendors provides timely transparency regarding changes implemented during the integration process and complements, rather than replaces, information that may become available in future base rate cases or Commission management audits.

Q. Does Mr. Prine's rebuttal testimony respond to your recommendation regarding billing system conversions?

A. Yes. Mr. Prine agrees that the Joint Applicants will notify the Commission if a billing system conversion or integration occurs within three years following the closing of the proposed transaction,[7] thereby addressing the Commission notification portion of my recommendation. However, he does not agree with my recommendations regarding advance notice to customers before implementation and a temporary waiver of late fees following implementation. I continue to believe those recommendations are appropriate.

Q. Mr. Prine states that if billing issues arise following a future billing system conversion, the Joint Applicants would address the issue with the Commission at that time. [8] Do you agree that approach is sufficient?

A. No. I believe it is appropriate to establish reasonable customer protections in advance rather than relying solely on corrective measures after problems occur. If a billing system conversion occurs within the first three years following the proposed transaction, it would likely occur during the broader merger integration period, when the Companies may be implementing multiple operational,

[7] Rebuttal Testimony of Mattew W. Prine, p.17, lines18-20.
[8] *Id.* p.17, lines15-18.

organizational, and system changes simultaneously. Unlike many other integration activities, billing system issues can have an immediate and direct impact on customers. If billing errors or delays occur, the burden often falls on customers to identify discrepancies, contact the utility, and resolve billing issues. For these reasons, I continue to believe that advance notice to the Commission and customers, together with a temporary waiver of late fees following implementation, are reasonable precautionary measures.

Q. Does this conclude your surrebuttal testimony?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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VERIFICATION

I, Celia Hashlamoun, hereby state that the facts set forth in my Surrebuttal Testimony, labelled OSBA Statement No. 2-SR, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: July 22, 2026

Celia Hashlamoun

Celia Hashlamoun

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

CERTIFICATE OF SERVICE

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Date: July 23, 2026

/s/ Steven C. Gray
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Attorney ID No. 77538

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

CITY OF BUTLER

STATEMENT NO. 1

DIRECT TESTIMONY OF ROBERT A. DANDOY
MAYOR OF THE CITY OF BUTLER

With Regard To
Intervention of the City of Butler as Interested Party
Impact of Proposed Transaction to the City of Butler
and Benefits (or Lack Thereof) Generally

May 21, 2026

INTRODUCTION

Q. Please state your name and business address.

A. My name is Robert A. Dandoy. My business address is 140 West North Street, Butler, PA 16001.

Q. In what capacity are you affiliated with the City of Butler?

A. I am the current mayor for the City of Butler (the "City").

Q. What are your responsibilities as Mayor?

A. As Mayor, I am the City's chief elected official and executive and am responsible for overseeing and managing all City operations.

Q. As part of those responsibilities, do you have any interactions with any of the Joint Applicants?

A. I am familiar and responsible for dealings with Pennsylvania-American Water Company ("PAWC"). Butler is an incorporating municipality of the Butler Area Sewer Authority ("BASA"), which is a party to a sales agreement PAWC under which PAWC acquired BASA's wastewater collection and treatment system (the "System"), which provides service to Butler's residents. As Mayor, I am aware of the details of how this transpired, and also serve as a point of contact for the City's residents if they have any questions or issues about the services PAWC provides. I am also aware that Peoples Natural Gas Company LLC ("Peoples") provides service to some of our residents.

Q. Have you testified before the Pennsylvania Public Utility Commission before?

A. Yes, I provided testimony in support of the aforementioned transaction where PAWC acquired BASA's assets.

Q. On whose behalf are you testifying in this proceeding?

A. My testimony is on behalf the City regarding the impact and effects of the merger application of American Water Works Company, Inc. ("American Water"), Essential Utilities, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC, and Alpha Merger Sub, Inc. ("Proposed Transaction") upon the City and its residents.

Q. What interest does the City have in the Proposed Transaction?

As I note above, wastewater services are provided to the City's residents by PAWC and gas services by Peoples. Thus, the City has a significant interest in the Proposed Transaction and the impact on the services currently being provided and which will be provided in the future to its residents. Moreover, the City seeks to ensure that its residents retain the same benefits and protections provided for in the BASA/PAWC transaction.

Q. What is the purpose of your direct testimony?

A. The purpose of my testimony is to provide a brief overview of whether the City views the Proposed Transaction as having substantial affirmative public benefit for the City and its citizens.

Q. Are you sponsoring any Exhibits with your testimony?

A. No.

I. DESCRIPTION OF THE CITY OF BUTLER

Q. Please provide a brief description of the City.

A. The City was incorporated in 1918. It is only 35 miles north of Pittsburgh. As part of the Greater Pittsburgh region and the Steel Belt, the City has a rich history from the Industrial Revolution. For example, the Standard Steel Car Company opened one of its

largest railcar manufacturing facilities even after it merged with the Pullman Palace Car Company in the 1930s. Additionally, in 1918, Ford opened one of its earliest dealerships in the City. Today, the City is still home to industry – with an Cleveland Cliffs steel factory still operating – as well as numerous small family-owned businesses. Also, as the county seat, the City is the center of both city and county governmental activity. The City has a population of approximately 13,000.

II. OVERVIEW OF REVIEW OF THE JOINT APPLICATION

Q. Please describe the City's process in reviewing the Joint Application.

A. The City relied on our counsel to review the Joint Application and all discovery exchanged in this case.

Q. Please provide a brief overview of the City's assessment of the discovery materials produced in this matter.

A. As I understand it, the discovery materials produced by the Joint Applicants provide no details as to potential benefits of the Proposed Transaction or information as to how the merging companies will be integrated together. While the Joint Applicants have generally asserted that the Proposed Transaction will result in efficiencies and other benefits, they have not detailed what those are and how the residents of the City (and/or the citizens of Pennsylvania more generally) will be better off if the Proposed Transaction is approved and closes. This is of particular interest to the City, as seek to at least maintain the level of service we currently receive from PAWC (which has been very good).

Q. During your review and evaluation, what potential impacts of the Proposed Transaction did the City consider?

A. We considered the impact both on the residents of the City and the citizens of Pennsylvania more generally. Benefits to either would arguably be considered public benefits to some degree.

Q. Is there anything further you would like to state regarding the process of your review?

A. No.

III. IMPACT OF THE PROPOSED TRANSACTION

Q. Please state the impact of the Proposed Transaction from the City's perspective.

A. We are unable to evaluate the potential benefits of the Proposed Transaction or the Joint Applicants' statements that benefits result. While it is possible that the Proposed Transaction will result in efficiencies, it is impossible to given any hypothetical efficiencies any weight when the Joint Applicants do not identify them, much less provide details about them. We also do not know how the Proposed Transaction will impact PAWC and the services it provides, as there has not been any analysis on this issue done by the Joint Applicants. It would be curious if the full integration of a competing business run by Essential had no impact on PAWC. As we are particularly interested in maintaining the services the City receives from PAWC, we consider this to be an important outstanding issue. Finally, we do not know how Peoples' rates will be impacted by the Proposed Transaction. While the Joint Applicants have stated that rates will not be impacted at the time of closing, we simply do not know how long that will be the case, and the uncertainty as to how integration will be accomplished yields uncertainty as to this issue,

Q. Are there potential conditions that the PUC should consider to address these issues?

A. Yes, the PUC should give consideration to conditions that will enhance customer service and service quality. For example, if it were to approve the Proposed Transaction, the PUC should consider conditioning it on the Joint Applicants meeting or exceeding certain customer service metrics for a set period of time after closing to ensure that customer service not suffer as a result of the transaction (and that such requirements extend to PAWC). The PUC could impose reporting requirements for the metrics and procedures in the event a metric is not met. Moreover, there are various conditions that could be imposed to protect ratepayers, such as the PUC imposing a moratorium on rate increases for some extended period of time after the Proposed Transaction closes and/or a rate credit on ratepayer bills.

Q. Is the reduction in competition an issue of concern for the City?

A. It is. As noted above, BASA sold its System to PAWC. It engaged in a competitive bidding process that resulted in an outcome that we believed was best for BASA and, by extension, the City. In the future, municipalities who wish to engage in a similar sales process will likely only have one option to consider, and there will be no incentive for the Joint Applicants to engage in a manner that results in the best deal possible for a selling municipality. Instead, the new combined entity will be able to dictate sale terms and potentially make lowball bids/offers. In short, there will be no possibility of a competitive bidding process because the Joint Applicants will be eliminating any competition that has existed and presently exists between them.

Q. Have any of the Joint Applicants approached the City at any point related to its concerns regarding the Proposed Transaction?

A. No.

Q. Do you believe that the Proposed Transaction provides affirmative public benefits and is in the public interest?

A. Not at this time, and not as currently structured. I have not seen anything which would make me believe that the Proposed Transaction would produce substantial affirmative public benefit for the people of the Commonwealth, including residents of the City.

IV. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does. However, I reserve the right to file additional testimony at a later date.

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

VERIFICATION

I, Robert A. Dandoy, Mayor of the City of Butler, hereby state that the facts set forth in my Direct Testimony are true and correct to the best of my ability, knowledge, and belief. I understand that these statements herein are made subject to the penalties of 18 Pa.C.S. §4904, relating to falsification of unsworn statements to authorities.

Respectfully submitted,

Date: May 21, 2026

By: Robert A. Dandoy
Robert A. Dandoy,
Mayor of the City of Butler

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

COUNTY OF DELAWARE

STATEMENT NO. 1

DIRECT TESTIMONY OF CHRISTINE A. REUTHER
VICE CHAIR, COUNTY COUNCIL
FOR THE COUNTY OF DELAWARE

With Regard To
Intervention of County of Delaware as Interested Party
Impact of Proposed Transaction for the County of Delaware
and Benefits (or Lack Thereof) Generally

May 21, 2026

INTRODUCTION

Q. Please state your name and business address.

A. My name is Christine A. Reuther. My business address is 201 West Front Street, Media, PA 19063.

Q. In what capacity are you affiliated with the County of Delaware?

A. I am the Vice Chair of the County Council for the County of Delaware (the "County").

Q. In your current position with the County, what are your responsibilities?

A. County Council is responsible for all legislative and administrative functions of the County government. Council has overall responsibility for all action of County departments that are not under supervision of the Courts or elected row officers and decides the best means of providing services which are required by law or are necessary for the well-being of the County.

Q. As part of those responsibilities, do you have any interactions with or regarding any of the Joint Applicants?

A. Yes.

Q. Please describe those interactions.

A. We have been interacting with Aqua Pennsylvania, Inc. ("Aqua") for a number of years regarding its interest in acquiring the asserts of the Delaware County Regional Water Quality Control Authority ("DELCORA"). The County has been navigating this potential transaction for some time. In addition, I am aware that a number of our residents, including myself, receive water services from Essential Utilities, Inc. and/or its subsidiaries ("Essential"), and at times I am made aware of issues that may exist between

it and our residents. We engage with Essential regularly regarding public works and certain emergency services.

Q. Have you testified before the Pennsylvania Public Utility Commission before?

A. Yes, I submitted testimony in the proceeding that sought approval of the aforementioned transaction between Aqua and DELCORA.

Q. On whose behalf are you testifying in this proceeding?

A. My testimony is on behalf of Delaware County regarding the impact and effects of the merger 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. ("Proposed Transaction") upon the County and its residents.

Q. What interest does the County have in the Proposed Transaction?

A. The County itself and many of the County's residents currently receive water services from Essential. Moreover, the County is interested in the Proposed Transaction to the extent that it will directly impact the proposed Aqua/DELCORA transaction.

Q. What is the purpose of your direct testimony?

A. The purpose of my testimony is to provide a brief overview of whether the County views the Proposed Transaction as having substantial affirmative public benefit for the County and its citizens.

Q. Are you sponsoring any Exhibits with your testimony?

A. No.

I. DESCRIPTION OF THE COUNTY

Q. Please provide a brief description of the County.

B. Delaware County was created in 1789 when it split from Chester County. It is a is a duly organized and validly existing Home Rule County comparable in size to a County of the Second Class A. The County consists of approximately 184 square miles and consists of 49 municipalities, and has a total estimated current population of 581,000.

II. OVERVIEW OF REVIEW OF THE JOINT APPLICATION

Q. Please describe the County's process in reviewing the Joint Application.

A. The County relied on our counsel to review the Joint Application and all discovery exchanged in this case.

Q. Please provide a brief overview of the County's assessment of Discovery produced in this matter.

A. As I understand it, the discovery materials produced by the Joint Applicants provide no details as to potential benefits of the Proposed Transaction. While the Joint Applicants have generally asserted that the Proposed Transaction will result in efficiencies and other benefits, they have not detailed what those are and how the residents of the County (and/or the citizens of Pennsylvania more generally) will be better off if the Proposed Transaction is approved and closes.

Q. During your review and evaluation, what potential impacts of the Proposed Transaction did the County consider?

A. We considered the impact both on the residents of the County and the citizens of Pennsylvania more generally. Benefits to either would arguably be considered public benefits to some degree. We also considered the impact of the merger on the status of

DELCORA, which the County has determined would best serve the residents of the County by remaining a public entity.

Q. Is there anything further you would like to state regarding the process of your review?

A. No.

III. IMPACT OF THE PROPOSED TRANSACTION

Q. Please state the impact of the Proposed Transaction from the County's perspective.

A. As far as we can tell, the Proposed Transaction will not result in any tangible benefit, either to our residents or the general public. While it is possible that the Proposed Transaction will result in efficiencies, it is impossible to given any hypothetical efficiencies any weight when the Joint Applicants do not identify them, much less provide details about them. In contrast, it is likely that the Proposed Transaction will result in higher rates for current and future customers of both American Water and Aqua. In addition, the Proposed Transaction will essentially create a monopoly on the private provision of water and wastewater services in Pennsylvania, as the two largest service providers will become one.

Q. One of the impacts you referenced above is the possibility and likelihood of future rate hikes. What is the basis for your assessment that future rate hikes are possible or likely?

A. The Joint Applicants have not provided any assurances that customers will not be left with an overall increase in rates when all is said and done with the Proposed Transaction. While the Joint Applicants have made representations that transaction and implementation costs will not be passed on to consumers, they have not provided any information to substantiate this or explain who will bear the financial brunt of such costs.

Q. Could this issue be addressed if the Proposed Transaction is approved with conditions?

A. Possibly. There are various conditions that could be imposed to protect ratepayers, such as the PUC imposing a moratorium on rate increases for some extended period of time after the Proposed Transaction closes and/or a rate credit on ratepayer bills. The PUC could also impose limitations on whether certain expenditures pertaining to the Proposed Transaction can be claimed in future base rate proceedings.

Q. Are there other potential conditions that the PUC should consider?

A. Yes, the PUC should give consideration to conditions that will enhance customer service and service quality. For example, if it were to approve the Proposed Transaction, the PUC should consider conditioning it on the Joint Applicants meeting or exceeding certain customer service metrics for a set period of time after closing to ensure that customer service not suffer as a result of the transaction. The PUC could impose reporting requirements for the metrics and procedures in the event a metric is not met.

Q. Why is the reduction in competition an issue of concern for the County?

A. Historically, municipalities who wished to sell their water or wastewater systems would be able to engage in a competitive bidding process involving Essential and American Water. Going forward, this will no longer be the case. Municipalities in the County will likely only have one option to consider, and there will be no incentive for the Joint Applicants to engage in a manner that results in the best deal possible for a selling municipality. Instead, the new combined entity will be able to dictate sale terms and potentially make lowball bids/offers. In short, there will be no possibility of a

competitive bidding process because the Joint Applicants will be eliminating any competition that has existed and presently exists between them.

Q. Does the County have other concerns regarding the Proposed Transaction?

A. Yes. DELCORA is currently party to an Asset Purchase Agreement with Aqua. The County does not believe that this agreement will be enforceable if the Proposed Transaction closes. The Joint Applicants have given no indication how they intend to handle DELCORA or the agreement after closing. However, it is the County's position that if the result of the Proposed Transaction is that the Joint Applicants will abandon efforts to acquire DELCORA, it would be of significant benefit to the County and its residents.

Q. Have any of the Joint Applicants approached the County at any point related to its concerns regarding the Proposed Transaction?

A. No.

Q. Do you believe that the Proposed Transaction provides affirmative public benefits and is in the public interest?

A. Not at this time, and not as currently structured. I have not seen anything which would make me believe that the Proposed Transaction would produce substantial affirmative public benefit for the people of the Commonwealth, including residents of the County.

IV. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does. However, I reserve the right to file additional testimony at a later date.

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

VERIFICATION

I, Christine A. Reuther, Vice Chair, County Council for the County of Delaware, hereby state that the facts set forth in my Direct Testimony are true and correct to the best of my ability, knowledge, and belief. I understand that these statements herein are made subject to the penalties of 18 Pa.C.S. §4904, relating to falsification of unsworn statements to authorities.

Respectfully submitted,

Date: May 21, 2026

By: _____

Christine A. Reuther,
Vice Chair, County Council for the County of Delaware

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

COUNTY OF DELAWARE

STATEMENT NO. 1-S

SURREBUTTAL TESTIMONY OF CHRISTINE A. REUTHER
VICE CHAIR, COUNTY COUNCIL
FOR THE COUNTY OF DELAWARE

With Regard To
Lack of Benefits of the Proposed Merger

July 23, 2026

INTRODUCTION

Q. Please state your name and business address.

A. My name is Christine A. Reuther. My business address is 201 West Front Street, Media, PA 19063.

Q. In what capacity are you affiliated with the County of Delaware?

A. I am the Vice Chair of the County Council for the County of Delaware (the "County").

Q. Have you submitted any other testimony in this proceeding?

A. Yes, I submitted direct testimony that was marked as the County of Delaware Statement No. 1.

Q. What is the purpose of your surrebuttal testimony in this proceeding?

A. The purpose of my instant testimony is to rebut the rebuttal testimony submitted on behalf of the Joint Applicants in support of the proposed transaction for which approval is sought in this proceeding.

Q. Please summarize your testimony.

A. The rebuttal testimony submitted by the Joint Applicants lacks specificity with regard to the purported benefits of the Merger. Throughout the testimony, the Joint Applicants appear to be suggesting that the proposed transaction presents a benefit solely due to the fact of its contemplated occurrence. Delaware County does not share that assumption. Some level of detail is necessary to identify what the benefits of a merger would be. Even greater detail is required to establish confidence that any such benefits would actually manifest with the proposed transaction. It is my understanding that the Joint Applicants bear the burden of demonstrating concrete affirmative benefits resulting from the

transaction in order for the Commission to grant it approval. In my view, the Joint Applicants fall short of meeting this standard.

I. RESPONSE TO TESTIMONY OF CHERYL NORTON

Q. Please provide a brief response to the testimony submitted by Cheryl Norton that the Merger will serve the public interest.

A. Ms. Norton's testimony essentially states that the Merger will provide benefits because two large companies will combine to form one very large company. There is no actual evidence in the record to support that conclusion. The Joint Applicants do not explain how simply increasing scale will provide a benefit to our residents, as opposed to creating a monopoly over the provision of private water and wastewater services in the Commonwealth. In many instances, the "benefits" being asserted by the Joint Applicants are nothing more than proposals to address issues that are created by the Merger itself – i.e., the Joint Applicants are proposing a transaction that would create problems, then positing that steps taken to (potentially) resolve those problems present benefits when, in actuality, they are problems that would not exist absent the Merger.

Q. Please provide examples of what you are referencing.

A. Ms. Norton states that in connection with the Merger, the Joint Applicants will honor collective bargaining agreements, implement customer protections, maintain local presence, maintain existing levels of charitable contributions, and provide certain protections to current employees. These are all issues for which no solution would be necessary absent the Merger. For example, employee "protections" would not be needed if their current wages and benefits were maintained uninterrupted by the Merger. Similarly, there would be no need for any assurance of maintaining local presence in the absence of

the Merger, as that local presence would not be disrupted by the Merger in the first place. Moreover, the Merger is not necessary for the Joint Applicants to maintain their current level of charitable contributions. One would hope that they would be doing so regardless. The presentation of these and other purported "benefits" that solve for problems only created due to the Merger is disingenuous at best.

Q. Does Ms. Norton provide any specific, concrete examples of how the merger will result in benefits?

A. No. Ms. Norton contends that "American Water's greater scale, financial strength, liquidity, and access to capital will result in financial benefits to Aqua PA, Peoples, and their customers," but does not articulate how.

Q. Do you have a response to Ms. Norton's assertion that there will be operational benefits?

A. Ms. Norton does not actually present any specific operational benefits that would result from the Merger. The testimony instead offers maintenance of the status quo. The idea that operating prudently, efficiently, and cost-effectively presents some sort of benefit is misleading unless the Joint Applicants mean to suggest that they are not currently operating in such a fashion. The same can be said for the supposed commitments being made with respect to local presence and workforce. All Ms. Norton is saying is that American Water has made commitments to continue on with operations as they have been – with the exception that it will only commit to maintain Aqua's Bryn Mawr location for five years, a circumstance that is clearly worse than the open-ended time period that it would remain in place were the Merger not to occur.

It is my understanding that the Commission previously ruled that a utility's compliance with Section 1501's obligation to furnish adequate, efficient, safe, and reasonable service "is not a substantial benefit; it is the law" in the 2007 RWE/PAWC change-of-control order (Docket No. A-212285F0136). The same principle applies with respect to the claimed operational benefits of the Merger, which per the Joint Applicants' testimony cannot actually be considered benefits.

Q. Do you have a response to Ms. Norton's testimony pertaining to customer affordability?

A. Ms. Norton speaks in broad generalities when claiming that the merger will somehow "benefit customer affordability" but gives no details on how this will occur. Most notably, the testimony states that "[t]he Joint Applicants are committed to ensuring these benefits are passed through to customers as they are identified and quantified," but this does not actually provide any information or give any certainty that any cost-savings will actually be passed through to customers. Moreover, this also suggests that the nebulous benefits referenced have not yet been identified and quantified. If they were already identified and quantified, the Joint Applicants would have already determined how they were passed through to customers. The Joint Applicants' mere assertions of intention do not adequately support a conclusion that benefits exist with respect to affordability.

I also question how committed, in practice, the Joint Applicants are with respect to affordability. As I understand it, the Office of Consumer Advocate estimated that the approximately twenty-eight Section 1329 acquisitions that occurred since 2016 resulted in $68 million in additional annual charges on customers' bills. Individual systems experienced rate increases ranging from $30.60 to $71.82 per month, and one system

experienced a 93.8% increase. While this merger is not a Section 1329 proceeding, this track record demonstrates how the Joint Applicants' similarly-claimed affordability commitments have actually played out in Pennsylvania.

Q. Can you please respond to Ms. Norton's testimony pertaining to integration planning?

A. The Joint Applicants should not be permitted to proceed until they provide more information on this point and, at a minimum, have quantified projected cost savings and efficiencies that will be reflected in base rates in the future. It is extremely concerning that the Joint Applicants make bold claims as to benefits while simultaneously stating that integration planning has only just begun such that they have no ability to give any details whatsoever on the integration. The Joint Applicants seek approval of the Merger, and with it a conclusive determination as to benefits, even though they "are not at a point where definitive decisions have been made." Without this information, the true impact of the Merger on customers cannot be analyzed, and the Joint Applicants' testimony is nothing more than unsupported speculation. While Ms. Norton argues that "[m]aking rushed decisions or guessing at quantification of benefits is not in the customers' best interests," the absence of anything approximating a well-defined integration plan forces the Commission to evaluate the Merger on speculation.

I agree with Ms. Norton's testimony that "it is important to avoid rushed decisions that do not fully consider the impact on our customers, employees, and the communities we serve." The Joint Applicants are essentially asking the Commission to make such a rushed decision in this proceeding without the full benefit of information pertaining to the Merger. Following the logic of that portion of the testimony, the application should be denied and

the Joint Applicants should come back and try again when they actually have information as to how the integration will be effectuated with details about the benefits that they claim will result.

While I understand that regulatory denials of proposed utility mergers may be an uncommon occurrence, they are not unprecedented, and the Commission should not hesitate to deny the instant application where the Joint Applicants fail to demonstrate any concrete benefits beyond the status quo. For example, in 2016 the Hawaii PUC rejected NextEra Energy's $4.3 billion takeover of Hawaiian Electric Industries for failure to demonstrate adequate benefits – the clearest modern example of an outright PUC rejection of a major utility merger. The District of Columbia Public Service Commission also initially rejected the $6.8 billion Exelon/Pepco merger in 2015. These examples confirm that proposed mergers should be given appropriate scrutiny and, when benefits will not result, rejected – as should be the outcome here.

Q. Can you please respond to Ms. Norton's testimony pertaining to rates and transaction costs?

A. While Ms. Norton states that the Joint Applicants will not pass transaction costs on to customers, the Joint Applicants have been entirely unclear about what this means. It is my understanding that the Joint Applicants have rejected efforts to clarify that this would include things such as transition and integration costs, leading me to believe that while the Joint Applicants will not pass on costs pertaining to the closing of the transaction, they will in fact be passing on ongoing transition and integration costs to customers, which are likely to be substantial. It is alarming that the Joint Applicants have not explicitly addressed this point in their testimony. The lack of clarity pertaining to transition and integration costs

makes it very likely that there will be significant rate impact to customers. If the Joint Applicants will not commit to absorbing all transition and integration costs, this represents a concrete, quantifiable harm.

Q. Can you please respond to Ms. Norton's testimony pertaining to the reduction in competition in the private water market?

A. The Joint Applicants argue that the Merger will not result in a reduction in competition. That is not so. American Water and Aqua are the two largest providers of water and wastewater services in Pennsylvania. The loss of one would substantially reduce competition, something the Joint Applicants undoubtedly considered in deciding whether to pursue the Merger.

If the Merger is approved, the combined business entity would serve virtually every regulated investor-owned water and wastewater customer in Pennsylvania. This would be an unprecedented level of concentration. The Chester Water Authority has described this as creating a "mega-monopoly" that is "too big to regulate." The Merger would also eliminate the PAWC/Aqua duopoly that has allowed municipalities to negotiate favorable terms in Section 1329 acquisitions, removing buyer-side competition entirely.

Q. Can you please respond to Ms. Norton's testimony pertaining to conditions proposed by parties to this proceeding?

A. It is confounding how the Joint Applicants can, on the one hand, claim that the adoption of various commitments proposed by the parties can and should be considered by the Commission as evidence of benefits of the Merger yet, on the other hand, claim that none of the conditions proposed by the parties are necessary to establish that the Merger will deliver substantial affirmative public benefits.

Q. Can you please respond to Ms. Norton's testimony pertaining to conditions related to employment and workforce?

A. Upon a close read, Ms. Norton's testimony makes it apparent that the Joint Applicants "do not commit to maintaining any specific number of employees in the Commonwealth of Pennsylvania." The testimony thus indicates a likelihood that the Merger will result in layoffs. This is again revealed where Ms. Norton states that "[i]t is important that the Joint Applicants maintain the flexibility to make decisions regarding the combined company's future organizational structure through a thoughtful and thorough process to support the provision of utility services to customers as efficiently as possible while maintaining or improving service."

It is difficult to see how the Merger presents a benefit with respect to employment and workforce in light of these admissions and the clearly-anticipated, but not-yet-quantified, loss of jobs.

In contrast, prior mergers before the Commission have contained workforce protections as a concrete benefit. In the RWE/PAWC change-of-control proceeding (2007), the Commission required staffing at or above 90% of headcount for one year, required all existing CBAs to be honored, and independently conditioned approval on a commitment not to diminish retiree benefits. The Joint Applicants' refusal to commit to maintaining any specific headcount stands in stark contrast to these prior conditions and is a concrete harm.

Q. Do you have a response to Ms. Norton's testimony pertaining to the imposition of reporting requirements?

A. It is troubling that the Joint Applicants are resistant to any sort of condition that relates to ongoing reporting requirements. As discussed above, the Joint Applicants have been

adamant that they are unable to quantify or provide details on many of the nebulous benefits they claim. It makes little sense that the Joint Applicants would seek to have the Merger approved based on their representations that such benefits would become apparent and materialize as time went on, but seek to avoid having to report back as to those benefits as they are realized. This suggests that the Joint Applicants cannot say with certainty if those benefits will, in fact, be realized and do not want to be held accountable if/when they do not.

Simply stated, if the Joint Applicants truly believe benefits will materialize, they should welcome accountability. Their resistance suggests a lack of confidence in their own projections.

Q. Can you please respond to Ms. Norton's testimony pertaining to charitable contributions?

A. Maintaining contribution levels historically provided by Aqua PA and Peoples but then decreasing those amounts after two years, as proposed by the Joint Applicants, means that, on the whole, the Merger will result in a significant net decrease in charitable contributions. The fact that American Water resists increasing the level of its charitable contributions unfortunately speaks for itself.

As I understand it, prior merger proceedings before the Commission (such as the GPU/FirstEnergy merger) have required the maintenance of existing levels of community support programs for three years following the merger. The Joint Applicants' proposal to decrease contributions after just two years falls short of even this prior precedent and represents a concrete net reduction in charitable investment.

II. RESPONSE TO TESTIMONY OF DAVID BOWLER

Q. Please provide a brief response to the testimony submitted by David Bowler that the Merger will create financial benefits to customers.

A. Mr. Bowler gives no details as to how this will occur, instead only speaking in generalities that provide little insight as to any actual financial benefits. In some of his testimony, Mr. Bowler appears to hedge, stating that certain things are "expected to" happen – indicating that he cannot state conclusively that they will. This is a significant distinction to be made when the job of the Commission is to determine whether the Merger will actually result in concrete benefits.

Q. Can you please respond to Mr. Bowler's testimony pertaining to American Water's financial strength?

A. Mr. Bowler's testimony is that "American Water's financial strength will provide real benefits to Aqua PA, Peoples, and their customers because of the Merger." If that is the case, it would seem to stand to reason that Aqua PA and Peoples do not currently have any sort of comparable financial strength. I am unaware of this being the case or any evidence in the record suggesting that Aqua PA and Peoples lack financial strength.

Q. Can you please respond to Mr. Bowler's testimony pertaining to expected financing cost savings?

A. Mr. Bowler qualifies his testimony by stating that "it is reasonable to expect that financing costs will be lower post- merger than they would be otherwise." This provides no certainty that they actually will be and fails to satisfy the legal requirement that actual, concrete benefits be shown. While Mr. Bowler states that he cannot predict future interest rates or

market conditions, it is concerning that he is unable to make more concrete commitments as to benefits that will be realized, all other things being equal.

Q. Can you please respond to Mr. Bowler's testimony pertaining to a potential future consolidation of Aqua PA and PAWC?

A. The Joint Applicants appear to downplay this potential future consolidation. Unless the Joint Applicants are willing to commit to it not occurring – and thus rates not being subsequently raised for all Aqua PA customers – one must anticipate that such consolidation is the Joint Applicants' ultimate goal.

Q. Can you please respond to Mr. Bowler's testimony pertaining to Merger-related costs and savings?

A. It is very concerning that the Joint Applicants seek to reserve the right to recover Merger transition and integration costs. These costs will unquestionably result in significant rate increases for customers, and thus result in harms that would not otherwise be realized in the absence of the Merger. While Mr. Bowler claims that transition costs are needed to "achieve Merger benefits," there is no evidence of record supporting this or providing any sort of analysis as to how much transition costs will need to be incurred, and which other benefits may result. Mr. Bowler provides no details or concrete examples, only speaking in generalities that transition costs may, at times, result in benefits.

In addition, I note that Mr. Bowler also agrees that "[m]aking rushed decisions or guessing at quantification of benefits is not in customers' best interests." Again, this is a compelling argument for the denial of the instant application, where the Joint Applicants are asking the Commission to make a rushed decision while guessing at benefits that could theoretically be realized.

III. RESPONSE TO TESTIMONY OF COLLEEN ARNOLD

Q. Please provide a brief response to the testimony submitted by Colleen Arnold pertaining to the pending DELCORA transaction.

A. Ms. Arnold fails to rebut my prior testimony that the DELCORA Asset Purchase Agreement ("APA") will be unenforceable if the Merger closes. Instead, Ms. Arnold claims that the contract is not germane to this proceeding. I fundamentally disagree and submit that Ms. Arnold is wrong. The DELCORA APA is indeed germane if the Merger means that it would no longer be enforceable, which it would not be. Ms. Arnold fails to rebut this point. DELCORA is thus not merely a "germane" issue – there are implications on it that would be a direct transactional consequence of the Merger.

Ms. Arnold provides no details as to how the proposed DELCORA transaction will benefit customers, particularly where control of Aqua PA WW would fundamentally change as a result of the Merger – something that was not bargained for or contemplated by the DELCORA transaction. I will again reiterate that the County of Delaware would consider it to be a significant benefit to its residents if a result of the instant proceeding would be the recognition that the DELCORA transaction can no longer proceed. Under circumstances where the benefits of the Merger are far from evident or certain, I consider this to be significant.

At this point, all proceedings pertaining to DELCORA are stayed pending the City of Chester's Chapter 9 bankruptcy. If they were to proceed, the ALJ appointed by the Commission has recommended denial. It is of no benefit to any party for that proceeding to remain in limbo indefinitely.

The County of Delaware's position is that if the Merger is approved, the DELCORA APA is no longer enforceable due to the fundamental change in control the Merger would effectuate. This is not a merger of equals. Aqua is going to be acquired and controlled by American Water. This is tantamount to an assignment of the APA, something to which neither DELCORA nor the County consents. The APA includes unique covenants not found in any other Section 1329 transaction, including a 25-year operations center commitment in Delco, a local-contractor preference, and an explicit covenant survival provision. These were negotiated specifically with Aqua/Essential. The Merger would have the effect of substituting a different parent company with different corporate priorities, decision-making structures and operational practices (as evidenced by the Joint Applicants' own testimony). Indeed, the buyer's representations and warranties in the APA were premised on Aqua under Essential's ownership — not American Water's.

If the Merger is approved and closes without addressing DELCORA, the County's position is that it will render the APA voidable, and the County will be free to terminate it.

Q. Can you please elaborate as to the County's position regarding whether the pending DELCORA transaction presents a benefit or harm?

A. If the Joint Applicants were willing to arrive at a resolution to the outstanding DELCORA issues created by this Merger, providing certainty for all involved, it would be a significant benefit and would avoid the inevitable legal disputes that would otherwise arise. If not, the Merger just creates more legal issues and complications – the opposite of a benefit. American Water stands to inherit a $276.5 million acquisition that has already been recommended for denial, a stayed PUC proceeding, active litigation with the County, and an APA that will be voidable. That purchase price is now wildly outdated and the

underlying premise for the entire deal has gone away since treatment in Philadelphia has been renegotiated. The Joint Applicants have not explained why American Water would want to inherit this litigation or how continuing on with the active legal disputes involving DELCORA serves ratepayers.

Instead of years more litigation, American Water could work cooperatively with Delaware County on wastewater infrastructure through some negotiated, alternative structure or arrangement. Not only would this provide a benefit in the form of whatever that arrangement might provide, but the County would consider the recognition that the DELCORA transaction can no longer proceed a significant benefit in itself for all involved parties

IV. RESPONSE TO TESTIMONY OF DANIEL SCHULLER

Q. Please provide a brief response to the testimony submitted by Daniel Schuller pertaining to customer assistance programs.

A. Mr. Schuller's testimony supports the denial of the Joint Applicants' application. He states that certain customer assistance programs will not be impacted by the Merger, but gives no indication that there will be any improvements or other positive impact to these programs such that they can be considered as a possible benefit. The testimony states that the programs have been proceeding and will continue to proceed regardless of the Merger.

V. RESPONSE TO TESTIMONY OF MATTHEW W. PRINE

Q. Please provide a brief response to the testimony submitted by Matthew W. Prine pertaining to customer assistance programs.

A. As a threshold matter, Mr. Prine's testimony rightfully acknowledges the importance of PAWC to this proceeding. Prior to his testimony, the Joint Applicants have been steadfast

in their objection to involving PAWC in this proceeding in any form or fashion. However, Mr. Prine rightfully recognizes its relevance in that "all three Pennsylvania utilities [PAWC, Aqua PA, and Peoples] will become part of the same corporate family." Thus, Mr. Prine underscores this "common ownership" as a basis by which the Joint Applicants seem to be alleging that the Merger will provide for benefits.

Beyond that, and consistent with the Joint Applicants' other testimony, Mr. Prine reiterates that the Joint Applicants believe that it is premature to fully evaluate the potential benefits of the Merger, stating that "no definitive decisions have yet been made on how to combine the customer service function." There is thus no basis by which anything pertaining to customer assistance can be utilized as an affirmative public benefit, particularly where Mr. Prine is clear that "no changes are proposed as part of this Merger to PAWC's or Aqua PA's customer assistance programs or to Peoples' universal service programs."

Conclusory, vague, and speculative statements about the sharing of best practices is insufficient to support the Merger, as is the non-committal statement of an intention that the parties to the Merger will "explore" what opportunities may exist.

Q. Do you have any other comments about Mr. Prine's testimony?

A. The Joint Applicants submit testimony claiming that their integration will result in benefits, on the one hand, while Mr. Prine argues against proposals on the grounds that "no Pennsylvania subsidiary utility integration is proposed in this proceeding" on the other. The eventual sharing of best practices simply cannot be selectively considered as a transaction benefit while the Joint Applicants concurrently reject consideration of practical realities of integration that do not serve their interests.

VI. CONCLUSION

Q. Does this conclude your surrebuttal testimony?

A. I will only note further that the OCA has already signaled its public opposition to the Merger because it does not meet Pennsylvania's standard of providing substantial affirmative public benefits. The County joins in this position. Beyond that, I reserve the right to file additional testimony or supplement this testimony at a later date.

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

VERIFICATION

I, Christine A. Reuther, Vice Chair, County Council for the County of Delaware, hereby state that the facts set forth in my Surrebuttal Testimony are true and correct to the best of my ability, knowledge, and belief. I understand that these statements herein are made subject to the penalties of 18 Pa.C.S. §4904, relating to falsification of unsworn statements to authorities.

Respectfully submitted,

Date: 7/23/2026

By: _____

Christine A. Reuther,
Vice Chair, County Council
for the County of Delaware

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

EAST WHITELAND TOWNSHIP

STATEMENT NO. 1

DIRECT TESTIMONY OF STEVEN C. BROWN
TOWNSHIP MANAGER

With Regard To
Intervention of East Whiteland as Interested Party
Impact of Proposed Transaction to East Whiteland
and Benefits (or Lack Thereof) Generally

May 21, 2026

INTRODUCTION

Q. Please state your name and business address.

A. My name is Steven Brown. My business address is 209 Conestoga Road, Frazer, PA 19355.

Q. In what capacity are you affiliated with East Whiteland Township?

A. I am the Township Manager of East Whiteland Township (the "East Whiteland").

Q. In your current position with East Whiteland, what are your responsibilities?

A. The Township Manager is appointed by the East Whiteland Board of Supervisors (the "Board") and is responsible to the Board for the execution of its policies. The Manager is designated as the Chief Administrative Officer of the Township and directs all administrative departments, prepares the annual budget and recommends other policies and procedures to the Board.

Q. As part of those responsibilities, do you have any interactions with any of the Joint Applicants?

A. Yes.

Q. Please describe those interactions.

A. Aqua Pennsylvania Wastewater, Inc. ("Aqua") currently provides sanitary wastewater service to various customers in East Whiteland. As Township Manager, I am aware of the details of how this transpired, and also serve as a point of contact for East Whiteland's residents if they have any questions or issues about the services Aqua provides.

Q. Have you testified before the Pennsylvania Public Utility Commission before?

A. No.

Q. On whose behalf are you testifying in this proceeding?

A. My testimony is on behalf of East Whiteland regarding the impact and effects of the merger application of American Water Works Company, Inc. ("American Water"), Essential Utilities, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC, and Alpha Merger Sub, Inc. ("Proposed Transaction") upon East Whiteland and its residents.

Q. What interest does East Whiteland have in the Proposed Transaction?

A. East Whiteland is party to a sales agreement with Aqua under which Aqua acquired the Township's assets, properties and rights related to its wastewater collection, conveyance, and treatment system (the "System"). At the time East Whiteland entered into this transaction with Aqua, it had no idea that Aqua would be entering into the Proposed Transaction, meaning that East Whiteland will now presumably be party to an agreement under a fundamentally different corporate structure than what was in place at the time East Whiteland contracted with Aqua. We have no assurance that the level of service that we have received from Aqua will be maintained with essentially new management in place. Thus, East Whiteland has a significant interest in the Proposed Transaction and the impact on the services currently being provided and which will be provided in the future to its residents.

Q. What is the purpose of your direct testimony?

A. The purpose of my testimony is to provide a brief overview of whether East Whiteland views the Proposed Transaction as having substantial affirmative public benefit for East Whiteland and its citizens.

Q. Are you sponsoring any Exhibits with your testimony?

A. No.

I. DESCRIPTION OF EAST WHITELAND

Q. Please provide a brief description of East Whiteland.

A. The Township of Whiteland was founded in 1704. In 1732, Whiteland was divided into East Whiteland and West Whiteland. East Whiteland is located in Chester County and consists of approximately 10.9 square miles. East Whiteland is governed by its three-member Board. Presently, there are approximately 14,720 residents in the Township, along with numerous businesses of wide-ranging sizes.

II. OVERVIEW OF REVIEW OF THE JOINT APPLICATION

Q. Please describe East Whiteland's process in reviewing the Joint Application.

A. East Whiteland relied on our counsel to review the Joint Application and all discovery exchanged in this case.

Q. Please provide a brief overview of East Whiteland's assessment of the discovery materials produced in this matter.

A. As I understand it, the discovery materials produced by the Joint Applicants provide no details as to potential benefits of the Proposed Transaction. While the Joint Applicants have generally asserted that the Proposed Transaction will result in efficiencies and other benefits, they have not detailed what those are and how the residents of East Whiteland (and/or the citizens of Pennsylvania more generally) will be better off if the Proposed Transaction is approved and closes.

Q. During your review and evaluation, what potential impacts of the Proposed Transaction did East Whiteland consider?

A. We considered the impact both on the residents of East Whiteland and the citizens of Pennsylvania more generally. Benefits to either would arguably be considered public benefits to some degree.

Q. Is there anything further you would like to state regarding the process of your review?

A. No.

III. IMPACT OF THE PROPOSED TRANSACTION

Q. Please state the impact of the Proposed Transaction from East Whiteland's perspective.

A. As far as we can tell, the Proposed Transaction will not result in any tangible benefit, either to our residents or the general public. While it is possible that the Proposed Transaction will result in efficiencies, it is impossible to given any hypothetical efficiencies any weight when the Joint Applicants do not identify them, much less provide details about them. In contrast, it is likely that the Proposed Transaction will result in higher rates for current and future customers of both American Water and Aqua. Moreover, we have no assurance or evidence to substantiate that the level of service East Whiteland has received from Aqua will be maintained. In addition, the Proposed Transaction will essentially create a monopoly on the private provision of water and wastewater services in Pennsylvania, as the two largest service providers will become one.

Q. One of the impacts you referenced above is the possibility and likelihood of future rate hikes. What is the basis for your assessment that future rate hikes are possible or likely?

A. The Joint Applicants have not provided any assurances that customers will not be left with an overall increase in rates when all is said and done with the Proposed Transaction. While the Joint Applicants have made representations that transaction and implementation costs will not be passed on to consumers, they have not provided any information to substantiate this or explain who will bear the financial brunt of such costs.

Q. Could this issue be addressed if the Proposed Transaction is approved with conditions?

A. Possibly. There are various conditions that could be imposed to protect ratepayers, such as the PUC imposing a moratorium on rate increases for some extended period of time after the Proposed Transaction closes and/or a rate credit on ratepayer bills. The PUC could also impose limitations on whether certain expenditures pertaining to the Proposed Transaction can be claimed in future base rate proceedings.

Q. Are there other potential conditions that the PUC should consider?

A. Yes, the PUC should give consideration to conditions that will enhance customer service and service quality. For example, if it were to approve the Proposed Transaction, the PUC should consider conditioning it on the Joint Applicants meeting or exceeding certain customer service metrics for a set period of time after closing to ensure that customer service not suffer as a result of the transaction. The PUC could impose reporting requirements for the metrics and procedures in the event a metric is not met. This would be of particular interest to East Whiteland given that our experience with Aqua has been generally positive, and we specifically chose to enter into a relationship with Aqua and not some other company. We would like assurances that the quality of service we have been receiving will either be maintained or improved.

Q. Why is the reduction in competition an issue of concern for East Whiteland?

A. As noted above, East Whiteland sold its System to Aqua. It engaged in a competitive bidding process that resulted in an outcome that we believed was best for East Whiteland. East Whiteland chose to do business with Aqua as a result of that process. In the future, municipalities who wish to engage in a similar sales process will likely only have one option to consider, and there will be no incentive for the Joint Applicants to engage in a manner that results in the best deal possible for a selling municipality. Instead, the new combined entity will be able to dictate sale terms and potentially make lowball bids/offers. In short, there will be no possibility of a competitive bidding process because the Joint Applicants will be eliminating any competition that has existed and presently exists between them.

Q. Have any of the Joint Applicants approached East Whiteland at any point related to its concerns regarding the Proposed Transaction?

A. No.

Q. Do you believe that the Proposed Transaction provides affirmative public benefits and is in the public interest?

A. Not at this time, and not as currently structured. We have serious concerns about how the Proposed Transaction will impact what we bargained for in our own very recent transaction with Aqua. I have not seen anything which would make me believe that the Proposed Transaction would produce substantial affirmative public benefit for the people of the Commonwealth, including residents of East Whiteland.

IV. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does. However, I reserve the right to file additional testimony at a later date.

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

VERIFICATION

I, Steven C. Brown, Township Manager, hereby state that the facts set forth in my Direct Testimony are true and correct to the best of my ability, knowledge, and belief. I understand that these statements herein are made subject to the penalties of 18 Pa.C.S. §4904, relating to falsification of unsworn statements to authorities.

Respectfully submitted,

Date: 5/20/26

By: _____

Steven C. Brown,
Township Manager – East Whiteland Township

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

COUNTY OF MONTGOMERY

STATEMENT NO. 1

DIRECT TESTIMONY OF DEVI RAMKISSOON
CHIEF SUSTAINABILITY OFFICER - COMMISSIONERS OFFICE
FOR THE COUNTY OF MONTGOMERY

With Regard To
Intervention of County of Montgomery as Interested Party
Impact of Proposed Transaction for the County of Montgomery
and Benefits (or Lack Thereof) Generally

May 21, 2026

INTRODUCTION

Q. Please state your name and business address.

A. My name is Devi Ramkissoon. My business address is One Montgomery Plaza, 425 Swede Street, Norristown, PA 19401.

Q. In what capacity are you affiliated with the County of Montgomery?

A. I am the Chief Sustainability Officer for the County of Montgomery (the "County").

Q. In your current position with the County, what are your responsibilities?

A. Generally speaking, I work with municipalities across the County as well as with the private and public sectors to advance sustainable outcomes for all County residents.

Q. As part of those responsibilities, do you have any interactions with or regarding any of the Joint Applicants?

A. Yes.

Q. Please describe those interactions.

A. As Chief Sustainability Officer, I want to ensure safe, potable water supplies are providing service to County residents. To that end, the County's Office of Public Health ("OPH") interacts with both Joint Applicants, mainly during incidents involving potential public water supply ("PWS") contamination. These include water main breaks or water treatment breakdown that may require public notification of Boil Water Advisories ("BWAs") or Do Not Consume orders. Although OPH does not have regulatory authority over the PWS operations (PADEP regulates them), water authorities communicate directly with the Joint Applicants during these BWAs to provide information on the contamination type, extent of area affected, and time needed to return to normal operations so affected Eating and Drinking establishments can resume normal

operations as well, and residents are provided answers to health concerns. In addition, Aqua PA is OPH's contracted lab for complaint response water sampling.

Q. Have you testified before the Pennsylvania Public Utility Commission before?

A. No.

Q. On whose behalf are you testifying in this proceeding?

A. My testimony is on behalf of the County, regarding the impact and effects of the merger 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. ("Proposed Transaction") upon the County and its residents.

Q. What interest does the County have in the Proposed Transaction?

A. The County and significant numbers of the County's residents receive water services from Essential Utilities, Inc. and/or its subsidiaries ("Essential"), as well as Pennsylvania-American Water Company ("PAWC"). Moreover, Essential's current headquarters are located in the County.

Q. What is the purpose of your direct testimony?

A. The purpose of my testimony is to provide a brief overview of whether the County views the Proposed Transaction as having substantial affirmative public benefit for the County and its citizens.

Q. Are you sponsoring any Exhibits with your testimony?

A. No.

I. DESCRIPTION OF THE COUNTY

Q. Please provide a brief description of the County.

A. Montgomery County was created on September 10, 1784. It is a is a duly organized and validly existing County of the Second Class A with an estimated current population of 878,000 and consists of 62 municipalities.

II. OVERVIEW OF REVIEW OF THE JOINT APPLICATION

Q. Please describe the County's process in reviewing the Joint Application.

A. The County relied on our counsel to review the Joint Application and all discovery exchanged in this case.

Q. Please provide a brief overview of the County's assessment of Discovery produced in this matter.

A. As I understand it, the discovery materials produced by the Joint Applicants provide no details as to potential benefits of the Proposed Transaction. While the Joint Applicants have generally asserted that the Proposed Transaction will result in efficiencies and other benefits, they have not detailed what those are and how the residents of the County (and/or the citizens of Pennsylvania more generally) will be better off if the Proposed Transaction is approved and closes.

Q. During your review and evaluation, what potential impacts of the Proposed Transaction did the County consider?

A. We considered the impact both on the residents of the County and the citizens of Pennsylvania more generally. Benefits to either would arguably be considered public benefits to some degree.

Q. Is there anything further you would like to state regarding the process of your review?

A. No.

III. IMPACT OF THE PROPOSED TRANSACTION

Q. Please state the impact of the Proposed Transaction from the County's perspective.

A. As far as we can tell, the Proposed Transaction will not result in any tangible benefit, either to our residents or the general public. While it is possible that the Proposed Transaction will result in efficiencies, it is impossible to given any hypothetical efficiencies any weight when the Joint Applicants do not identify them, much less provide details about them. In contrast, it is likely that the Proposed Transaction will result in higher rates for current and future customers of both American Water and Aqua. In addition, the Proposed Transaction will essentially create a monopoly on the private provision of water and wastewater services in Pennsylvania, as the two largest service providers will become one.

Q. One of the impacts you referenced above is the possibility and likelihood of future rate hikes. What is the basis for your assessment that future rate hikes are possible or likely?

A. The Joint Applicants have not provided any assurances that customers will not be left with an overall increase in rates when all is said and done with the Proposed Transaction. While the Joint Applicants have made representations that transaction and implementation costs will not be passed on to consumers, they have not provided any information to substantiate this or explain who will bear the financial brunt of such costs.

Q. Could this issue be addressed if the Proposed Transaction is approved with conditions?

A. Possibly. There are various conditions that could be imposed to protect ratepayers, such as the PUC imposing a moratorium on rate increases for some extended period of time after the Proposed Transaction closes and/or a rate credit on ratepayer bills. The PUC could also impose limitations on whether certain expenditures pertaining to the Proposed Transaction can be claimed in future base rate proceedings.

Q. Are there other potential conditions that the PUC should consider?

A. Yes, the PUC should give consideration to conditions that will enhance customer service and service quality. For example, if it were to approve the Proposed Transaction, the PUC should consider conditioning it on the Joint Applicants meeting or exceeding certain customer service metrics for a set period of time after closing to ensure that customer service not suffer as a result of the transaction. The PUC could impose reporting requirements for the metrics and procedures in the event a metric is not met.

Q. Why is the reduction in competition an issue of concern for the County?

A. Historically, municipalities who wished to sell their water or wastewater systems would be able to engage in a competitive bidding process involving Essential and American Water. Going forward, this will no longer be the case. Municipalities in the County will likely only have one option to consider, and there will be no incentive for the Joint Applicants to engage in a manner that results in the best deal possible for a selling municipality. Instead, the new combined entity will be able to dictate sale terms and potentially make lowball bids/offers. In short, there will be no possibility of a competitive bidding process because the Joint Applicants will be eliminating any competition that has existed and presently exists between them.

Q. Have any of the Joint Applicants approached the County at any point related to its concerns regarding the Proposed Transaction?

A. No.

Q. Do you believe that the Proposed Transaction provides affirmative public benefits and is in the public interest?

A. Not at this time, and not as currently structured. I have not seen anything which would make me believe that the Proposed Transaction would produce substantial affirmative public benefit for the people of the Commonwealth, including residents of the County.

IV. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does. However, I reserve the right to file additional testimony at a later date.

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

VERIFICATION

I, Devi Ramkissoon, Chief Sustainability Officer, hereby state that the facts set forth in my Direct Testimony are true and correct to the best of my ability, knowledge, and belief. I understand that these statements herein are made subject to the penalties of 18 Pa.C.S. §4904, relating to falsification of unsworn statements to authorities.

Respectfully submitted,

Date: 5/21/26

By: DR

Devi Ramkissoon,
Chief Sustainability Officer
Commissioners Office for the County of Montgomery

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

COUNTY OF MONTGOMERY

STATEMENT NO. 1-S

SURREBUTTAL TESTIMONY OF DEVI RAMKISSOON
CHIEF SUSTAINABILITY OFFICER - COMMISSIONERS OFFICE
FOR THE COUNTY OF MONTGOMERY

With Regard To
Lack of Benefits of the Proposed Merger

July 23, 2026

INTRODUCTION

Q. Please state your name and business address.

A. My name is Devi Ramkissoon. My business address is One Montgomery Plaza, 425 Swede Street, Norristown, PA 19401.

Q. In what capacity are you affiliated with the County of Montgomery?

A. I am the Chief Sustainability Officer for the County of Montgomery (the "County").

Q. Have you submitted any other testimony in this proceeding?

A. Yes, I submitted direct testimony that was marked as the County of Montgomery Statement No. 1.

Q. What is the purpose of your surrebuttal testimony in this proceeding?

A. The purpose of my instant testimony is to rebut the rebuttal testimony submitted on behalf of the Joint Applicants in support of the proposed transaction for which approval is sought in this proceeding.

II. LACK OF MERGER BENEFITS

Q. Please summarize your testimony.

A. The County opposes the Merger and respectfully submits that it should not be approved. The Joint Applicants have not demonstrated that it will result in any benefits. With the exception of the portions of her testimony pertaining to DELCORA, I adopt the surrebuttal testimony submitted by Christine Reuther on behalf of the County of Delaware in its entirety.

Q. Are there any key points from Vice Chair Reuther's testimony that you would like to emphasize?

A. Yes, there are a few points that are particularly noteworthy.

First, I find it quite concerning that the "benefits" being offered by the Joint Applicants are "solutions" to problems that would not exist in the absence of the Merger. The Joint Applicants cannot create problems and then offer solutions to those problems as some sort of overall benefit when the problems are not actually problems in the first place.

Second, I find it compelling that the Commission has previously determined that doing what is necessary to furnish adequate, efficient, safe, and reasonable service is not a benefit when that is what is expected from the Joint Applicants under any circumstances. The fact that the Joint Applicants are doing what is required of them by law is not some benefit to be touted.

Third, I do not believe that customer affordability is a priority in this proposed transaction. I have not seen anything in connection with the Merger (or in any of the Joint Applicants' prior transactions, for that matter) to support that any term or facet of the Merger has been proposed with affordability in mind. Water and wastewater prices from regulated utilities have increased considerably in recent years and the Merger will only exacerbate this.

Fourth, I fail to comprehend how the Joint Applicants can claim that the integration of their merged companies will result in benefits but also state that they have no plan as to what that integration will entail. If the details of the parties' integration is not yet determined, then the instant application should be denied with a direction to resubmit it when actual information about concrete benefits resulting from a detailed plan of integration is available.

Fifth, I find it troubling that the Joint Applicants are making claims about not passing transaction costs on to customers when transition and integration costs very much will be, particularly where very little is known about what the transition and integration will entail. This is a huge unknown in this transaction that poses a significant risk for all of the Joint Applicants' customers in terms of their future rates.

Sixth, as the county where Aqua's current headquarters are found, we have significant concerns about the loss of jobs in connection with the Merger. While the Joint Applicants state that this facility in Bryn Mawr will remain open in the short term, no assurances are given beyond the next few years, and the Joint Applicants' testimony makes clear that they intend to reduce their workforce as a result of the Merger. We are concerned that this will have significantly detrimental economic impact for impacted workers.

Q. Are there any additional points you would like to make?

A. Yes. We are concerned about rate increases that are likely to result from this Merger for all of our constituents, but are particularly concerned with the Merger's lack of additional protections for lower income and otherwise vulnerable individuals and households. There are many people who already struggle to pay their utility bills and causing rates to increase even more will be especially problematic.

In addition, the County is concerned that customer service will suffer if the Merger is approved. The lack of any specifics as to integration means that we have no idea how customer service will be impacted as that integration is implemented. We are particularly concerned that the Merger will ultimately result in decreased human interaction for customers and increased reliance on artificial intelligence to address customer service

issues – something that could also exacerbate concerns about workforce reduction. Without any details, we are only left to believe that the Joint Applicants will prioritize efficiency above all else as they integrate and combine their respective operations, customer service included.

Finally, the County has significant concerns about the maintenance of service and water quality. Without any concrete information about what integration and transition will look like if the Merger closes, there is no way to ensure that quality will be not be sacrificed in the name of efficiency and cutting costs, which the Joint Applicants have telegraphed an intent to do .

II. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does. However, I reserve the right to file additional testimony at a later date.

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

VERIFICATION

I, Devi Ramkissoon, Chief Sustainability Officer, hereby state that the facts set forth in my Surrebutal Testimony are true and correct to the best of my ability, knowledge, and belief. I understand that these statements herein are made subject to the penalties of 18 Pa.C.S. §4904, relating to falsification of unsworn statements to authorities.

Respectfully submitted,

Date: 7/23/26

By: 

Devi Ramkissoon,
Chief Sustainability Officer
Commissioners Office for the County of Montgomery

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

MANCHESTER TOWNSHIP, NORTH YORK BOROUGH, SPRING GARDEN TOWNSHIP, WEST MANCHESTER TOWNSHIP, AND YORK TOWNSHIP ("YORK-AREA INTERVENORS')

STATEMENT NO. 1

DIRECT TESTIMONY OF KELLY KELCH
TOWNSHIP MANAGER, WEST MANCHESTER TOWNSHIP

With Regard To
Intervention of York-Area Intervenors as Interested Parties
Impact of Proposed Transaction to York-Area Intervenors

May 21, 2026

INTRODUCTION

Q. Please state your name and business address.

A. My name is Kelly Kelch. My business address is 380 East Berlin Road, York, Pennsylvania 17408.

Q. In what capacity are you affiliated with the York-Area Intervenors?

A. I am the Township Manager of West Manchester Township ("West Manchester") and am authorized to submit this testimony on behalf of it and Manchester Township, North York Borough, Spring Garden Township, and York Township (collectively, the "York-Area Intervenors").

Q. In your current position with West Manchester, what are your responsibilities?

A. The Township Manager is the Chief Administrative Officer of West Manchester and is responsible for a variety of administrative functions including but not limited to budget and finance, purchasing, personnel and other general services. The Township Manager also has the overall responsibility for directing and coordinating the functions of all departments to ensure that they are in conformance with municipal policy, directives, rules, regulations and all applicable municipal, state and federal laws.

Q. As part of those responsibilities, do you have any interactions with any of the Joint Applicants?

A. Yes.

Q. Please describe those interactions.

A. West Manchester is a party to bulk agreement with Pennsylvania-American Water Company ("PAWC") that allows for West Manchester to transport wastewater to the sewage collection system, interceptors, and wastewater treatment plant that PAWC

acquired from the City of York in 2022 for treatment. As Township Manager, I serve as a point of contact for West Manchester's residents if they have any questions or issues about the services PAWC provides.

Q. Are you aware of similar interactions between PAWC and the other York-Area Intervenors?

A. Yes, I am aware that the other York-Area Intervenors have similar bulk agreements with PAWC.

Q. On whose behalf are you testifying in this proceeding?

A. My testimony is on behalf of all of the York-Area Intervenors pertaining to the impact impact and effects of the merger application of American Water Works Company, Inc. ("American Water"), Essential Utilities, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC, and Alpha Merger Sub, Inc. ("Proposed Transaction") upon the York-Area Intervenors and their residents.

Q. What interest do the York-Area Intervenors have in the Proposed Transaction?

A. The York-Area Intervenors seek to ensure that none of their contractual rights as provided for in their respective bulk agreements with PAWC will be impacted by the Proposed Transaction.

Q. What is the purpose of your direct testimony?

A. The purpose of my testimony is to provide a brief overview of whether the York-Area Intervenors view the Proposed Transaction as having substantial affirmative public benefit them and their citizens.

Q. Are you sponsoring any Exhibits with your testimony?

A. No.

I. DESCRIPTION OF THE YORK-AREA INTERVENORS

Q. Please provide a brief description of each of the York-Area Intervenors.

A. Manchester Township is a duly organized and validly existing Township of the Second Class located in York County, Pennsylvania, with a population of approximately 20,323. West Manchester Township is a duly organized and validly existing Township of the Second Class located in York County, Pennsylvania, with a population of approximately 20,000. York Township is a duly organized and validly existing Township of the First Class located in York County, Pennsylvania, with a population of approximately 30,500. Spring Garden Township is a duly organized and validly existing Township of the First Class located in York County, Pennsylvania, with a population of approximately 13,400. North York Borough is a duly organized and validly existing Borough located in York County, Pennsylvania, with a population of approximately 2,800.

II. OVERVIEW OF REVIEW OF THE JOINT APPLICATION

Q. Please describe the York-Area Intervenors' process in reviewing the Joint Application.

A. The York-Area Intervenors relied on our counsel to review the Joint Application and all discovery exchanged in this case.

Q. Please provide a brief overview of the York-Area Intervenors' assessment of the discovery materials produced in this matter.

A. As we understand it, the discovery materials produced by the Joint Applicants provide no details as to potential benefits of the Proposed Transaction. As it pertains to the York-Area Intervenors, we remain uninformed as to whether the Proposed Transaction will have any impact on our respective bulk agreements or the service provided by PAWC.

Q. During your review and evaluation, what potential impacts of the Proposed Transaction did the York-Area Intervenors consider?

A. We focused on the impact on the residents of our respective municipalities.

Q. Is there anything further you would like to state regarding the process of your review?

A. No.

III. IMPACT OF THE PROPOSED TRANSACTION

Q. Please state the impact of the Proposed Transaction from the York-Area Intervenors' perspective.

A. We have not seen any materials that shed light on the potential impacts and efficiencies that may result from the Proposed Transaction, and thus have been unable to be conclusively satisfied that the Proposed Transaction will have no impact on our respective bulk agreements and the service provided by PAWC. While we would hope that a commitment to preserve all terms of the bulk agreements would be relatively straightforward, we have thus far received no such commitment from the Joint Applicants. In addition, we have been unable to assess whether the Proposed Transaction will impact the service our residents receive from PAWC, and we thus cannot proceed with any comfort that this service will be maintained at its current level.

Q. Are there potential conditions that the PUC should consider to address these concerns?

A. Yes. The PUC should condition approval on the maintenance of all contractual obligations by PAWC to the York-Area Intervenors as presently constituted. In addition, the PUC should give consideration to conditions that will enhance customer service and

service quality. For example, if it were to approve the Proposed Transaction, the PUC should consider conditioning it on the Joint Applicants meeting or exceeding certain customer service metrics for a set period of time after closing to ensure that customer service not suffer as a result of the transaction. The PUC could impose reporting requirements for the metrics and procedures in the event a metric is not met.

Q. Do you believe that the Proposed Transaction provides affirmative public benefits and is in the public interest?

A. While that remains to be seen, the York-Area Intervenors will be satisfied that the Proposed Transaction will be in the interest of our collective residents if the bulk agreements are maintained and service continues to be provided at a level that is equal to or better than that which PAWC currently provides.

IV. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does. However, I reserve the right to file additional testimony at a later date.

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

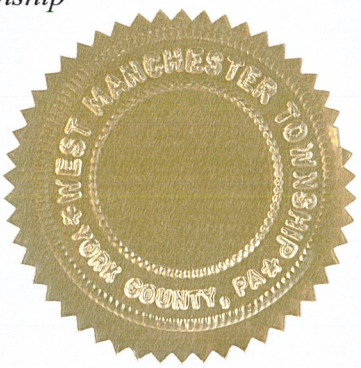
VERIFICATION

I, Kelly Kelch, Township Manager, West Manchester Township, hereby state that the facts set forth in my Direct Testimony are true and correct to the best of my ability, knowledge, and belief. I understand that these statements herein are made subject to the penalties of 18 Pa.C.S. §4904, relating to falsification of unsworn statements to authorities.

Respectfully submitted,

Date: 5/20/26

By: _____
Kelly Kelch,
Township Manager - West Manchester Township



BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Essential Utilities 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., and Peoples Natural Gas Company LLC	:	Docket Nos.	A-2025-3058927 A-2025-3058928 A-2025-3058929

LIST OF EVIDENCE TO BE ADMITTED INTO THE EVIDENTIARY RECORD BY THE OFFICE OF CONSUMER ADVOCATE

The Office of Consumer Advocate (OCA) intends to submit the following evidence into the evidentiary record in the above captioned proceedings at the evidentiary hearings scheduled for August 4, August 5, and August 6, 2026.

OCA Direct Testimony

OCA Statement 1:

Direct Testimony of Ralph C. Smith (Public Version) with Verification, including:

- Exhibit RCS-1
- Exhibit RCS-2
- Exhibit RCS-3 (Pages 3-4 Redacted)
- Exhibit RCS-4 (Redacted)
- Exhibit RCS-5

Direct Testimony of Ralph C. Smith (**Confidential Version**) with Verification, including:

- Exhibit RCS-1
- Exhibit RCS-2
- Exhibit RCS-3
- Exhibit RCS-4 (Redacted)
- Exhibit RCS-5

Direct Testimony of Ralph C. Smith (**Highly Confidential Version**) with Verification, including:

- Exhibit RCS-1
- Exhibit RCS-2
- Exhibit RCS-3
- Exhibit RCS-4 (HIGHLY CONFIDENTIAL)
- Exhibit RCS-5

OCA Statement 2: Direct Testimony of Barbara R. Alexander with Verification, including:

- Exhibit BA-1
- Exhibit BA-2
- Exhibit BA-3
- Exhibit BA-4
- Exhibit BA-5

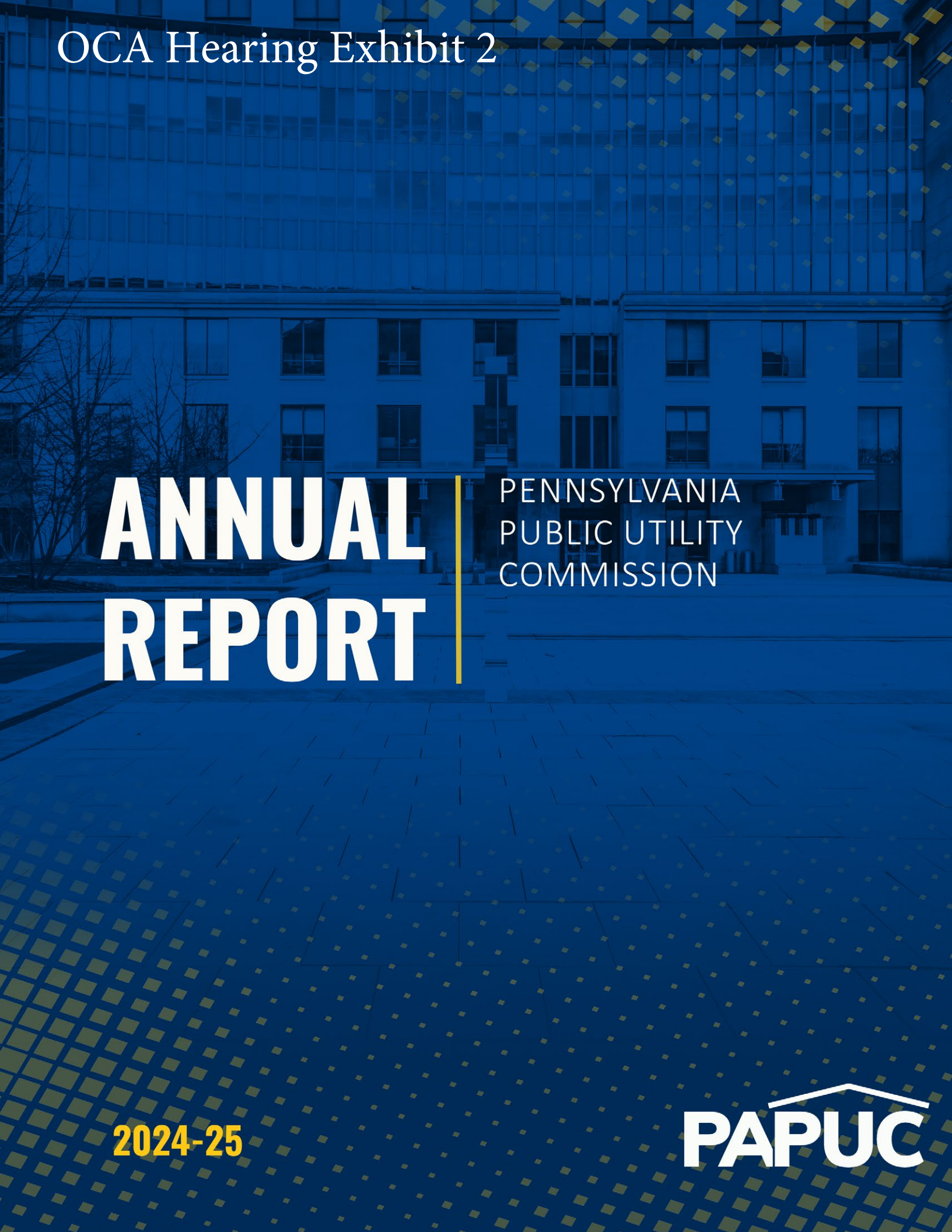
OCA Surrebuttal Testimony

OCA Statement 1SR: Surrebuttal Testimony of Ralph C. Smith with Verification, including:

- Exhibit RCS-6

OCA Statement 2SR: Surrebuttal Testimony of Barbara R. Alexander with Verification.

OCA Hearing Exhibit 2



ANNUAL REPORT

PENNSYLVANIA PUBLIC UTILITY COMMISSION

2024-25

PAPUC

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TELEPHONE DIRECTORY.....BACK PAGE



Pictured left to right are Commissioner Kathryn L. Zerfuss, Commissioner Ralph V. Yanora, Chairman Stephen M. DeFrank, Commissioner John F. Coleman Jr. and Vice Chair Kimberly M. Barrow.

COMMISSIONER LETTER

THE HONORABLE JOSH SHAPIRO
GOVERNOR OF PENNSYLVANIA

THE HONORABLE AUSTIN DAVIS
LIEUTENANT GOVERNOR OF PENNSYLVANIA

MEMBERS OF THE PENNSYLVANIA GENERAL ASSEMBLY

We are pleased to submit the FY 2024-25 Annual Report for the Pennsylvania Public Utility Commission (PUC). This report covers actions taken between July 1, 2024, and June 30, 2025.

As required by Section 321 of the Public Utility Code, 66 Pa. C.S § 321, the Annual Report highlights the significant orders, decisions and issues the PUC faced over the course of the year in fulfillment of our mission, as regulators and protectors of the public interest.

This fiscal year, the Commission met record-setting workloads, and made advancements in consumer protection, regulatory modernization, and public outreach. The landscape has changed significantly in recent years — with new responsibilities from the General Assembly, new leadership and evolving issues at the forefront, such as data centers, resource adequacy and affordability — all of which call for us to be thoughtful and adaptive in preparing for the opportunities ahead.

The PUC gained momentum with its "PAPUC Forward" five-year operational strategic plan, which is focused on people & culture, project management capability, process & operational excellence, technology modernization, and communications; modernized and clarified sections of PUC water and wastewater regulations related to practice before the Commission, updating those procedures for the first time in nearly 20 years; completed an Advanced Notice of Proposed Rulemaking pertaining to the Commission's cybersecurity regulations; released multiple audits across regulated utilities; continued its efforts to expand broadband services across the state and encourage the universal deployment of advanced broadband networks and services to improve the quality of life for all Pennsylvanians; focused on public safety through its investigations and enforcement related to pipeline, electric and motor carrier safety; and as part of its signature public campaign efforts like #CallUtilitiesNow, SaveInPA, and Prepare Now, helped families and small businesses stay connected to critical services, manage rising energy costs, and prepare for storms and extreme weather.

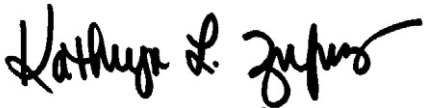
We will continue our mission to balance the needs of consumers and utilities; ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner. We look forward to the next fiscal year and continuing our important mission.



Stephen M. DeFrank
Chairman



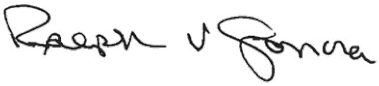
Kimberly M. Barrow
Vice Chair



Kathryn L. Zerfuss
Commissioner



John F. Coleman, Jr.
Commissioner



Ralph V. Yanora
Commissioner

COMMISSION STAFF



JENNIFER BERRIER
EXECUTIVE DIRECTOR



KELLY MONAGHAN
DEPUTY EXECUTIVE DIRECTOR



ROBERT C. GRAMOLA
DIRECTOR
BUREAU OF ADMINISTRATION



CHARLES RAINEY
DIRECTOR & CHIEF ALJ
OFFICE OF ADMINISTRATIVE LAW JUDGE



CHRIS YOTHER
DIRECTOR
BUREAU OF AUDITS



TOM CHARLES
DIRECTOR
OFFICE OF COMMUNICATIONS



DAN MUMFORD
DIRECTOR
OFFICE OF COMPETITIVE MARKET OVERSIGHT



LORI MOHR
DIRECTOR
BUREAU OF CONSUMER SERVICES



MICHAEL HOLKO
DIRECTOR
OFFICE OF CYBERSECURITY, COMPLIANCE AND OVERSIGHT



MICHAEL ROBERTS
DIRECTOR
OFFICE OF HUMAN RESOURCES



ALLISON KASTER
CHIEF PROSECUTOR
BUREAU OF INVESTIGATION & ENFORCEMENT



DAVID SCREVEN
CHIEF COUNSEL
LAW BUREAU



JJ LIVINGSTON
DIRECTOR
OFFICE OF LEGISLATIVE AFFAIRS



MATT HOMSHER
DIRECTOR
SECRETARY'S BUREAU



KIMBERLY HAFNER
DIRECTOR
OFFICE OF SPECIAL ASSISTANTS



PAUL DISKIN
DIRECTOR
BUREAU OF TECHNICAL UTILITY SERVICES

THE EXECUTIVE DIRECTOR is responsible for the oversight of the day-to-day management of the Commission's functions and staff. This position is responsible for the overall planning, direction, organization and operation of the Commission. Also, the Executive Director develops, recommends to the Commissioners, and implements the PUC's strategic plans and policies.

THE DEPUTY EXECUTIVE DIRECTOR (DIRECTOR OF REGULATORY AFFAIRS) oversees and manages the functions of the Bureau of Audits, the Office of Administrative Law Judge, the Bureau of Consumer Services, the Office of Special Assistants, and the Bureau of Technical Utility Services to ensure orderly examination and thorough analysis of complex utility legal and technical matters and to further foster cross-bureau collaboration.

THE BUREAU OF ADMINISTRATION is responsible for overseeing administrative, fiscal and personnel functions. The Bureau of Administration is comprised of the Office of Human Resources; Management Information Systems, which oversees technology; the Secretary's Bureau; the Office of Administrative Services, which is responsible for office services; and the Financial and Assessment Section that handles budget issues and the financial functions of the Commission.

THE OFFICE OF ADMINISTRATIVE LAW JUDGE fulfills a judicial role within the Commission by hearing cases, mediating cases through the alternative dispute resolution process and issuing Decisions. The office's primary duty is to provide fair and prompt resolution of contested proceedings before the Commission. The Administrative Law Judges (ALJs) are attorneys with experience in administrative law who preside over the hearings in cases, which can include consumer complaints, rate filings, investigations, ability to pay/billing disputes and applications.

THE BUREAU OF AUDITS performs financial, management, operational and specialized audits on electric, natural gas, steam heat, wastewater, water and telecommunications utilities. It also reviews certain adjustment clause rate filings and 1307(e) reconciliation statements. The audits may result in recommendations to refund over-recovered costs and to improve accounting/operational procedures that could save utilities and consumers money.

THE OFFICE OF COMMUNICATIONS is charged with handling Commission media relations, external communications, internal communications, consumer education and communications technology, in addition to acting as the lead staff for the Consumer Advisory Council. The office is responsible for issuing press releases, responding to media calls, conducting consumer-education campaigns, distributing educational materials, creating internal and external publications, coordinating the PUC's websites and social media, and managing livestreaming and communications technology.

THE OFFICE OF COMPETITIVE MARKET OVERSIGHT serves as the Commission's electric and natural gas choice ombudsman, and oversees the development and functioning of the competitive retail electric and natural gas supply markets, in addition to providing a forum for informal dispute resolution.

THE BUREAU OF CONSUMER SERVICES investigates and issues decisions on informal complaints from residential and small commercial customers and enforces the PUC's customer service regulations. The bureau also serves as an intermediary between utilities and consumers, mediating complaints, making payment agreements, and implementing and monitoring universal service and energy policy. The bureau prepares annual reports for the Commission and General Assembly on complaint handling, customer service performance, universal services and collection performance.

THE OFFICE OF CYBERSECURITY COMPLIANCE AND OVERSIGHT advises the Executive Director and Commissioners on policy issues and procedural improvements involving cybersecurity oversight functions of regulated utilities; drafts proposed cyber-related regulations; and oversees the preparation of documents related to cybersecurity policies and procedures.

THE OFFICE OF HUMAN RESOURCES is responsible for planning, organizing and directing a comprehensive human resource services program for the Public Utility Commission. This includes personnel and position management, labor relations, staff development, equal opportunity, recruitment and placement, employee benefits and services, personnel and leave transactions, and complement management. The bureau provides administrative and advisory services to the Executive Director, Director of Administration and PUC management.

THE BUREAU OF INVESTIGATION AND ENFORCEMENT serves as the prosecutorial bureau for purposes of representing the public interest in ratemaking matters. The bureau also prosecutes service matters before the Office of Administrative Law Judge and enforces regulatory compliance with the state and federal motor carrier safety, damage prevention, electric safety, and gas pipeline safety laws and regulations. The bureau handles rail safety enforcement proceedings and investigates referrals from other bureaus. The bureau also prepares administrative reports for the Commission.

THE LAW BUREAU acts as the Commission's in-house legal counsel in three main areas: advisory, representational and enforcement, providing legal advice to the Commission regarding electric, natural gas, telecommunications, water/wastewater and transportation matters, as well as proposed legislation, and regulatory and policy statements. The bureau's director serves as Chief Counsel to the Commission. The Law Bureau represents the Commission before state and federal courts and before other state and federal agencies.

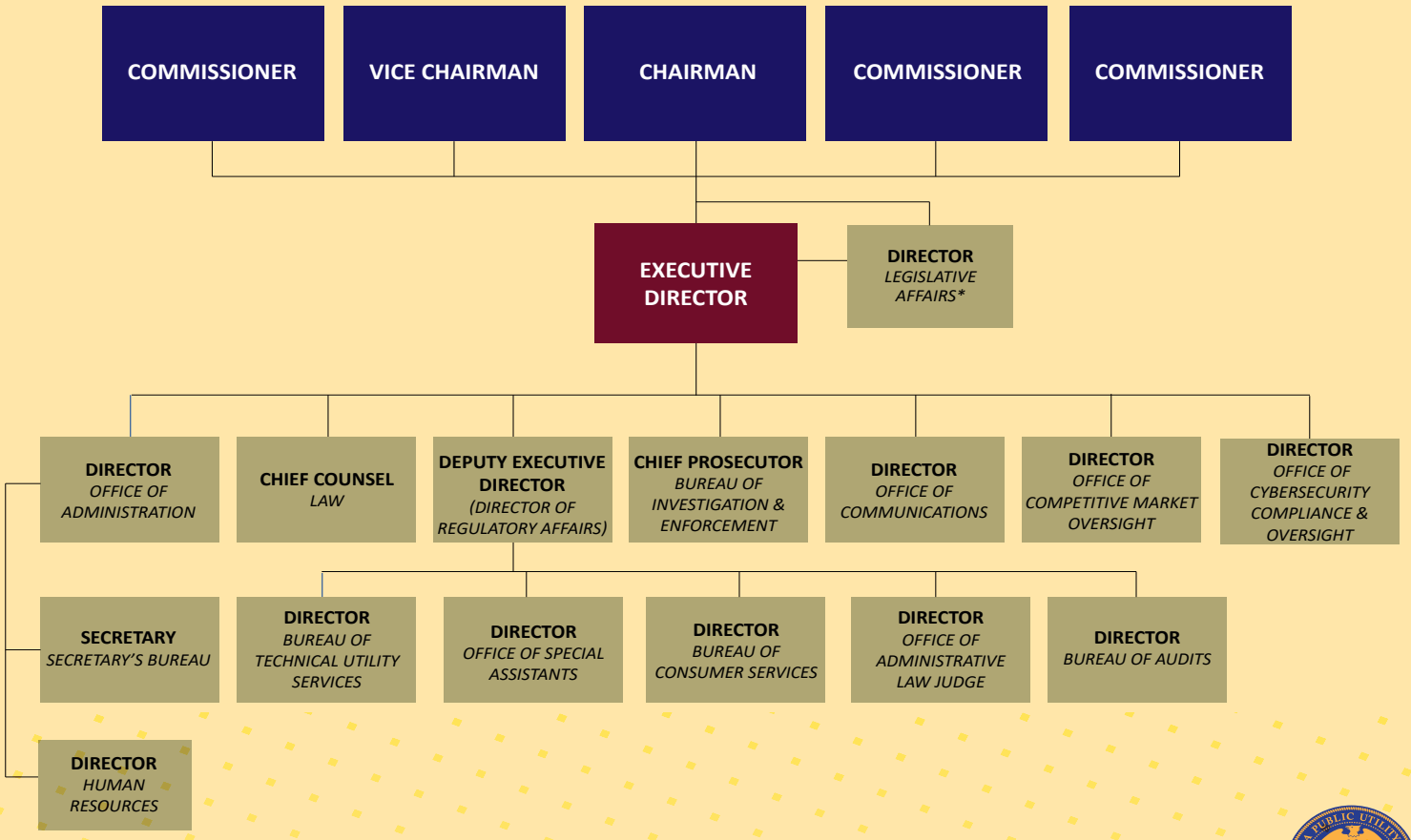
THE OFFICE OF LEGISLATIVE AFFAIRS acts as the liaison between the PUC and the Governor's Office, the General Assembly and the Pennsylvania Congressional Delegation; identifies legislation that may affect the Commission or public utilities and obtains staff analysis; provides relevant information to the legislature; and promotes the Commission's position on legislation and issues with the General Assembly.

THE SECRETARY'S BUREAU is the PUC's official point of contact with the public. The Secretary serves as the prothonotary of the Commission, and all documents and filings received by the Commission must be officially filed with the Secretary. The bureau processes, dockets and assigns all filings to the appropriate bureaus within the Commission for review and recommendation. All official Commission actions and decisions are issued over the Secretary's signature. The Secretary's Bureau coordinates the Commission's Public Meeting agendas, records the minutes of each Public Meeting, and issues all Commission Orders, Decisions and Secretarial Letters. The Secretary also is the Commission's official Right to-Know Officer.

THE OFFICE OF SPECIAL ASSISTANTS is the Commission's advisory support bureau, providing legal and technical advice to the Commission primarily regarding challenges to Administrative Law Judge Decisions, as well as policy issues; drafts proposed Opinions and Orders containing a review of the facts, the applicable law and a proposed resolution of the issues raised in contested proceedings; drafts Opinions and Orders pursuant to Motions adopted at Public Meeting; and reviews Petitions for Relief following the issuance of Commission Orders.

THE BUREAU OF TECHNICAL UTILITY SERVICES serves as the principal technical advisory bureau to the Commission regarding fixed and transportation utility regulatory matters, as well as an adviser to the PUC on technical issues for electric, natural gas, water and wastewater, and telecommunications utilities. The bureau also offers policy recommendations on rates, tariffs and regulatory matters; processes utility applications; and coordinates emergency operations of utilities.

PUC ORGANIZATIONAL CHART



*Dual reporting relationship to Commissioners and Executive Director

PUC BUDGET

EXECUTIVE GOVERNMENT OPERATIONS

GENERAL GOVERNMENT FUND	GENERAL FUND Estimated 2024-25 Expenditures	GENERAL FUND Approved 2025-26 Budget
State Funds:		
Personnel	$71,844,000	$75,893,000
Operating	15,892,000	19,463,000
Fixed Assets	650,000	650,000
TOTAL STATE FUNDS	$88,386,000	$96,006,000
Federal Funds:		
Budgetary Reserve	0	2,500,000
Personnel	$6,386,000	$4,867,000
Operating	1,330,000	743,000
TOTAL FEDERAL FUNDS	$7,716,000	$8,110,000
OTHER FUNDS	$0	$0
TOTAL COMMISSION BUDGET	$96,102,000	$104,116,000

OTHER REVENUE SOURCES	2024-25 RECEIPTS
Unconventional Gas Well Fund	$1,000,000
Unconventional Gas Well Fund - Act 13 Administration	$607,300
Filing & Fees	129,948
Application Fees	479,076
Assessment & Supplemental Fees	77,098,789
UCR	4,945,527
Damage Prevention Fines	2,255,378
Violation of Order Fines	939,786
Federal - Gas Pipeline Safety	4,200,000
Federal - Motor Carrier (Motor Carrier Safety Administration Program)	2,016,000
Federal - Transmission Siting Program	1,500,000
TOTAL	$93,671,803

2024-25 APPLICATION FEES, FILING & COPY FEES & FINES

	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	2024-25 TOTAL
Unconventional Gas Well - Act 13 Administration	$0	$0	$13,350	$593,900	$607,300
Filing & Fees	$94,786	$24,883	-$11,068	$21,347	$129,948
Application Fees	$108,265	$59,289	$63,801	$247,721	$479,076
Assessments & Supplemental Fees	$43,722,810	$33,147,276	$202,854	$25,849	$77,098,789
Unified Carrier Registration	$0	$3,156,042	$1,789,568	-$83	$4,945,527
Damage Prevention Fines	$575,706	$351,338	$746,434	$581,900	$2,255,378
Violation of Order Fines*	$46,297	$8,750	$745,449	$139,291	$939,786
TOTAL	$44,547,913	$36,747,577	$3,550,388	$1,609,925	$86,455,803

**Fines deposited into the state General Fund*

INTRODUCTION

The PUC oversees nearly 8,000 entities, including the following in-state services: electricity; natural gas; telecommunications and broadband (availability and speed in accordance with Pennsylvania statutory standards); water and wastewater collection and disposal; steam heat; transportation of passengers and property by motor coach, truck, taxicab and transportation network companies (TNCs); pipeline transmission of natural gas and hazardous materials; electric safety; damage prevention; and public highway-railroad crossings.

ORGANIZATION – Established on March 31, 1937, by the Pennsylvania General Assembly.

MISSION STATEMENT – The Pennsylvania Public Utility Commission balances the needs of consumers and utilities; ensures safe and reliable utility service at reasonable rates; protects the public interest; educates consumers to make independent and informed utility choices; furthers economic development; and fosters new technologies and competitive markets in an environmentally sound manner.

LOCATIONS – Harmarville, Harrisburg, Philadelphia, Pittsburgh and Scranton.

FUNDING – The PUC is funded by assessments on the regulated entities based upon intrastate revenues and by federal grant monies.

PUBLIC MEETINGS – The PUC's Public Meetings are held in-person at the Harrisburg headquarters and livestreamed on the PUC website.

VISION STATEMENT – To be leaders in state utility regulation with creative, forward-thinking, proactive oversight services, anticipating and addressing the rapidly evolving utility needs of Pennsylvania consumers.



FILING & RESOURCES

The Secretary's Bureau received 31,478 filings this past fiscal year and served 9,537 documents, including 863 Orders and 6,497 Secretarial Letters. The Commission received more than 170 Right-to-Know requests.

The PUC's Office of Administrative Law Judge presided over a mix of telephonic and in-person hearings – a total of 661 evidentiary hearings and 64 public input hearings. In addition, 325 cases were resolved through mediation. Presiding officers rendered 469 written decisions.

Throughout the fiscal year, the PUC's Office of Special Assistants (OSA) prepared 216 Orders for Commission consideration at Public Meetings in proceedings involving consumers and regulated utilities. OSA also issued Secretarial Letters to address matters involving delegated authority and to address procedural issues in proceedings.

The PUC's Law Bureau regularly represented the Commission in an average of 40 open state and federal court appeals, administrative proceedings and matters involving affirmative litigation.



2024-25 ACCOMPLISHMENTS

STRATEGIC PLAN

The PUC launched its "PAPUC Forward" five-year operational strategic plan, with People & Culture, Project Management Capability, Technology Modernization, Process & Operational Excellence, and Communications as strategic focus areas and objectives. With its people at the heart of the plan, the PUC aims to further strengthen its commitment to public service and positions the agency to successfully anticipate and respond to future challenges.

"PAPUC Forward: Our Commission. Our Future" includes a vision, mission and values for the Commission moving forward. During the fiscal year, the PUC communicated the plan with all employees across the state with launch events. Following the launch events, the PUC began implementing tasks under the plan.

During the first year of the strategic plan implementation:

- Within the People & Culture and Communications focus areas, the PUC distributed employee engagement surveys on Commission communications and transparency; deployed an internal Teams Channel for employee resources and updates; enhanced an online suggestion box initiative for employees to submit ideas for operational improvements; expanded the PUC's internship program; and diversified recruitment strategies to attract talent to PUC employment.



- In the Technology Modernization and Project Management focus areas, the Commission conducted and implemented a third-party IT assessment focusing on skills, staffing, and capacity. Management quickly took several actions, including:
    - Building and formalizing a Project Management Office;
    - Finalizing a monthly scorecard to monitor and improve IT project performance;
    - Reconstituting the PUC's Technology Planning Committee;
    - Developing a new project intake process; and
    - Creating a new Data Management Office to assist with visualizing the PUC's data.
- As part of Process & Operational Excellence and Technology Modernization, the PUC held a Power Business Intelligence (BI) training for data-driven decision-making and collaboration.
- As part of the Process & Operational Excellence focus, the Commission prepared to launch a new, modernized hiring process to standardize and evolve operations for common and consistent execution.

The PUC is fully committed to implementing initiatives under PAPUC Forward and looks to build on momentum to ensure our team has the right tools to provide services in an efficient and effective way and to prepare the Commission for the future of utility regulation.

CONSUMER SERVICE ISSUES

From July 1, 2024, to June 30, 2025, the PUC's Bureau of Consumer Services (BCS) answered more than 132,000 calls and online complaint forms, resulting in more than 79,000 informal complaints and customer inquiries investigated and resolved. Customers contacted BCS for a variety of reasons, including payment arrangement requests and billing disputes.

BCS staff worked this year to reduce the informal complaint caseload to historic levels. Typically, the five-year average near the end of each January stands at approximately 5,200 cases. However, thanks to the significant efforts of Customer Assistance and Complaints Division (CACD) staff, the caseload in the beginning of February 2025 was 1,970 cases. This noteworthy achievement comes despite the fact that the volume of complaints coming into BCS remained consistent with the five-year average.

The PUC approved the Low-Income Usage Reduction Program (LIURP) Final-Form Rulemaking Order (FFRO) on March 13, 2025, at Docket No. L-2016-2557886. BCS and the Law Bureau drafted the FFRO, to revise the regulations governing public utility LIURPs in Chapter 58 of the 52 Pa. Code. The revisions create consistency in LIURP definitions, reporting requirements, and program procedures. They allow public utilities to calculate potential energy savings on a per-job basis rather than a per-measure basis to permit more comprehensive energy audits and weatherization treatments, providing customers with deeper long-term energy savings. The revised regulations also support the development of innovative technologies and practices, such as the use of renewable energy, through LIURP pilot programs. The FFRO is expected to be approved by the Independent Regulatory Review Commission in Fiscal Year 2025-26.

COMMUNICATING WITH CONSUMERS

The PUC's Office of Communications played a central role in 2024–25 by extending the Commission's reach to consumers, communities, and stakeholders across Pennsylvania. The consumer-education team successfully organized Be Wise and Be Utility Wise conferences, engaging more than 660 human service professionals and equipping them with tools to better serve households in need. The Commission also launched

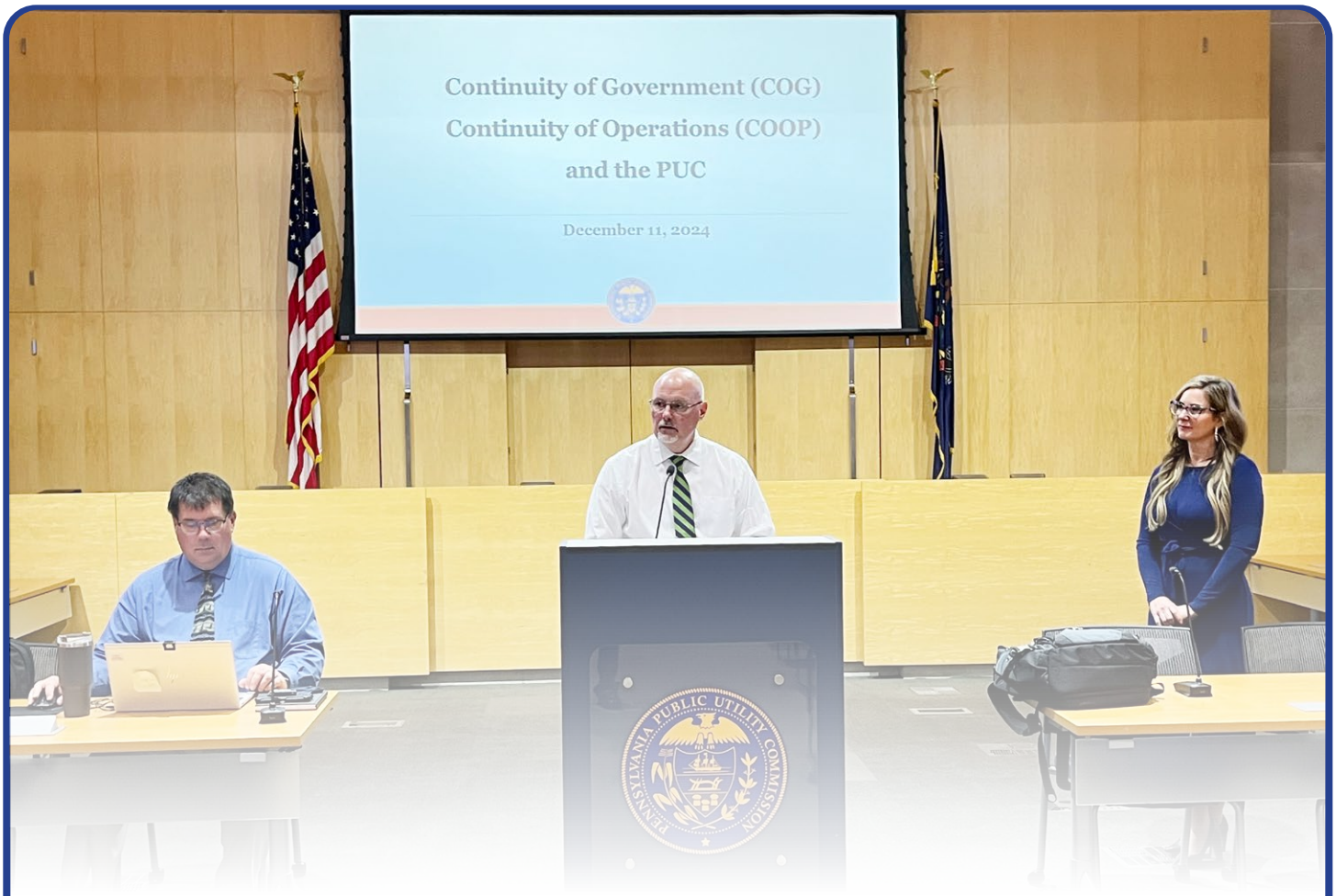


enhancements to PAPowerSwitch.com, consolidating content and streamlining navigation to make energy shopping simpler and more accessible for consumers.

Throughout the year, Communications staff supported dozens of public input hearings tied to major rate cases, ensuring that affected communities were informed and able to share their voices. The PUC also coordinated extensive outreach following high-profile safety incidents, including public updates and educational efforts in the wake of the West Reading chocolate factory explosion, helping to underscore the PUC's role in protecting public safety and reinforcing trust in utility oversight.

Public education campaigns remained a cornerstone of the year's work. Signature efforts like #CallUtilitiesNow, SaveInPA, and Prepare Now helped families and small businesses stay connected to critical services, manage rising energy costs, and prepare for storms and extreme weather. Seasonal initiatives — including the Winter Utility Bill Checklist, Ways to Stay Cool, and targeted alerts about deceptive websites, spoofing scams, and electric safety around downed power lines — provided timely guidance to Pennsylvanians navigating changing conditions and new threats.

The PUC enhanced its direct community presence, including a strong showing at the Pennsylvania Farm Show, where a consumer education booth and Commissioner participation in an electric safety demonstration drew significant public attention. In addition, the team amplified PUC messaging during major storm events, from spring outages in Pittsburgh to summer heatwaves statewide, reinforcing the Commission's commitment to transparency and timely information. Finally, Communications staff continued to elevate the voice of the PUC on a broader stage, contributing to regional and national utility forums. By sharing lessons from Pennsylvania and engaging in national conversations, the PUC helps shape the dialogue around affordability, reliability, and consumer protection across the country.



WATER/WASTEWATER ISSUES

The PUC continued efforts to modernize and clarify sections of PUC regulations related to practice before the Commission, updating those procedures for the first time in nearly 20 years.

Act 120 of 2018 amended the Public Utility Code by permitting public utilities to recover the cost to replace customer-owned lead service lines (LSLs) and damaged wastewater service laterals. Accordingly, the Commission promulgated regulations addressing LSL replacements (LSLRs) in Chapter 65 and creating a new Chapter 66 to address wastewater service and service line replacements. These regulations became effective on July 23, 2022.

Separately, the United States Environmental Protection Agency (EPA) set forth revisions to the National Primary Drinking Water Regulation for lead and copper, referred to as the Lead and Copper Rule Revisions (LCRR) that became effective on Dec. 15, 2021, with a compliance date of Oct. 16, 2024. The Pennsylvania Department of Environmental Protection (DEP) is the primacy agency responsible for administering the LCRR. The Commission's LSLR regulations incorporate the LCRR inventory requirement and will be implemented on a similar timeframe. The Commission completed an extensive LSLR program implementation outreach effort to all water public utilities that included several reminder letters and a call campaign to provide water public utilities information regarding the Commission's requirements. Additionally, the Commission prepared and published on its website a LSLR Program Petition and Plan Template and Model Pro Forma Tariff Supplement as guides to assist water public utilities. As of June 30, 2025, 29 water public utilities had filed a petition for approval of an LSLR program and the Commission approved one LSLR program. Additionally, 12 water public utilities have filed a petition for approval of a waiver from Commission LSLR regulations.

The PUC continues to engage with the EPA and DEP's Bureau of Safe Drinking Water in regard to updated Per- and Polyfluoroalkyl Substances (PFAS) regulations and any potential issues with jurisdictional water utilities. The PUC also continues to informally monitor PFAS operational and cost impacts with Class A jurisdictional water utilities on an annual basis.

EMERGENCY PREPAREDNESS

The PUC's Office of Cybersecurity and Compliance Oversight completed an Advanced Notice of Proposed Rulemaking pertaining to the Commission's cybersecurity regulations, led by the Commission's Cybersecurity Incident Response Team in response to reported cybersecurity incidents. Staff also worked with the regulated utility community to create a cybersecurity notice of proposed rulemaking pertaining to the Commission's cybersecurity regulations.

Commission staff facilitated and participated in several emergency preparedness exercises, trainings, and activities with colleagues from the Pennsylvania Emergency Management Agency (PEMA), along with state and federal agencies and utility stakeholders. The PUC also helped to plan a black sky communications exercise, which was facilitated by the Cybersecurity & Infrastructure Security Agency (CISA). The PUC also facilitated a Black Sky Steering Committee (BSSC) meeting. The Black Sky Steering Committee is a collaboration between state agencies and critical infrastructure industry partners on planning for and responding to a large-scale, long-duration power outage event.

In addition to the external exercises, the PUC also planned and facilitated a continuity of operations plan (COOP) exercise for the Commission's senior leaders. PUC primary Agency Representatives (AREPs) also attended the PA Election tabletop exercise at PEMA, the Commonwealth's 2025 All Hazards Exercise, several nuclear power plant exercises, and emergency drills hosted by jurisdictional electric utilities.

RATE CASES

The PUC's rates and technical divisions participated in 14 base rate cases with a total requested increase value of more than $1.793 billion, five Section 1329 acquisitions and six Section 1307(f) annual purchased gas cost filings.

ENERGY RETAIL MARKETS

The PUC's Office of Competitive Market Oversight continued to monitor the developments with energy markets and our efforts to help consumers deal with affordability concerns and to navigate the retail market. Increasing wholesale electric and natural gas prices in 2025 and uncertainty about future wholesale markets and pricing led to fewer long-term supplier offers. This more challenging shopping environment likely led to the plateauing of the number of shopping customers in late 2024 and in 2025, after two years of increases.

As of July 2025, 1,539,217 electric customers representing 62.6% of the total electricity load in Pennsylvania were obtaining generation service from competitive suppliers. This is a slight decrease from just over 63% the previous year. Increasing wholesale prices also led to higher default service prices for most of those customers who did not choose an alternative energy supplier. As of June 2025, all of the state's Electric Distribution Companies (EDCs) will be revising their residential/small commercial default service Prices to Compare (PTCs) twice a year, on June 1 and December 1.

Also, effective June 1, 2025,PPL, PECO, Duquesne Light, UGI Electric, Wellsboro Electric, and Citizens' Electric implemented their recently-litigated Default Service Plans (DSPs) that address how these EDCs procure and provide default service over the next four years.



SAFETY ISSUES

The PUC's Safety Divisions conducted 2,671 electric and pipeline safety field inspections. Pipeline Safety responded to and completed 20 pipeline related incident and complaint investigations while the Electric Safety Division responded to 171 reported situations involving unplanned investigations.

Also, during 2024, 1,127 underground facility owners, excavators and project owners were directed to attend Act 50 training (related to the Pennsylvania One Call Law), while the PUC's Damage Prevention Committee approved 3,778 violations related to 870 cases that were addressed during this year's 11 DPC meetings.

The PUC's Motor Carrier Enforcement Division completed 360 safety fitness reviews, 1,619 federal New Entrant Safety Audits and 4,454 roadside inspections of commercial motor vehicles.

Meanwhile, the PUC's Rail Safety Section conducted and submitted 1,315 Federal Railroad Administration (FRA) inspections, and reviewed 70 reported crossing incidents involving a train and an automobile or pedestrian.

IMPACT FEES

The Commission continued to play a vital role in Pennsylvania's economy, collecting and distributing $164.6 million in impact fees from natural gas producers. This year's contributions bring the 14-year total to more than $2.88 billion, benefiting communities across the Commonwealth.

RESOURCE ADEQUACY AND DATA CENTER GROWTH

The PUC held a technical conference in November 2024 to discuss electric resource adequacy in Pennsylvania. Topics included load carrying capacity, finding the right mix of resources, facilitating completion of the construction of generation resources and how the PUC can ensure resource adequacy for electric distribution customers.

In late April, the Commission convened a public hearing exploring the growing impact of large-scale electric customers, including data centers and other high-energy users, on the state's electric grid. The hearing brought together electric utilities, major energy users, and consumer advocates to examine the challenges and opportunities presented by these high-demand customers. The PUC sought testimony and input on a range of topics that will help inform future policy, including the development of a model tariff to guide how large load customers connect to the grid.

TELECOMMUNICATIONS EFFORTS

The PUC remains focused on ensuring that those who need it have access to safe and reliable basic local telephone service at just and reasonable rates. Among other things, this past fiscal year, the PUC again recognized Digital Connectivity & Lifeline Awareness Week to help income-eligible Pennsylvanians stay connected through the Lifeline program.

In September 2023, the Commission issued an Advanced Notice of Proposed Rulemaking on possible updates to and reform of the Pennsylvania Universal Service Fund for telecommunications. Comments were received in February and March 2024. The Commission is currently reviewing comments for potential further action in the form of a Notice of Proposed Rulemaking.

Regarding emergency services, on Feb. 25, 2025, the Commission resolved a dispute between several incumbent local exchange carriers (ILECs) and NextGen Communications Inc. (NextGen), the 911 service provider in Pennsylvania. The dispute involved issues related to the deployment of next generation 911 services throughout the Commonwealth and seeks to make access emergency services easier and with more functionality using current technology.

With regard to broadband deployment, in January 2024, the Commission's Pole Attachment Working Group met in person at the Commission's Harrisburg offices to consider whether recent changes made by the FCC to their pole attachment regulations should be adopted in Pennsylvania. At the Sept. 26, 2024, Public Meeting, the Commission voted to adopt new FCC rules that expedite resolution of disputes between pole owners and those entities seeking to attach facilities and equipment to the poles. The new rules dramatically shorten the time period in which the Commission resolves such disputes.

In October 2024, the Commission adopted the FCC's cyclical pole inspection regulation, in addition to the FCC's dispute resolution procedures for pole attachment disputes that impede or delay broadband deployment. The FCC's rules identified the functions of its Rapid Broadband Assessment Team (RBAT). On Jan. 8, 2025, the Commission entered an Implementation Order, which established within the Commission an equivalent to the RBAT, which is known as the PA-RBAT, to more expeditiously address certain pole attachment disputes.

Shortly after the end of this fiscal year, the Commission reconvened its Pole Attachment Working Group to seek input on whether the Commission should permit additional FCC amendments to take effect in Pennsylvania by operation of law, and expects a resolution in the first half of Fiscal Year 2025-26. The Commission agrees that efficient resolution of pole attachment issues between pole owners and attachers is key to timely broadband deployment.

The Commission also has a role in the Pennsylvania Broadband Development Authority to continue its efforts to expand broadband services across the state and encourage the universal deployment of advanced broadband networks and services to improve the quality of life for all Pennsylvanians. Through its role on the Pennsylvania Broadband Development Authority, the Commission has worked to distribute more than $1 billion in federal funding to provide broadband services to unserved and underserved areas of the Commonwealth.

2024-25 AUDITS UPDATE

The PUC Audits team released 36 reports covering 89 years of adjustment clauses, and reviewed and approved approximately 335 adjustment clause filings. Management Audit staff released four Management Audits, two Management Efficiency Investigations and the 516 Annual Report for Calendar Year 2025.

ELECTRIC

During Fiscal Year 2024-25, the PUC released 18 reports covering 44 years of Section 1307(e) reconciliation statement audits involving default service, transmission service, energy efficiency, universal service programs, purchased power and smart meters.

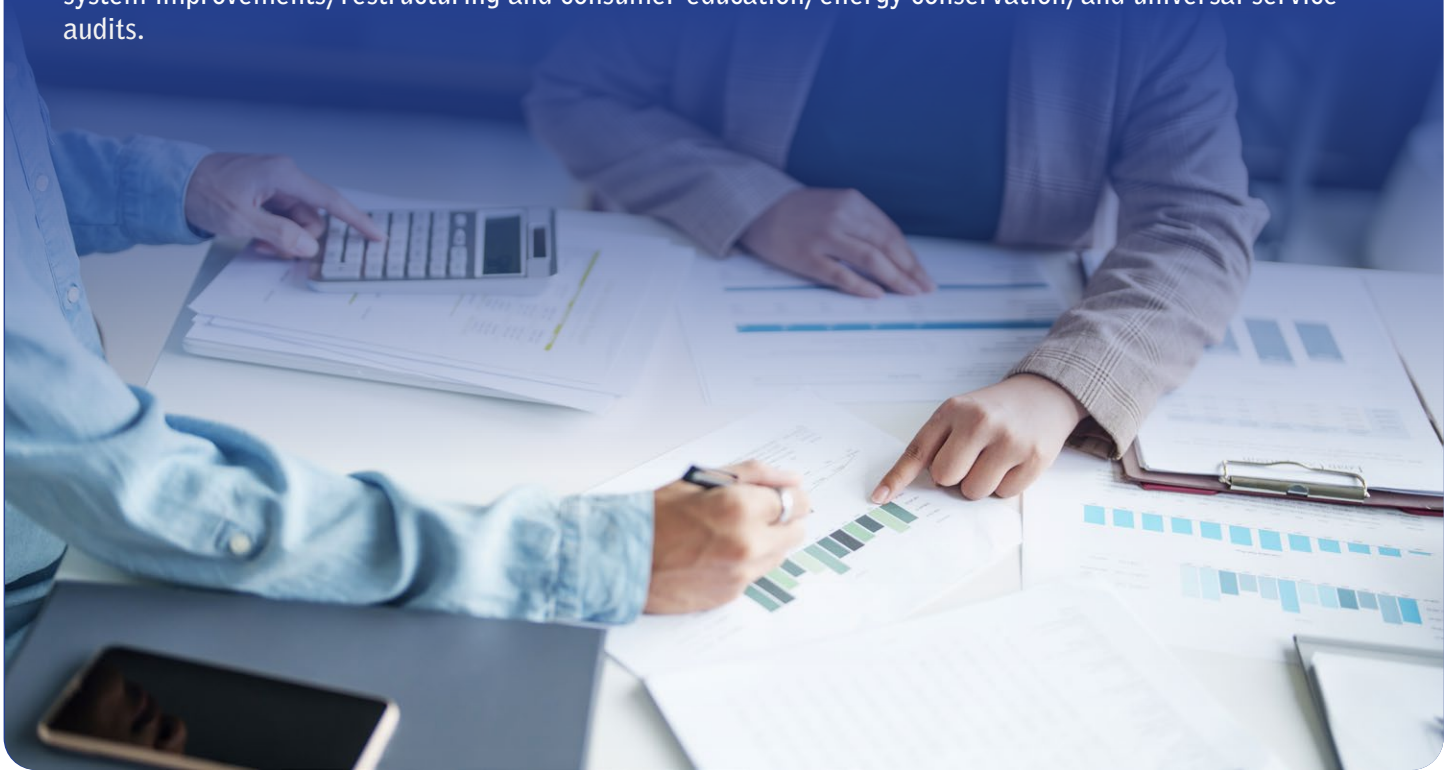
The PUC also reviewed and processed 126 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional 44 Section 1307(e) reconciliation statements were reviewed and processed.

During Fiscal Year 2024-25, the PUC performed one management audit, including:

PPL Electric Utilities Corporation – A management and operations audit, released on July 11, 2024, made 19 recommendations to the company for improvement. The company indicated acceptance of 16 recommendations and partial acceptance of three recommendations.

NATURAL GAS

During Fiscal Year 2024-25, the PUC released 16 reports covering 41 years of Section 1307(e) and Section 1307(f) reconciliation statement audits, involving purchased gas costs, gas cost rates, distribution system improvements, restructuring and consumer education, energy conservation, and universal service audits.



STEAM HEAT

During Fiscal Year 2024-25, the PUC released zero Section 1307(e) reconciliation statement audits of steam cost rates.

The PUC reviewed and processed 27 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional four Section 1307(e) reconciliation statements that were reviewed and processed.

WATER/WASTEWATER

During Fiscal Year 2024-25, the PUC released two reports covering four years of Section 1307(e) reconciliation statement audits of distribution system improvement charges.

The PUC also reviewed and processed 41 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional 11 Section 1307(e) reconciliation statements were reviewed and processed.

During Fiscal Year 2024-25, the PUC performed two management and operations audits and one management efficiency investigation, including:

Veolia Water Pennsylvania Inc. – A management and operations audit, released on Jan. 23, 2025, made 15 recommendations to the company for improvement resulting in projected annual savings of $68,000. The company indicated acceptance of 13 recommendations and partial acceptance of two recommendations.

Newtown Artesian Water Company Inc. – A management and operations audit, released on March 27, 2025, made 11 recommendations to the company for improvement. The company indicated acceptance of 10 recommendations and rejection of one recommendation.

Aqua Pennsylvania Inc. – A management efficiency investigation (combined with a management efficiency review of Peoples Natural Gas Company LLC), released on April 24, 2025, reviewed the company's progress in implementing 25 recommendations, of which 15 were substantially implemented to verify the companies realized $2 million in annual savings and $2.8 million in one-time savings. In addition, 28 additional recommendations were issued with the company indicating acceptance of 22 and partial acceptance of six recommendations in its implementation plan resulting in projected one-time savings of $1.25 million.

TELECOMMUNICATIONS AUDITS

The Commission is currently conducting an audit of the Telecommunications Relay Service Program Administration and Fund Activity for the 12 months ended Feb. 29, 2024, Feb. 28, 2023, and Feb. 28, 2022. The report is expected to be released in late 2025.

In addition, the Commission released in December 2024, the report on the Telecommunication Device Distribution Program and Print Media Access System Program (TDDP & PMASP) for the 12-month periods ending June 30, 2022, June 30, 2021, and June 30, 2020.

2024-25 RATE CASE PROCEEDINGS

This fiscal year, the Commission conducted 40 in-person hearings along with 23 telephonic hearings in rate cases involving jurisdictional utilities.

During the fiscal year, the following rate increase requests were filed and/or finalized with the Commission. Information about the ratemaking process is available on the PUC website.

ELECTRIC

- **CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA (R-2025-3054394)**

  REQUESTED RATE INCREASE – $1.8 million (11%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To replace its aging distribution infrastructure and underground cable, increase conductor size to provide operating flexibility and reliability, relocate lines for reliability improvement, complete small line extensions, meet the increases in operational expenses and components driven by inflation, and earn a fair and reasonable return on its investment.



- **DUQUESNE LIGHT COMPANY (R-2024-3046523)**

  REQUESTED RATE INCREASE – $133 million (15.49%)
  APPROVED RATE CHANGE – $85.1 million (8.3%)
  PRIMARY REASON – To continue replacement of distribution infrastructure, increased investment in information technology, and significantly increased costs in many areas including operations and maintenance due to inflation.

- **FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY (R-2024-3047068)**

  REQUESTED RATE INCREASE – $503.8 million (34%)
  APPROVED RATE CHANGE – $225 million (15.2%)
  PRIMARY REASON – To maintain and enhance the integrity of its distribution system, attract additional capital at reasonable rates, and have a reasonable opportunity to earn a fair rate of return on its property that is used and useful in providing electric service across the Commonwealth of Pennsylvania.

- **PECO ENERGY COMPANY (R-2024-3046931) – ELECTRIC**

  REQUESTED RATE INCREASE – $464 million (29.2%)
  APPROVED RATE CHANGE – $354 million (22.3%)
  PRIMARY REASON – To allow a fair return on investments, support additional investments in utility infrastructure, deploy new information technology to meet customer expectations, drive operational improvements and efficiencies, and recover higher operating expenses necessary to provide electric utility service.

- **PIKE COUNTY LIGHT & POWER COMPANY (R-2024-3052359)**

  REQUESTED RATE INCREASE - $1,874,600 (11.6%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To recoup significant capital investments, improve its infrastructure and increase reliability, and modernize its electrical system in order to better serve its customers.

- **WELLSBORO ELECTRIC COMPANY (R-2025-3054392)**

  REQUESTED RATE INCREASE – $2.9 million (22%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To allow investments in its distribution system to increase customer reliability and safety, maintain rights of way and replace aging infrastructure, replace its antiquated office building, weather the inflationary pressures on its costs for equipment, materials, and labor, and earn a fair and reasonable return on its investments.

NATURAL GAS

- **COLUMBIA GAS OF PA INC. (R-2024-3046519)**

  REQUESTED RATE INCREASE – $124.1 million (15.8%)
  APPROVED RATE CHANGE – $74 million (9.4%)
  PRIMARY REASON – To continue the replacement and upgrading of its natural gas distribution system.

- **COLUMBIA GAS OF PA INC. (R-2025-3053499)**

  REQUESTED RATE INCREASE – $110.5 million (12%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To implement a Revenue Normalization Adjustment mechanism to stabilize utility revenue regardless of changes in actual customer usage, make permanent Columbia Gas' currently effective Pilot Weather Normalization Adjustment, extend its Energy Efficiency Pilot for residential customers, and initiate an Energy Efficiency Program Pilot for small commercial customers.

- **PECO ENERGY COMPANY (R-2024-3046932) – GAS**

  REQUESTED RATE INCREASE – $111 million (23.1%)
  APPROVED RATE CHANGE – $78 million (16.2%)
  PRIMARY REASON – To allow a fair return on its investments, support additional investments in utility infrastructure, deploy new information technology to meet customer expectations and drive operational improvements and efficiencies, and recover higher operating expenses necessary to provide gas utility service.

- **PEOPLES NATURAL GAS COMPANY LLC (R-2023-3044549)**

  REQUESTED RATE INCREASE – $156 million (18.7%)
  APPROVED RATE CHANGE – $93 million (11.1%)
  PRIMARY REASON – To support ongoing infrastructure expenditures of approximately $1 billion, the merger of two rate districts, the addition of a Weather Normalization Adjustment and changes to several existing tariff riders including the Tax Repairs Surcredit, Tax Cuts and Jobs Act Surcharge, and the Allegheny Valley Capacity Charge.

- **PHILADELPHIA GAS WORKS (R-2025-3053112)**

  REQUESTED RATE INCREASE – $105 million (15.7%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To modernize the company's infrastructure, make the company's system safer and more efficient, improve customer service, address revenue shortfalls, and implement a Revenue Normalization Adjustment.

- **PIKE COUNTY LIGHT & POWER COMPANY (R-2024-3052357)**

  REQUESTED RATE INCREASE – $905,900 (35.8%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To recoup significant capital investments, improve its infrastructure and increase reliability, and modernize its gas system in order to better serve its customers.

- **UGI UTILITIES INC. – GAS DIVISION (R-2024-3052716)**

  REQUESTED RATE INCREASE - $110.4 million (9.7%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To allow it to earn a fair return on investments used and useful to serve the public safely and reliably, support infrastructure replacement programs designed to enhance safety and reliability, enhance information technology systems, and recover higher levels of certain operating expenses necessary for the provision of safe and reliable gas distribution service.

- **VALLEY ENERGY INC. (R-2025-3054393)**

  REQUESTED RATE INCREASE - $1.6 million (19%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To replace its aging infrastructure, reduce the risk of over-pressurization by installing additional relief stations in areas served by low pressure systems, remove cast iron and bare steel mains from its system, meet the increases in operational expenses and components driven by inflation, and earn a fair and reasonable return of its investments.

WATER/WASTEWATER/STORMWATER

- **CONNEAUT LAKE PARK WATER CORPORATION INC. – WATER (R-2023-3041575)**

  REQUESTED RATE INCREASE – $257,797 (970.8%)
  APPROVED RATE CHANGE – $75,002 (270.2%)
  The Settlement included a series of customer service improvements, including establishing and publicizing a telephone number for customers to contact the company about issues; hiring a staff members to be responsible for fielding consumer calls; providing all customers with the water system's most recent Consumer Confidence Report; creating a website to view public documents; holding public meetings; conducting water testing; and directing the PUC's Bureau of Investigation and Enforcement to begin a Section 529 proceeding.
  PRIMARY REASON – To provide additional revenues needed to continue to provide safe and adequate drinking water to its customers.

- **NANTMEAL WARWICK SEWER COMPANY INC. – WASTEWATER (R-2023-3043497)**

  REQUESTED RATE INCREASE – $20,418 (45.8%)
  APPROVED RATE CHANGE – $20,418 (45.8%); The rate change is the first for Nantmeal Warwick since 2012. The revisions will allow the utility to meet increased testing requirements on its wastewater system.
  PRIMARY REASON – To recover increased operating expenses due to inflation and increased Department of Environmental Protection testing requirements.

- **GREATER HAZLETON COMMUNITY-AREA NEW DEVELOPMENT ORGANIZATION, INC. T/A CAN DO INC. – WATER (R-2023-3040153)**

  REQUESTED RATE INCREASE – $999,900 (43.1%)
  APPROVED RATE CHANGE – $669,984 (28.9%)
  As part of the Settlement, the company agrees not to file for a rate increase earlier than two years from the effective date of the new water tariff. This is the company's first water rate change since December 2011, and the company did not propose a rate change for its wastewater customers.
  PRIMARY REASON – To recover increased operating expenses due to inflation and increased expenditures for well operations and maintenance.

- **PENNSYLVANIA AMERICAN WATER COMPANY – WATER (R-2023-3043189)**

  REQUESTED RATE INCREASE – $199,237,084 (24.2%)
  APPROVED RATE CHANGE– $88,121,068 (10.7%)
  As part of the approval, the PUC launched an investigation into the large number of water quality concerns raised by consumers during the rate case proceeding and also directed the company to target the donation of an additional $1 million by shareholders to the utility's Hardship Fund. In addition to cutting the request by more than 50%, the PUC enhanced essential customer assistance programs.
  PRIMARY REASON – To earn a reasonable return on the fair value of its property used and useful in the public service and to maintain the integrity of its existing capital. The requested increase included an allocation of $71,087,394 of Pennsylvania American Water Company – Wastewater Division's (PAWC-WD's) revenue requirements for wastewater service, pursuant to Act 11 of 2012. The approved water increase included an allocation of $23,321,384 of PAWC-WD's revenue requirements for wastewater service, pursuant to Act 11 of 2012.

- **PENNSYLVANIA AMERICAN WATER COMPANY – WASTEWATER (R-2023-3043190)**

  REQUESTED RATE INCREASE – $4,708,827 (2.5%)
  APPROVED RATE CHANGE– $11,207,939 (6.5%)
  Act 11 of 2012 allows utilities that provide both water and wastewater services to propose revenue requirement subsidization. The approved subsidization was significantly less than requested by PAWC-WD for wastewater, thus resulting in a larger rate change.
  PRIMARY REASON – To earn a reasonable return on the fair value of its property used and useful in the public service and to maintain the integrity of its existing capital.



- **COMMUNITY UTILITIES OF PENNSYLVANIA INC. – WATER (R-2023-3042804)**

  REQUESTED RATE INCREASE – $1,479,390 (62.2%)
  APPROVED RATE CHANGE – $1,227,538 (51.6%)
  The Settlement expanded customer assistance programs and addressed water quality and fire protection concerns by doubling the limit for the company's low-income program; adding a permanent low-income section to its website; conducting customer outreach in both English and Spanish; performing annual system-wide leak tests; and conducting engineering and hydraulic studies to identify water pressure issues.
  PRIMARY REASON – To meet its operating costs, to earn a reasonable return on its investment, and to complete significant infrastructure projects over the next two years.

- **COMMUNITY UTILITIES OF PENNSYLVANIA INC. – WASTEWATER (R-2023-3042805)**

  REQUESTED RATE INCREASE – $1,755,645 (50.9%)
  APPROVED RATE CHANGE – $1,447,621 (42.1%); See above description for rate case details.
  PRIMARY REASON – To meet its operating costs, to earn a reasonable return on its investment, and to complete significant infrastructure projects over the next two years.

- **VEOLIA WATER PENNSYLVANIA INC. – WATER (R-2024-3045192)**

  REQUESTED RATE INCREASE – $15,494,889 (26.4%)
  APPROVED RATE CHANGE – $10,899,999 (25.7%)
  PRIMARY REASON – To recover costs associated with recent capital investments and increases in operating costs.

- **VEOLIA WATER PENNSYLVANIA INC. – WASTEWATER (R-2024-3045193)**

  REQUESTED RATE INCREASE – $568,719 (34.8%)
  APPROVED RATE CHANGE – $420,039 (25.7%)
  PRIMARY REASON – To recover costs associated with recent capital investments and increases in operating costs.

- **AQUA PENNSYLVANIA INC. – WATER (R-2024-3047822)**

  REQUESTED RATE INCREASE – $112,049,126 (18.7%)
  APPROVED RATE CHANGE – $58,399,412 (9.8%)
  As part of the approval, Aqua agreed to contribute $200,000 to its Hardship Fund each year until its next base rate case. In addition to cutting the request by more than 47%, the PUC enhanced essential customer assistance programs.
  PRIMARY REASON – To maintain the integrity of its existing capital and attract additional necessary capital at reasonable costs. The requested increase included an allocation of $21,850,629 of Aqua Pennsylvania Wastewater Inc.'s (APW's) revenue requirements for wastewater service, pursuant to Act 11 of 2012. The approved water increase included an allocation of approximately $10.4 million of APW's revenue requirements for wastewater service, pursuant to Act 11 of 2012.

- **AQUA PENNSYLVANIA WASTEWATER INC. – WASTEWATER (R-2024-3047824)**

  REQUESTED RATE INCREASE – $14,626,346 (20.1%)
  APPROVED RATE CHANGE – $14,599,628 (20.0%)
  PRIMARY REASON – To maintain the integrity of its existing capital and attract additional necessary capital at reasonable costs.

- **CITY OF LOCK HAVEN – WATER (R-2024-3049248)**

  REQUESTED RATE INCREASE – $483,872 (91.5%)
  APPROVED RATE CHANGE – $258,129 (48.8%)
  PRIMARY REASON – To meet rising operational costs and fund critical mandated system improvements.

- **JEFFERSON ESTATES SEWAGE TREATMENT PLANT INC. – WASTEWATER (R-2024-3049341)**

  REQUESTED RATE INCREASE – $13,104 (29.4%)
  APPROVED RATE CHANGE – $9,583 (21.3%)
  This is 26.9% less than the rate changes originally requested by the company – and is the first change in rates since 2002.
  PRIMARY REASON – To recover costs associated with substantial investment in sewer utility assets and increased operating expenses due to increased sewer regulations and increased operating costs.

- **NEWTOWN ARTESIAN WATER COMPANY – WATER (R-2024-3050208)**

  REQUESTED RATE INCREASE – $922,419 (14.1%)
  APPROVED RATE CHANGE – $749,325 (11.4%)
  PRIMARY REASON – To provide reasonable and adequate service, recover its expenses, earn a reasonable return on investment, and attract capital for future improvements.

- **THE YORK WATER COMPANY – WATER (R-2025-3053442)**

  REQUESTED RATE INCREASE – $20,311,978 (28.9%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To recover the cost of providing water service, to allow it to continue to furnish adequate, safe and reliable service, to maintain facilities properly, and to earn a reasonable rate of return.

- **THE YORK WATER COMPANY – WASTEWATER (R-2025-3053573)**

  REQUESTED RATE INCREASE – $3,857,507 (44.5%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To recover the cost of providing wastewater service, to allow it to continue to furnish adequate, safe and reliable service, to maintain facilities properly and to earn a reasonable rate of return.

- **THE PITTSBURGH WATER AND SEWER AUTHORITY – WATER (R-2025-3055010)**

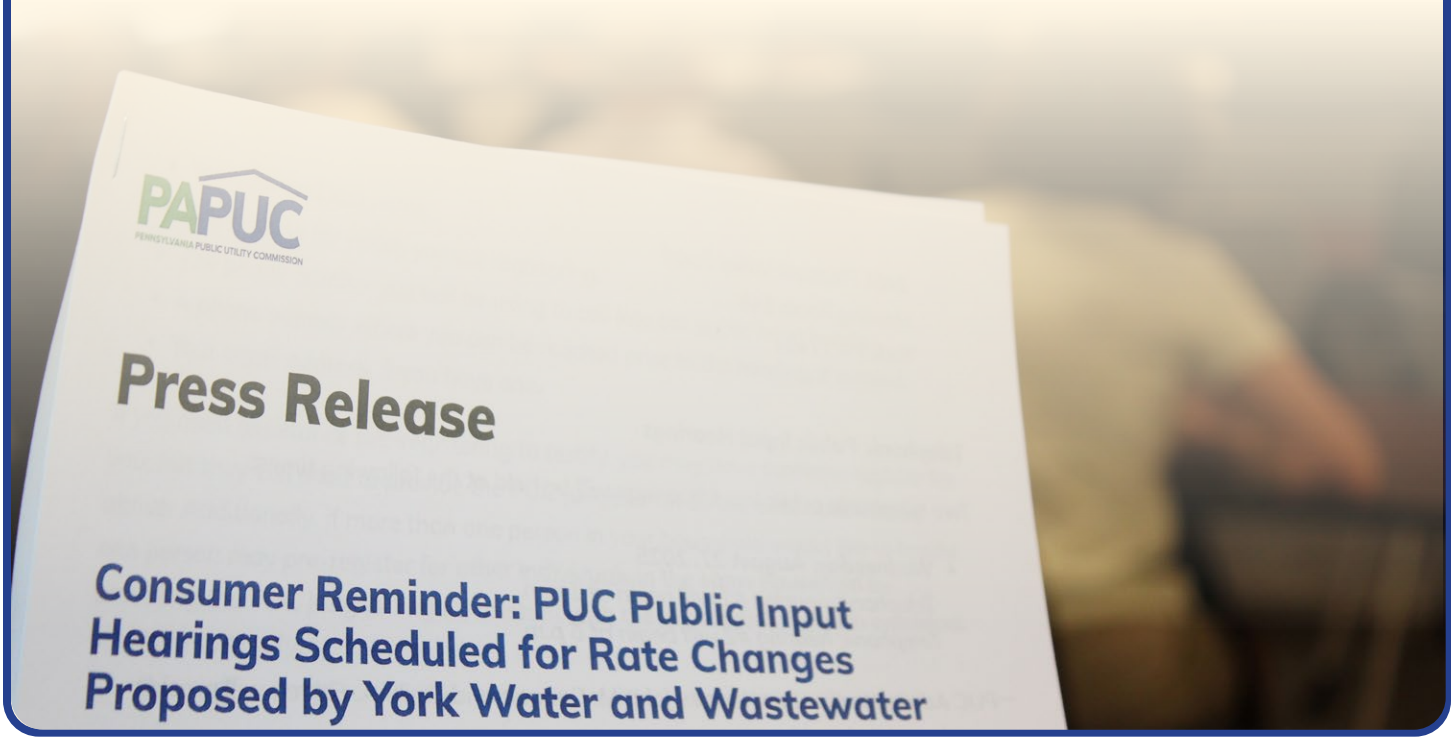
  REQUESTED RATE INCREASE – $57,126,255 (35.1%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To finance the replacement of antiquated infrastructure and to provide an operating budget to pay for facility upgrade and maintenance costs.

- **THE PITTSBURGH WATER AND SEWER AUTHORITY – WASTEWATER (R-2025-3055011)**

  REQUESTED RATE INCREASE – $20,017,542 (34.4%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To finance the replacement of antiquated infrastructure and to provide an operating budget to pay for facility upgrade and maintenance costs.

- **THE PITTSBURGH WATER AND SEWER AUTHORITY – STORMWATER (R-2025-3055012)**

  REQUESTED RATE INCREASE – $7,210,705 (24.5%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To finance the replacement of antiquated infrastructure and to provide an operating budget to pay for facility upgrade and maintenance costs.



TELECOMMUNICATIONS

The Chapter 30 companies filed their Annual Price Stability Index/Service Price Index filings for 2025. During the fiscal year, the companies were authorized to implement a total of $3.08 million in annual revenue increases under their respective price cap filings. The Commission approved $2.11 million in annual rate changes.

The Commission maintained the end-user Telecommunications Relay Service (TRS) Surcharge rate at $0.00/month. The Commission also approved the Pennsylvania Universal Service Fund (USF) Annual Rate Adjustment Administrator's Report with recommendations about the Pennsylvania USF's size for Calendar Year 2025.

The Commission reviewed and approved 13 filings, which were either interconnection agreements or amendments to existing interconnection agreements.

2024-25 MERGERS AND ACQUISITIONS

VERIZON COMMUNICATIONS ACQUISITION OF FRONTIER COMMUNICATIONS

On Oct. 31, 2024, Verizon Communications (Verizon) and Frontier Communications (Frontier) filed a joint application seeking Commission approval for Verizon to acquire 100% ownership of Frontier.

TELECOMMUNICATIONS TRANSFERS OF CONTROL APPLICATIONS

The Commission considered 10 applications for transfers of control that comprised a total of 15 dockets and an extensive number of certificated carriers during the prior fiscal year.

WATER/WASTEWATER ACQUISITIONS

Section 1329 enables a water or wastewater public utility or entity to utilize fair market valuation when acquiring municipal corporations or authority-owned water and wastewater systems located in the Commonwealth.



The Commission received two Section 1329 applications during Fiscal Year 2024-25:

- **Pennsylvania American Water Company – Wastewater Division's (PAWC-WD's) application** to acquire the Elizabeth Borough Municipal Authority's wastewater assets at Docket No. A-2025-3052983. This application was initially received at Docket No. A-2023-3038717; however, the Application was rejected without prejudice and was subsequently refiled.
- **Aqua Pennsylvania Inc.'s application** to acquire the Elizabeth Borough Municipal Authority of the Borough of Greenville's water assets at Docket No. A-2024-3041695.

The following Section 1329 application, received in Fiscal Year 2023-24, was approved by the Commission during Fiscal Year 2024-25:

- **Aqua Pennsylvania Wastewater Inc.'s (APW) application** to acquire the Greenville Sewer Authority's wastewater assets at Docket No. A-2023-3041695.

The following Section 1329 application, received in Fiscal Year 2022-23, was approved by the Commission during the Fiscal Year 2024-25:

- **APW's application** to acquire the City of Beaver Falls wastewater assets at Docket No. A-2022-3033138.

Further, PAWC-WD's application to acquire Towamencin Township's wastewater assets at Docket No. A-2023-3039900, received in Fiscal Year 2022-23, was withdrawn during Fiscal Year 2024-25.

2024-25 COMMONWEALTH COURT DECISIONS

TELECOMMUNICATIONS

Verizon Pennsylvania and Verizon North v. Pa. PUC (No. 521 CD 2021) and **Met-Ed et al. v. Pa. PUC (No. 530 CD 2021).** Decided Sept. 21, 2023. The Commonwealth Court affirmed the Commission's position and rejected separate claims by FirstEnergy and Verizon that Commission's pole attachment orders and regulations violated Pennsylvania law. The Pennsylvania Supreme Court granted FirstEnergy's and Verizon's petitions for allowance of appeal on June 10, 2024. The case is pending before the Pennsylvania Supreme Court.

WATER

Middlesex Water Co. v. Pa. PUC (3d Cir. 24-1186). Decided Jan. 9, 2025. This case involves the takeover of a water company by another water company pursuant to Section 529 of the Public Utility Code. On Nov. 18, 2021, the Commission entered an Opinion and Order at Docket Nos. P-2020-3020914, et al., that (1) granted Twin Lakes' Section 529 Petition; (2) ordered that Aqua PA acquire Twin Lakes' water system; and (3) ordered that Middlesex Water Co., the certificated public utility and parent company of Twin Lakes, place $1.675 million in escrow by Dec. 17, 2021, to be used for future improvements to the water system's infrastructure. Middlesex filed its Complaint at the U.S. District Court for the Middle District of Pennsylvania on March 20, 2023, then filed its Motion for Preliminary Injunction on March 22, 2023. Law Bureau referred the matter to the Office of Attorney General (OAG) on March 22, 2023. Middlesex appealed the Pennsylvania Middle District Court's dismissal of the complaint to the Third Circuit, which found that the District Court correctly determined that Middlesex's claims were barred by the doctrine of res judicata.



Center Township, Butler County and Summit Township, Butler County v. Pa. PUC, Nos. 1459 C.D. 2023 and **1460 C.D. 2023, 2024 WL 4296876 (Pa. Cmwlth. 2024).** Decided Sept. 26, 2024. This case deals with the PUC approving a settlement regarding Pennsylvania American Water Company's (PAWC's) 1329 application to acquire the wastewater system of the Butler Area Sewer Authority (BASA). On Dec. 14, 2023, Center Township and Summit Township filed Petitions for Review of the Commission's Nov. 16, 2023, Order. On June 27, 2024, the PUC filed a letter informing the Commonwealth Court that the Pennsylvania Supreme Court granted three Petitions for Allowance of Appeal of Cicero, which is referenced in brief in the instant appeals, and provided a copy of the Supreme Court's Order granting review. Ultimately, Commonwealth Court held that the townships failed to properly preserve their issues for appellate review and granted an Application to Dismiss the Townships' Petitions for Review by PAWC. In light of its holding, the Commonwealth Court did not address PAWC and the Butler Parties' alternative arguments and dismissed the Butler Parties' Motion to Quash as moot. The Commonwealth Court also did not reach the merits of the appeal.

Conyngham Twp. v. Pa. PUC, Docket No. 113 C.D. 2024, 325 A.3d 885 (Pa. Cmwlth. 2024). Decided Oct. 4, 2024. In a reported Decision, the Commonwealth Court vacated and remanded the Commission's Nov. 1, 2023, Order regarding Conyngham township's Complaint alleging that the Sanitary Sewer Authority of the Borough of Shickshinny (SSABS) was providing wastewater treatment and disposal public utility service in the Township, which is beyond the SSABS's jurisdictional limits, without a Commission-issued Certificate of Public Convenience. In its Order, the Commission concluded that under the Municipality Authorities Act of 1945 (MAA), 53 Pa.C.S. §§ 5601, et seq., the Commission lacks jurisdiction over questions regarding the rates and services of municipal authorities like the SSABS. This case is pending before the Pennsylvania Supreme Court.

Pennsylvania American Water Company v. Pa. PUC (355 CD 2024) and **Borough of Brentwood v. Pa. PUC (356 CD 2024).** This case deals with the PUC denying PAWC's 1329 application to acquire the wastewater collection and conveyance system of the Brentwood. On April 2, 2024, PAWC and the Borough of Brentwood filed separate Petitions for Review of the Commission's March 4, 2024, Order. On May 6, 2024, the Commission filed an Application for Consolidation and an Application for Stay requesting that the Court stay the appeals pending the Pennsylvania Supreme Court's disposition of the Petitions for Allowance of Appeal filed in the Cicero matter at Docket Nos. 568-570 MAL 2023. On June 26, 2024, the PUC filed a letter informing the Commonwealth Court that the Pennsylvania Supreme Court granted three Petitions for Allowance of Appeal of Cicero and provided a copy of the Supreme Court's Order granting review. On Aug. 15, 2024, the Commonwealth Court granted the Application for Consolidation.

ELECTRIC

Hughes v. Pa. PUC No. 827 C.D. 2020, 322 A.3d 982 (Pa. Cmwlth. 2024). Decided Aug. 1, 2024. On Aug. 1, 2024, in a reported Decision, the Commonwealth Court affirmed the Commission's Order regarding PPL Electric Utilities Corporation's (PPL) installation of a smart meter pursuant to Act 129 of 2008 (Act 129). In its Order, the Commission dismissed the Hughes' Complaint for failure to prove a violation of Section 1501 of the Public Utility Code, 66 Pa.C.S. § 1501.

On appeal, the Hughes claimed that: (1) Act 129 violates their constitutional rights arising under the Fourth Amendment of the United States (U.S.) Constitution and Article I, Section 8 of the Pennsylvania Constitution against unreasonable searches and seizures; (2) the Commission applied an erroneous burden of proof by requiring the Hughes to establish a violation of Section 1501 of the Code; and (3) the Commission's determination is not supported by substantial evidence. This case is currently pending before the Pennsylvania Supreme Court.

Frank J. Cservak Jr. v. Pa. PUC, 768 C.D. 2022. Decided Nov. 6, 2024. In an unreported Opinion, the Commonwealth Court dismissed Mr. Cservak's petition for review of a PUC decision denying his prior complaint against Duquesne Light Company. The Court held Mr. Cservak failed to comply with PA Rules of Appellate Procedure regarding the contents of his appellate brief and reproduced record; hence, the appeal was dismissed.

Paula and Charles Hughes v. Pa. PUC, 827 C.D. 2020. Decided Aug. 1, 2024. The Commonwealth Court affirmed the PUC decision to deny and dismiss the Hughes' "smart meter complaint." The Middle District of the Pennsylvania Supreme Court denied a petition for allowance of appeal and a petition for reconsideration on May 27, 2025.

Charles and Laura Johnson v. Pa. PUC, 192 C.D. 2024. Decided on April 15, 2025. This case involves an application for reargument denied June 16, 2025. The Commonwealth Court reversed a PUC order dated Dec. 21, 2023, that had determined the PUC had jurisdiction to consider Duquesne Light's duties in proving notice to the Johnsons and the public regarding possible locations of its planned electrical transmission line. Also, the Court vacated the PUC's second Order transferring the case to the trial court as there was nothing to transfer.

GAS

Repsol Oil and Gas, U.S.A. Inc. v. Pa. PUC, 613 CD 2022. Decided July 23, 2024. Repsol Oil and Gas filed a Petition for Declaratory and Injunctive Relief at the Commonwealth Court and argued that it is not the liable producer for 2022 Impact and Spud Fees because Rockdale owned, operated and held permits for wells the entirety of 2021. In an Opinion not Reported, the Commonwealth Court agreed with the Commission's argument that Repsol must first seek redress before the Commission, finding that all administrative remedies had not been exhausted at the PUC. Thus, the Commonwealth Court dismissed Repsol's Petition.



Burhans-Crouse Funeral Home v. Pa. PUC (500 CD 2024). Decided March 5, 2025. A Commonwealth Court panel issued a unanimous Memorandum Opinion and Order affirming the Commission's April 4, 2024, Order. Through this Order, the Commission approved Columbia Gas of Pennsylvania Inc.'s Application for approval to abandon natural gas service to Burhans-Crouse Funeral Home. Specifically, the Court affirmed the April 2024 Order after finding that (1) the Commission properly determined that Columbia Gas' decisions with respect to its evaluation of potential options for replacing the gas main serving Burhans-Crouse was a matter of the company's managerial discretion; (2) the Commission properly applied the Duncannon and Victor Gas factors for abandonment of gas service and found that the factors supported abandonment of service to Burhans-Crouse; and (3) the Commission's decision to approve abandonment was supported by substantial evidence.

The Court focused its analysis on the four Duncannon factors for abandonment of utility service. First, the Court agreed with the Commission that the evidence established that the loss to Columbia Gas from replacing the main — which would cost approximately $300,000 and result in an annual revenue deficiency of $31,688 — was significant. In addition, the Court agreed that the evidence established that (2) the loss to Columbia Gas outweighed the hardship to the public from discontinuance of service; (3) there was no prospect for additional users on the section of the main serving Burhans-Crouse that could reduce the annual revenue deficiency to an extent that would justify replacement of the line; and (4) electricity was an available alternate energy source (as proven by the estimate for converting the funeral home to electricity obtained by Burhans-Crouse itself). Accordingly, the Court agreed with the Commission that the Duncannon factors weighed in favor of abandonment.

City of Lancaster et al. v. Pa. PUC, 251 MD 2019. Decided Oct. 3, 2024. The Commonwealth Court discontinued the appeal of City of Lancaster, Borough of Carlisle, and Borough of Columbia's Petition for Review resulting in the Supreme Court decision on Apr. 25, 2024. The Supreme Court concluded that the General Assembly never enacted a statute vesting the Commission with any legislative authority to locate gas meters in historic districts. Accordingly, the Supreme Court reversed the Commonwealth Court's conclusion that Section 59.18 of the Commission's regulations constituted an unlawful delegation by the General Assembly authorizing NGDCs to determine the location of gas meters in historic districts.

Richard C. Culbertson v. Pa. PUC, No. 90 C.D. 2023. Decided Sept. 30, 2024. The Commonwealth Court issued an unreported Memorandum Opinion and Order affirming the Dec. 8, 2022, Order of the Pa PUC. The Court found that Richard Culbertson failed to establish that the Commission violated his constitutional rights, erred as a matter of law or procedure, or made findings not supported by substantial evidence in the record. The Court acknowledged that Mr. Culbertson presented multiple issues in his Petition for Review and brief that the Court summarized in three overarching questions: (1) whether the Commission conducted a legally adequate investigation into Columbia's proposed rate increase; (2) whether the Commission's settlement process deprived Culbertson of due process; and (3) whether the rates contained in the Commission-approved "black box" settlements are just, reasonable, and in furtherance of the public interest. The Court found in favor of the Commission on these three issues.

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OCA Hearing Exhibit 3



PAPUC

Pennsylvania Public Utility Commission Annual Report

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Pictured left to right are Commissioner Kathryn L. Zerfuss, Commissioner Ralph V. Yanora, Chairman Stephen M. DeFrank, Commissioner John F. Coleman Jr. and Vice Chair Kimberly M. Barrow.

COMMISSIONER LETTER

THE HONORABLE JOSH SHAPIRO
GOVERNOR OF PENNSYLVANIA

THE HONORABLE AUSTIN DAVIS
LIEUTENANT GOVERNOR OF PENNSYLVANIA

MEMBERS OF THE PENNSYLVANIA GENERAL ASSEMBLY

We are pleased to submit the FY 2023-24 Annual Report for the Pennsylvania Public Utility Commission (PUC). This report covers actions taken between July 1, 2023, and June 30, 2024.

As required by Section 321 of the Public Utility Code, 66 Pa. C.S § 321, the Annual Report highlights the significant orders, decisions and issues the PUC faced over the course of the year in fulfillment of our mission as regulators and protectors of the public interest.

This fiscal year, the Commission achieved many important successes. We have worked diligently to enable the PUC to navigate the challenges of a post-pandemic workplace; embrace and implement new technological advances; adapt to 21st century policy and regulatory shifts – both federal and state; and position the Commission to meet the challenges of tomorrow. Together, we have begun modernizing key sections of the Public Utility Code to improve processes before the Commission; initiated an agency-wide review to expedite application processing and boost overall efficiency; collaborated with state agencies and utilities to expand access to public utility assistance programs across Pennsylvania; strengthened state safety standards for the transport of hazardous liquids through intrastate pipelines; alleviated a backlog of outstanding fines administered through our Damage Prevention Committee – which has now made the DPC self-funded; accelerated efforts to identify, remove, and replace aging plastic pipelines in the state's natural gas distribution systems; and modified guidelines and procedures designed to increase public involvement and ensure greater consistency related to the PUC's valuation of proposed acquisitions of municipal water or wastewater systems under Section 1329 of the Public Utility Code.

The PUC began work on a strategic plan initiative. It had been more than a decade since the Commission last undertook strategic planning. We will take the lessons learned over the last decade and apply them to serve our regulated utility community better, as well as consumers in the Commonwealth.

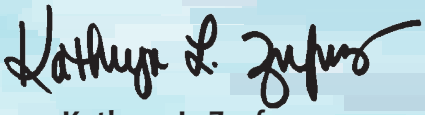
We will continue our mission to balance the needs of consumers and utilities; ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner. We look forward to the next fiscal year and continuing our important mission.



Stephen M. DeFrank
Chairman



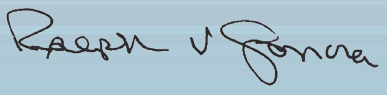
Kimberly M. Barrow
Vice Chairman



Kathryn L. Zerfuss
Commissioner



John F. Coleman, Jr.
Commissioner



Ralph V. Yanora
Commissioner

COMMISSION STAFF



JENNIFER BERRIER
EXECUTIVE DIRECTOR



ROBERT C. GRAMOLA
DIRECTOR
BUREAU OF
ADMINISTRATION



CHARLES RAINEY
DIRECTOR & CHIEF ALJ
OFFICE OF
ADMINISTRATIVE
LAW JUDGE



KELLY MONAGHAN
DIRECTOR
BUREAU OF
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TOM CHARLES
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DAN MUMFORD
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MARKET OVERSIGHT



LORI MOHR
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ROSEMARY CHIAVETTA
DIRECTOR
SECRETARY'S BUREAU



KIMBERLY HAFNER
DIRECTOR
OFFICE OF SPECIAL
ASSISTANTS



PAUL DISKIN
DIRECTOR
BUREAU OF TECHNICAL
UTILITY SERVICES

THE EXECUTIVE DIRECTOR is responsible for the oversight of the day-to-day management of the Commission's functions and staff. This position is responsible for the overall planning, direction, organization and operation of the Commission. Also, the Executive Director develops, recommends to the Commissioners, and implements the PUC's strategic plans and policies.

THE DEPUTY EXECUTIVE DIRECTOR (DIRECTOR OF REGULATORY AFFAIRS) oversees the PUC's bureaus with regulatory functions, including the Bureau of Audits, the Bureau of Consumer Services, the Office of Special Assistants, the Bureau of Technical Utility Services and the Office of Administrative Law Judge, and also is responsible for planning, organizing, coordinating, directing and overseeing regulatory staff.

THE BUREAU OF ADMINISTRATION is responsible for overseeing administrative, fiscal and personnel functions. The Bureau of Administration is comprised of the Office of Human Resources; Management Information Systems, which oversees technology; the Secretary's Bureau; the Office of Administrative Services, which is responsible for office services; and the Financial and Assessment Section that handles budget issues and the financial functions of the Commission.

THE OFFICE OF ADMINISTRATIVE LAW JUDGE fulfills a judicial role within the Commission by hearing cases, mediating cases through the alternative dispute resolution process and issuing Decisions. The office's primary duty is to provide fair and prompt resolution of contested proceedings before the Commission. The Administrative Law Judges (ALJs) are attorneys with experience in administrative law who preside over the hearings in cases, which can include consumer complaints, rate filings, investigations, ability to pay/billing disputes and applications.

THE BUREAU OF AUDITS performs financial, management, operational and specialized audits on electric, natural gas, steam heat, wastewater, water and telecommunications utilities. It also reviews certain adjustment clause rate filings and 1307(e) reconciliation statements. The audits may result in recommendations to refund over-recovered costs and to improve accounting/operational procedures that could save utilities and consumers money.

THE OFFICE OF COMMUNICATIONS is charged with handling Commission media relations, external communications, internal communications, consumer education and communications technology, in addition to acting as the lead staff for the Consumer Advisory Council. The office is responsible for issuing press releases, responding to media calls, conducting consumer-education campaigns, distributing educational materials, creating internal and external publications, coordinating the PUC's websites and social media, and managing livestreaming and communications technology.

THE OFFICE OF COMPETITIVE MARKET OVERSIGHT serves as the Commission's electric and natural gas choice ombudsman and oversees the development and functioning of the competitive retail electric and natural gas supply markets, in addition to providing a forum for informal dispute resolution.

THE BUREAU OF CONSUMER SERVICES investigates and issues decisions on informal complaints from residential and small commercial customers and enforces the PUC's customer service regulations. The bureau also serves as an intermediary between utilities and consumers, mediating complaints, making payment agreements, and implementing and monitoring universal service and energy policy. The bureau prepares annual reports for the Commission and General Assembly on complaint handling, customer service performance, universal services and collection performance.

THE OFFICE OF CYBERSECURITY COMPLIANCE AND OVERSIGHT advises the Executive Director and Commissioners on policy issues and procedural improvements involving cybersecurity oversight functions of regulated utilities; drafts proposed cyber-related regulations; and oversees the preparation of documents related to cybersecurity policies and procedures.

THE OFFICE OF HUMAN RESOURCES is responsible for planning, organizing and directing a comprehensive human resource services program for the Public Utility Commission. This includes personnel and position management, labor relations, staff development, equal opportunity, recruitment and placement, employee benefits and services, personnel and leave transactions, and complement management. The bureau provides administrative and advisory services to the Executive Director, Director of Administration and PUC management.

THE BUREAU OF INVESTIGATION AND ENFORCEMENT serves as the prosecutorial bureau for purposes of representing the public interest in ratemaking matters. The bureau also prosecutes service matters before the Office of Administrative Law Judge and enforces regulatory compliance with the state and federal motor carrier safety, damage prevention, electric safety, and gas pipeline safety laws and regulations. The bureau handles rail safety enforcement proceedings and investigates referrals from other bureaus. The bureau also prepares administrative reports for the Commission.

THE LAW BUREAU acts as the Commission's in-house legal counsel in three main areas: advisory, representational and enforcement, providing legal advice to the Commission regarding electric, natural gas, telecommunications, water/wastewater and transportation matters, as well as proposed legislation, and regulatory and policy statements. The bureau's director serves as Chief Counsel to the Commission. The Law Bureau represents the Commission before state and federal courts and before other state and federal agencies.

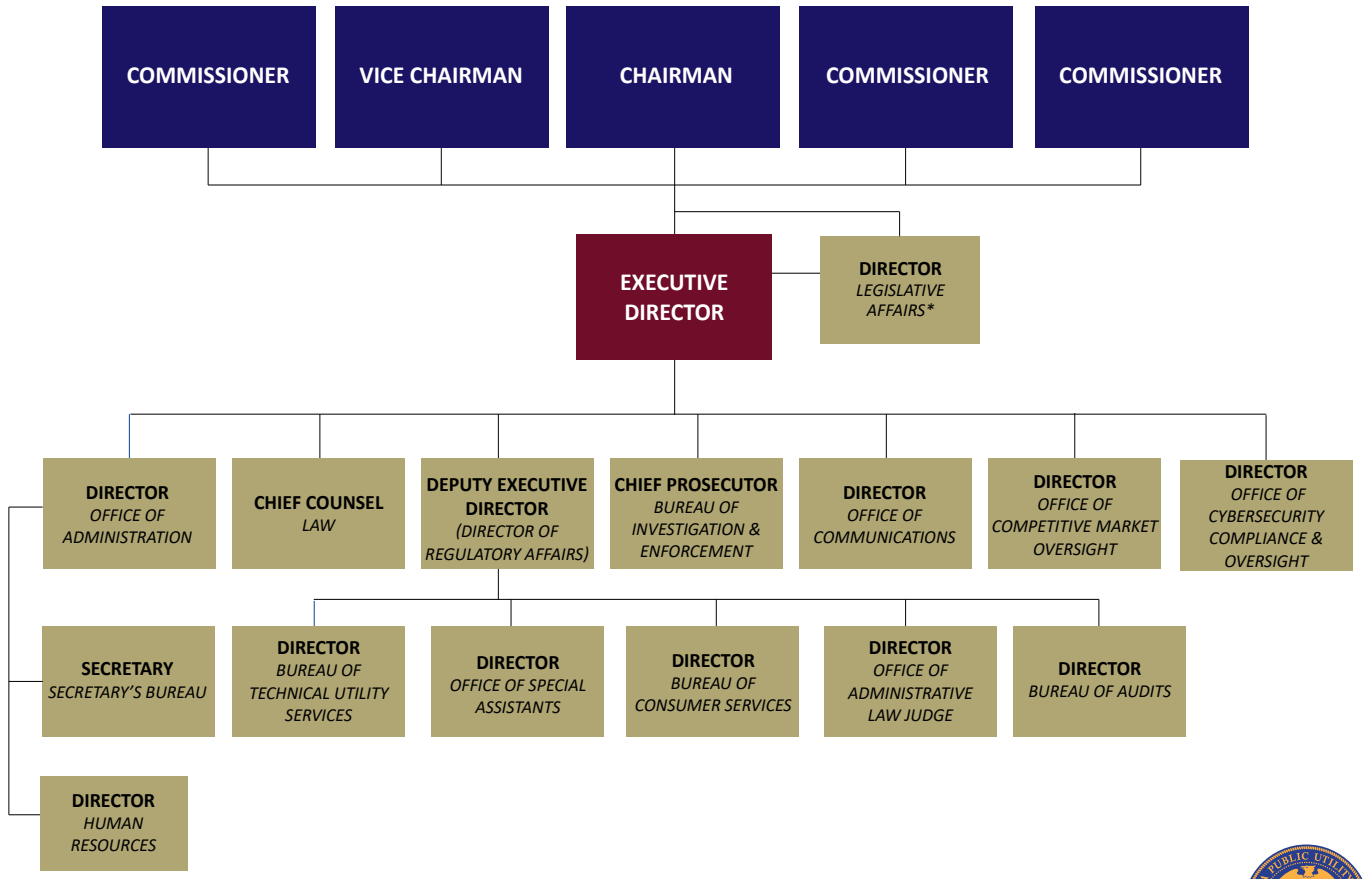
THE OFFICE OF LEGISLATIVE AFFAIRS acts as the liaison between the PUC and the Governor's Office, the General Assembly and the Pennsylvania Congressional Delegation; identifies legislation that may affect the Commission or public utilities and obtains staff analysis; provides relevant information to the legislature; and promotes the Commission's position on legislation and issues with the General Assembly.

THE SECRETARY'S BUREAU is the PUC's official point of contact with the public. The Secretary serves as the prothonotary of the Commission, and all documents and filings received by the Commission must be officially filed with the Secretary. The bureau processes, dockets and assigns all filings to the appropriate bureaus within the Commission for review and recommendation. All official Commission actions and decisions are issued over the Secretary's signature. The Secretary's Bureau coordinates the Commission's Public Meeting agendas, records the minutes of each Public Meeting, and issues all Commission Orders, Decisions and Secretarial Letters. The Secretary also is the Commission's official Right to-Know Officer.

THE OFFICE OF SPECIAL ASSISTANTS is the Commission's advisory support bureau, providing legal and technical advice to the Commission primarily regarding challenges to Administrative Law Judge Decisions, as well as policy issues; drafts proposed Opinions and Orders containing a review of the facts, the applicable law and a proposed resolution of the issues raised in contested proceedings; drafts Opinions and Orders pursuant to Motions adopted at Public Meeting; and reviews Petitions for Relief following the issuance of Commission Orders.

THE BUREAU OF TECHNICAL UTILITY SERVICES serves as the principal technical advisory bureau to the Commission regarding fixed and transportation utility regulatory matters, as well as an adviser to the PUC on technical issues for electric, natural gas, water and wastewater, and telecommunications utilities. The bureau also offers policy recommendations on rates, tariffs and regulatory matters; processes utility applications; and coordinates emergency operations of utilities.

PUC ORGANIZATIONAL CHART



*Dual reporting relationship to Commissioners and Executive Director

PUC BUDGET

EXECUTIVE GOVERNMENT OPERATIONS

GENERAL GOVERNMENT FUND	GENERAL FUND Estimated 2023-24 Expenditures	GENERAL FUND Approved 2024-25 Budget
State Funds:		
Personnel	$68,750,000	$71,844,000
Operating	13,636,000	15,892,000
Fixed Assets	510,000	650,000
Total State Funds	**$82,896,000**	**$88,386,000**
Federal Funds:		
Personnel	$4,252,000	$4,886,000
Operating	1,286,000	2,830,000
Total Federal Funds	**$5,538,000**	**$7,716,000**
Total Commission Budget	**$88,434,000**	**$96,102,000**

OTHER REVENUE SOURCES	2023-24 RECEIPTS
Unconventional Gas Well Fund	$1,000,000
Unconventional Gas Well Fund - Act 13 Administration	$593,150
Filing & Fees	46,455
Application Fees	518,931
Assessment & Supplemental Fees	66,671,906
UCR	4,949,156
Damage Prevention Fines	2,326,078
Violation of Order Fines	1,939,200
Federal - Gas Pipeline Safety	4,045,000
Federal - Motor Carrier (Motor Carrier Safety Administration Program)	1,493,000
Total	**$83,582,875**

2023-24 APPLICATION FEES, FILING & COPY FEES & FINES

	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	2023-24 TOTAL
Unconventional Gas Well - Act 13 Administration	$0	$0	$21,900	$571,250	$593,150
Filing & Fees	$13,180	$2,625	$397,791	-$367,141	$46,455
Application Fees	$120,599	$63,474	$61,485	$273,373	$518,931
Assessments & Supplemental Fees	$35,634,296	$30,893,771	$129,834	$14,005	$66,671,906
Unified Carrier Registration	$0	$2,620,422	$2,109,191	$219,543	$4,949,156
Damage Prevention Fines	$300,945	$564,075	$697,875	$763,183	$2,326,078
Violation of Order Fines*	$1,568,889	$57,110	$7,069	$306,132	$1,939,200
Total	**$37,637,909**	**$34,201,478**	**$3,425,144**	**$1,780,345**	**$77,044,875**

**Fines deposited into the state General Fund*

INTRODUCTION

The PUC oversees more than 9,000 entities, including the following in-state services: electricity; natural gas; telecommunications and broadband (availability and speed in accordance with Pennsylvania statutory standards); water and wastewater collection and disposal; steam heat; transportation of passengers and property by motor coach, truck, taxicab and transportation network companies (TNCs); pipeline transmission of natural gas and hazardous materials; electric safety; damage prevention; and public highway-railroad crossings.

ORGANIZATION – Established on March 31, 1937, by the Pennsylvania General Assembly.

MISSION STATEMENT – The Pennsylvania Public Utility Commission balances the needs of consumers and utilities; ensures safe and reliable utility service at reasonable rates; protects the public interest; educates consumers to make independent and informed utility choices; furthers economic development; and fosters new technologies and competitive markets in an environmentally sound manner.

LOCATIONS – Harmarville, Harrisburg, Philadelphia, Pittsburgh and Scranton.

FUNDING – The PUC is funded by assessments on the regulated entities based upon intrastate revenues and by federal grant monies.

PUBLIC MEETINGS – The PUC's Public Meetings are held in-person at the Harrisburg headquarters and livestreamed on the PUC website.

VISION STATEMENT – To be leaders in state utility regulation with creative, forward-thinking, proactive oversight services, anticipating and addressing the rapidly evolving utility needs of Pennsylvania consumers.



FILING & RESOURCES



The Secretary's Bureau received approximately 27,000 filings this past fiscal year and served more than 10,500 documents, including approximately 750 Orders and 5,800 Secretarial Letters. The Commission received more than 204 Right-to-Know requests.

The PUC's Office of Administrative Law Judge presided over a mix of telephonic and in-person hearings – a total of 709 evidentiary hearings and 75 public input hearings. In addition, 308 cases were resolved through mediation. Presiding officers rendered 371 written decisions.

Throughout the fiscal year, the PUC's Office of Special Assistants prepared 210 Orders for Commission consideration at Public Meetings in proceedings involving consumers and regulated utilities. OSA also issued Secretarial Letters to address matters involving delegated authority and to address procedural issues in proceedings.

The PUC's Law Bureau regularly represented the Commission in an average of 40 open state and federal court appeals, administrative proceedings and matters involving affirmative litigation.

2023-24 ACCOMPLISHMENTS

CONSUMER ISSUES

From July 1, 2023, to June 30, 2024, the PUC's Bureau of Consumer Services answered more than 129,000 calls, and investigated and resolved more than 76,000 informal complaints and customer inquiries. Customers contacted BCS for a variety of reasons including payment arrangement requests and billing disputes.

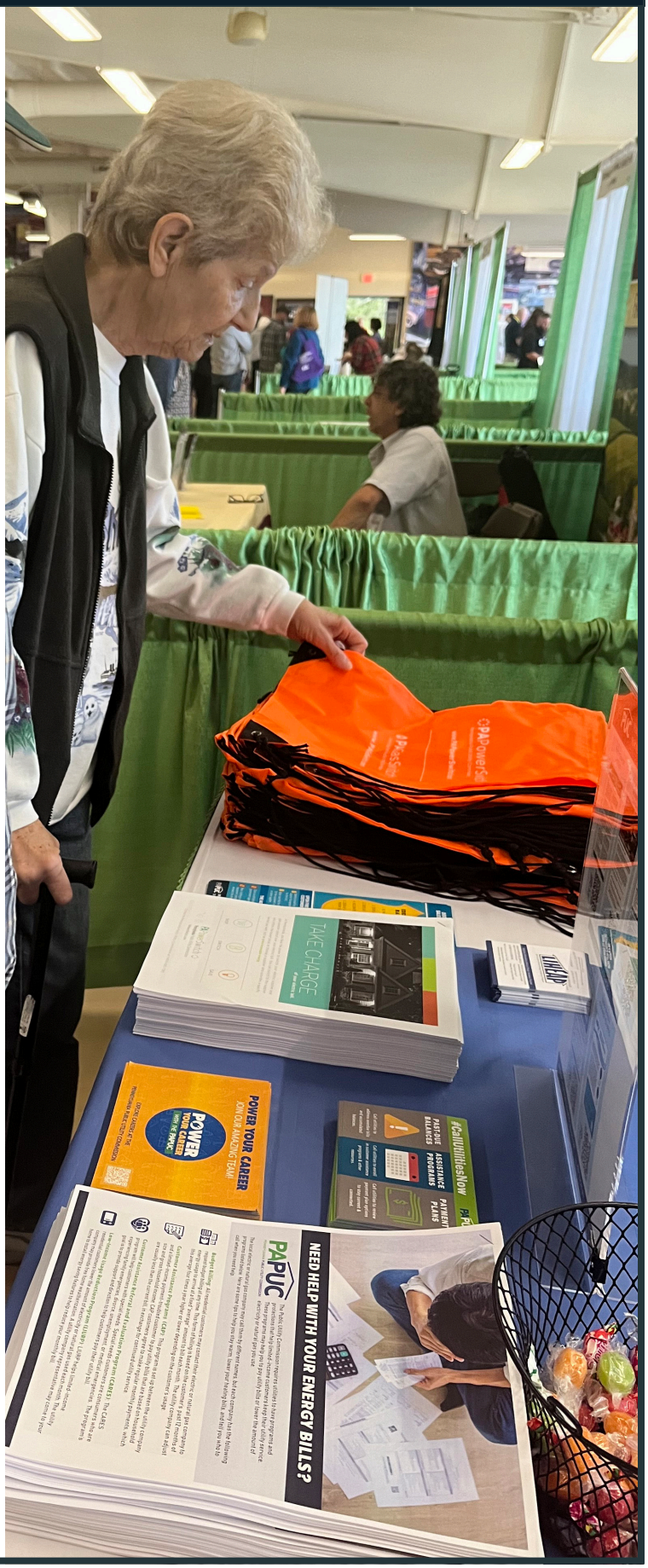
Our PUC consumer-education team planned in person Be Wise and Be Utility Wise conferences for human service professionals, which reached more than 665 participants.

The PUC was recognized by state and international communications organizations for innovative and creative efforts – showcasing the PUC's ongoing #CallUtilitiesNow campaign created to help reach consumers and small businesses experiencing financial difficulty. Since then, it has continued to evolve and is the core of PUC outreach related to rising energy prices and ongoing utility bill concerns.

The Commission created enhancements to its www.PAPowerSwitch.com shopping website by consolidating pages, streamlining information and making the process to shop easier for the consumer.

WATER/WASTEWATER ISSUES

The PUC is committed to increasing awareness about the importance of safe drinking water and again recognized Fix-a-Leak Week and Safe Drinking Water Week awareness campaigns. The PUC highlights the critical role that regulated water and wastewater public utilities play in providing safe, affordable services to communities across the state, and stands ready to work collaboratively with federal lawmakers and stakeholders to enact meaningful legislation.



The PUC also continued efforts to modernize and clarify sections of PUC regulations related to practice before the Commission, updating those procedures for the first time in nearly 20 years.

Act 120 of 2018 amended the Public Utility Code by permitting public utilities to recover the cost to replace customer-owned lead service lines (LSLs) and damaged wastewater service laterals. Accordingly, the Commission promulgated regulations addressing LSL replacements (LSLRs) in Chapter 65 and creating a new Chapter 66 to address wastewater service and service line replacements. These regulations became effective on July 23, 2022.

Separately, the United States Environmental Protection Agency set forth revisions to the National Primary Drinking Water Regulation for lead and copper, referred to as the Lead and Copper Rule Revisions (LCRR) that became effective on Dec. 15, 2021, with a compliance date of Oct. 16, 2024. The Pennsylvania Department of Environmental Protection (EPA) is the primacy agency responsible for administering the LCRR. The Commission's LSLR regulations incorporate the LCRR inventory requirement and will be implemented on a similar timeframe. The Commission completed an extensive LSLR program implementation outreach effort to all water public utilities that included several reminder letters and a call campaign to provide water public utilities information regarding the Commission's requirements. Additionally, the Commission prepared and published on its website a LSLR Program Petition and Plan Template and Model Pro Forma Tariff Supplement as guides to assist water public utilities. As of June 30, 2024, six water public utilities have filed a petition for approval of a LSLR program. The PUC continues to engage with the EPA and DEP's Bureau of Safe Drinking Water in regard to updated Per- and Polyfluoroalkyl Substances (PFAS) regulations and any potential issues with jurisdictional water utilities. The PUC also continues to informally monitor PFAS operational and cost impacts with Class A jurisdictional water utilities on an annual basis.

EMERGENCY PREPAREDNESS

The PUC's Office of Cybersecurity and Compliance Oversight completed an advanced notice of proposed rulemaking pertaining to the Commission's cybersecurity regulations, led by the Commission's Cybersecurity Incident Response Team in response to reported cybersecurity incidents. Staff also worked with the regulated utility community to create a cybersecurity notice of proposed rulemaking pertaining to the Commission's cybersecurity regulations.

Commission staff facilitated and participated in several emergency preparedness exercises and activities with colleagues from the Pennsylvania Emergency Management Agency (PEMA), along with state and federal agencies and utility stakeholders. The PUC also facilitated a tabletop exercise for GridEx VII, which is a national-level exercise coordinated by the North American Electric Reliability Corporation (NERC). The PUC developed and facilitated the 2023 Operation Blue Flame Gas Exercise at the PGW Headquarters in October 2023. The PUC's Blue Flame Gas Exercise program is an annual exercise that focuses on natural gas issues with participants from the utility industry and state and local agencies. The 2023 exercise focused on suspicious activity reporting and had a law enforcement nexus. In partnership with UGI, the PUC developed and facilitated the 2024 Operation Blue Flame exercise in May. The exercise served as the catalyst for the PA Department of Human Services (DHS) National Mass Care Exercise, which included mass care responders from over 12 states and 100 different organizations. The PUC also facilitated two semi-annual Black Sky Steering Committee meetings. The Black Sky Steering Committee is a collaboration between state agencies and critical infrastructure industry partners on planning for and responding to a large-scale, long-duration power outage event. In addition to the external exercises, the PUC also planned and facilitated a continuity of operations plan (COOP) exercise for the Commission's senior leaders.

UNIVERSAL SERVICES WORKING GROUP

In 2024, the Universal Service Working Group made up of PUC, utilities, government agencies, and consumer/business advocates issued a report on its recommendations to consider: developing a common

application form; developing a website to facilitate program enrollments; establishing a statewide administrator; and preparing for the sharing of LIHEAP customer data with public utilities. In 2023, the Commission requested comments, review, and revisions to the PUC's universal service policies for electric distribution companies, natural gas distribution companies, water and wastewater utilities, and local exchange telecommunications companies.

RATE CASES

The PUC's rates and technical divisions participated in 12 base rate cases with a total requested increase value of more than $471 million, five Section 1329 acquisitions and seven Section 1307(f) annual purchased gas cost filings.

ENERGY RETAIL MARKETS

The PUC's Office of Competitive Market Oversight continued to monitor the developments with energy markets and our efforts to help consumers deal with affordability concerns and to navigate the retail market. Declining wholesale electric and natural gas prices in 2023 and 2024 led to a more robust retail market with more cost-saving opportunities for consumers. We experienced 17 consecutive months of growth in the electric retail market, with greater consumer participation in competitive markets with more people shopping – totaling nearly 1.6 million electric customers representing more approximately 64% of the total electricity load in Pennsylvania. A newly updated PAPowerSwitch.com website debuted in December 2023 to assist residential and small commercial customers with their shopping decisions. Declining wholesale prices also led to lower default service prices for most of those customers who did not choose an alternative energy supplier.

IMPACT FEES

In 2023, the PUC collected and distributed more than $278 million through impact fees from natural gas producers – pushing the 11-year total to more than $2.7 billion collected and distributed to communities across the state.

SAFETY ISSUES

The PUC's Safety Divisions conducted more than 3,250 electric and pipeline safety field inspections. Pipeline Safety responded to and completed 24 pipeline related incident and complaint investigations while the Electric Safety Division responded to approximately 150 reported situations involving unplanned investigations.

Also, during 2023, 739 underground facility owners, excavators and project owners were directed to attend Act 50 training (related to the Pennsylvania One Call Law), while the PUC's Damage Prevention Committee (DPC) approved 3,158 violations related to 753 cases that were addressed during this year's 11 DPC meetings.

The PUC's Motor Carrier Enforcement Division completed 497 safety fitness reviews, 2,750 federal New Entrant Safety Audits and more than 3,500 roadside inspections of commercial motor vehicles.

Meanwhile, the PUC's Rail Safety Section conducted and submitted 1,290 Federal Railroad Administration (FRA) inspections, and reviewed 80 reported crossing incidents involving a train and an automobile or pedestrian.

STRATEGIC PLAN

In March 2024, the PUC approved third-party vendor Baker Tilly to oversee development of a five-year strategic plan. The initiative will prepare the Commission for new challenges and opportunities as it reaches its 90th anniversary in 2027 and beyond. In the spring, the PUC began the strategic planning phase of the project, which included input from Commissioners, Bureau Directors, and internal and external surveys.

TELECOMMUNICATIONS EFFORTS

This past fiscal year, the PUC again recognized Digital Connectivity & Lifeline Awareness Week to help income-eligible Pennsylvanians stay connected through the Lifeline and Affordable Connectivity programs. The PUC's

Telecommunications Relay Service (TRS) Advisory Board launched a recruitment effort with the creation of a flyer and attendance at a statewide hearing loss expo.

The Commission also has a role in the Pennsylvania Broadband Development Authority to continue its efforts to expand broadband services across the state and encourage the universal deployment of advanced broadband networks and services to improve the quality of life for all Pennsylvanians. Additionally, the PUC remains focused on ensuring that those who need it have access to safe and reliable basic local telephone service at just and reasonable rates. The PUC had encouraged Congress to maintain support for the Affordable Connectivity Program (ACP), which eventually exhausted funding in spring 2024. Upon the end phase-out of that funding, the PUC encouraged Pennsylvanians to research other assistance options, including the Lifeline Program in addition to reaching out to their internet service providers.

In September 2023, the Commission issued an Advanced Notice of Proposed Rulemaking on possible updates to and reform of the Pennsylvania Universal Service Fund for telecommunications. Comments were received in February and March 2024. The Commission is currently reviewing comments for potential further action in the form of a Notice of Proposed Rulemaking.

In January 2024, the Commission's Pole Attachment Working Group met in person at the Commission's Harrisburg offices to consider whether recent changes made by the FCC to their pole attachment regulations should be adopted in Pennsylvania. The Commission is currently considering an Order regarding adoption of the FCC changes. Efficient resolution of pole attachment issues between pole owners and attachers is key to timely broadband deployment.

2023-24 AUDITS UPDATE

The PUC Audits team released 23 reports covering 71 years of adjustment clauses and reviewed and approved approximately 362 adjustment clause filings. Management Audit staff released one Management Audit, one Management Efficiency Investigation and the 516 Annual Report for Calendar Year 2024. The PUC released nine reports covering 25 years of Section 1307(e) reconciliation statement audits, involving default service, energy efficiency, and universal service programs.

During Fiscal Year 2023-24, the PUC performed one management efficiency investigation, including:

- **DUQUESNE LIGHT COMPANY** – A management efficiency investigation, released on Sept. 21, 2023, reviewed the company's progress in implementing 16 recommendations, of which 14 were substantially implemented. In addition, four additional recommendations were issued with the company indicating acceptance to all four in its implementation plan.

NATURAL GAS

During Fiscal Year 2023-24, the PUC released 11 reports covering 37 years of Section 1307(e) and Section 1307(f) reconciliation statement audits, involving purchased gas costs, gas cost rates, other post-employment benefits, energy conservation and universal service audits.

The PUC also reviewed and processed 51 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional 35 Section 1307(e) reconciliation statements were reviewed and processed.

During Fiscal Year 2023-24, no management and operations audits or management efficiency investigations were completed.



STEAM HEAT

During Fiscal Year 2023-24, the PUC released two reports covering five years of Section 1307(e) reconciliation statement audits of steam cost rates.

The PUC also reviewed and processed 22 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional four Section 1307(e) reconciliation statements that were reviewed and processed.

WATER/WASTEWATER

During Fiscal Year 2023-24, the PUC released one report covering four years of Section 1307(e) reconciliation statement audits of distribution system improvement charges.

The PUC also reviewed and processed 40 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional 13 Section 1307(e) reconciliation statements were reviewed and processed.

During Fiscal Year 2023-24, the PUC performed management and operations audits or management efficiency investigations, including:

- **PENNSYLVANIA-AMERICAN WATER COMPANY** – A management and operations audit, released on Dec. 21, 2023, made 31 recommendations to the company for improvement resulting in projected annual savings of $3.13 million and one-time savings of $4 million. The company indicated acceptance of 23 recommendations and partial acceptance of eight recommendations.

TELECOMMUNICATIONS AUDITS

The Commission is currently conducting an audit of the Telecommunication Device Distribution Program and Print Media Access System Program (TDDP & PMASP) for the 12-month periods ending June 30, 2020, June 30, 2021, and June 30, 2022. The report is expected to be released in late 2024.

2023-24 RATE CASE PROCEEDINGS

This fiscal year, the Commission conducted 40 in-person hearings along with 23 telephonic hearings in rate cases involving 16 jurisdictional utilities.

During the fiscal year, the following rate increase requests were filed and/or finalized with the Commission. Information about the ratemaking process is available on the PUC website.

ELECTRIC

- **DUQUESNE LIGHT COMPANY (R-2024-3046523)**
  REQUESTED RATE INCREASE – $133 million (15.9%)
  APPROVED RATE CHANGE – Ongoing*
  PRIMARY REASON – To continue replacement of distribution infrastructure, increased investment in information technology, and significantly increased costs in many areas including Operations and Maintenance due to inflation.

- **FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY (R-2024-3047068)**
  REQUESTED RATE INCREASE – $503.8 million (34%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To maintain and enhance the integrity of its distribution system, attract additional capital at reasonable rates, and have a reasonable opportunity to earn a fair rate of return on its property that is used and useful in providing electric service across the Commonwealth of Pennsylvania.



** References to "ongoing" in this section address cases that were not decided during the 2023-24 fiscal year.*

PECO ENERGY COMPANY (R-2024-3046931) – ELECTRIC

REQUESTED RATE INCREASE – $464 million (29.2%)
APPROVED RATE CHANGE – Ongoing
PRIMARY REASON – To allow a fair return on investments, support additional investments in utility infrastructure, deploy new information technology to meet customer expectations, drive operational improvements and efficiencies, and recover higher operating expenses necessary to provide electric utility service.

UGI UTILITIES INC. – ELECTRIC DIVISION (R-2022-3037368)

REQUESTED RATE INCREASE – $11.4 million (7.5%)
APPROVED RATE CHANGE – $8.5 million (5.6%); As part of the Settlement, UGI will conduct an interim pilot program to auto-enroll non-shopping customers participating in the Low Income Home Energy Assistance Program (LIHEAP) into the utility's customer assistance programs, in addition to other directives to enhance resiliency and improve reliability for customers.
PRIMARY REASON – To allow a fair return on investments, obtain additional financial support for infrastructure replacement programs, enhance information technology systems, and recover higher levels of operating expenses.

NATURAL GAS

COLUMBIA GAS OF PA INC. (R-2024-3046519)

REQUESTED RATE INCREASE – $124.1 million (15.8%)
APPROVED RATE CHANGE – Ongoing
PRIMARY REASON – To continue the replacement and upgrading of its natural gas distribution system.

KAIB AND KAIB LLC (R-2023-3043594)

REQUESTED RATE INCREASE – $29,488 (69.7%)
APPROVED RATE CHANGE – $29,488 (69.7%); This is the first time Kaib and Kaib has sought rate changes in 25 years (since 1999). Additional revenue will help improve the system with needed repairs, replacement of old meters and pipes, computer billing software, leak detection and more efficient meter reading.
PRIMARY REASON – To meet the increases in the costs of labor, office supplies, parts, professional fees, and equipment.

PECO ENERGY COMPANY (R-2024-3046932) – GAS

REQUESTED RATE INCREASE – $111 million (23.1%)
APPROVED RATE CHANGE – Ongoing
PRIMARY REASON – To allow it to earn a fair return on its investments, support additional investments in utility infrastructure, deploy new information technology to meet customer expectations and drive operational improvements and efficiencies, and recover higher operating expenses necessary to provide gas utility service.

PHILADELPHIA GAS WORKS (R-2023-3037933)

REQUESTED RATE INCREASE – $85.8 million (10.3%)
APPROVED RATE CHANGE – $26.2 million (3.2%); As part of the approval, the PUC directed the company to increase its universal service program outreach; improve customer service to low-income customers and applicants via data sharing and coordination; and undertake a quarterly review of its customer service call center performance and handling of complaints.
PRIMARY REASON – To maintain its favorable bond ratings, continue to improve safety, and improve customer service.

PEOPLES NATURAL GAS COMPANY LLC (R-2023-3044549)

REQUESTED RATE INCREASE – $156 million (18.7%)
APPROVED RATE CHANGE – Ongoing
PRIMARY REASON – To support ongoing infrastructure expenditures of approximately $1 billion, the merger of two rate districts, the addition of a weather normalization adjustment, and changes to several existing tariff riders including the Tax Repairs Surcredit, Tax Cuts and Jobs Act Surcharge, and the Allegheny Valley Capacity Charge.

WATER/WASTEWATER/STORMWATER

COLUMBIA WATER COMPANY – WATER (R-2023-3040258)

REQUESTED RATE INCREASE – $999,900 (14.2%)
APPROVED RATE CHANGE – $971,156 (13.4%); This was the first rate change filing by Columbia since 2017. Additional revenue will support programs designed to enhance safety and reliability.
PRIMARY REASON – To earn a fair return on capital investments, support long-term infrastructure replacement programs, and recover increased operating expenses and employee compensation.

THE PITTSBURGH WATER AND SEWER AUTHORITY – WATER (R-2023-3039920)

REQUESTED RATE INCREASE – $106,718,828 (79.8%)
APPROVED RATE CHANGE – $24,900,310 (18.6%); This combined rate case for PWSA addressed several items related to customer service and affordability, including enhancing PWSA call center performance and identifying individuals eligible for customer assistance programs; collaborating with city and county services to coordinate low-income customer assistance programs; expanding the maximum income eligibility for PWSA's bill discount program; and addressing stormwater management issues.
PRIMARY REASON – To fund capital improvements, recover operating costs, meet new financial obligations, and improve financial metrics.

THE PITTSBURGH WATER AND SEWER AUTHORITY – WASTEWATER (R-2023-3039921)

REQUESTED RATE INCREASE – $19,665,720 (38.3%)
APPROVED RATE CHANGE – $6,401,956 (12.5%); **See above description for rate case details.**
PRIMARY REASON – To fund capital improvements, recover operating costs, meet new financial obligations and improve financial metrics.

THE PITTSBURGH WATER AND SEWER AUTHORITY – STORMWATER (R-2023-3039919)

REQUESTED RATE INCREASE – $19,415,352 (81.5%)
APPROVED RATE CHANGE – $6,134,908 (25.8%); ***See above description for rate case details.***
PRIMARY REASON – To fund capital improvements, recover operating costs, meet new financial obligations and improve financial metrics.

CONNEAUT LAKE PARK WATER CORPORATION INC. – WATER (R-2023-3041575)

REQUESTED RATE INCREASE – $257,797 (970.8%)
APPROVED RATE CHANGE – $75,002 (270.2%); The Settlement included a series of customer service improvements, including establishing and publicizing a telephone number for customers to contact the company about issues; hiring a staff members to be responsible for fielding consumer calls; providing all customers with the water system's most recent Consumer Confidence Report; creating a website to view public documents; holding public meetings; conducting water testing; and directing the PUC's Bureau of Investigation and Enforcement to begin a Section 529 proceeding.
PRIMARY REASON – To provide additional revenues needed to continue to provide safe and adequate drinking water to its customers.

GREATER HAZLETON COMMUNITY-AREA NEW DEVELOPMENT ORGANIZATION, INC. T/A CAN DO, INC. – WATER (R-2023-3040153)

REQUESTED RATE INCREASE – $999,900 (43.1%)
APPROVED RATE CHANGE – $669,984 (28.9%); As part of the Settlement, the company agrees not to file for a rate increase earlier than two years from the effective date of the new water tariff. This is the company's first water rate change since December 2011, and the company did not propose a rate change for its wastewater customers.
PRIMARY REASON – To recover increased operating expenses due to inflation and increased expenditures for well operations and maintenance.

NANTMEAL WARWICK SEWER COMPANY INC. – WASTEWATER (R-2023-3043497)

REQUESTED RATE INCREASE – $20,418 (45.8%)
APPROVED RATE CHANGE – $20,418 (45.8%); The rate change is the first for Nantmeal Warwick since 2012. The revisions will allow the utility to meet increased testing requirements on its wastewater system.
PRIMARY REASON – To recover increased operating expenses due to inflation and increased Department of Environmental Protection testing requirements.

PENNSYLVANIA-AMERICAN WATER COMPANY – WATER (R-2023-3043189)

REQUESTED RATE INCREASE – $199,237,084 (24.2%)
APPROVED RATE CHANGE– $88,121,068 (10.7%); As part of the approval, the PUC launched an investigation into the large number of water quality concerns raised by consumers during the rate case proceeding and also directed the company to target the donation of an additional $1 million by shareholders to the utility's Hardship Fund. In addition to cutting the request by more than 50%, the PUC enhanced essential customer assistance programs.
PRIMARY REASON – To earn a reasonable return on the fair value of its property used and useful in the public service and to maintain the integrity of its existing capital. The requested increase included an allocation of $71,087,394 of Pennsylvania-American Water Company – Wastewater Division's (PAWC-WD's) revenue requirements for wastewater service, pursuant to Act 11 of 2012. The approved water increase included an allocation of $23,321,384 of PAWC-WD's revenue requirements for wastewater service, pursuant to Act 11 of 2012.

PENNSYLVANIA-AMERICAN WATER COMPANY – WASTEWATER (R-2023-3043190)

REQUESTED RATE INCREASE – $4,708,827 (2.5%)
APPROVED RATE CHANGE– $11,207,939 (6.5%); Act 11 of 2012 allows utilities that provide both water and wastewater services to propose revenue requirement subsidization, which was significantly less than requested by PAWC for wastewater, thus resulting in a larger rate change.
PRIMARY REASON – To earn a reasonable return on the fair value of its property used and useful in the public service and to maintain the integrity of its existing capital.

COMMUNITY UTILITIES OF PENNSYLVANIA INC. – WATER (R-2023-3042804)

REQUESTED RATE INCREASE – $1,479,390 (62.2%)
APPROVED RATE CHANGE – $1,227,538 (51.6%); The Settlement expanded customer assistance programs and addressed water quality and fire protection concerns by doubling the limit for the company's low-income program; adding a permanent low-income section to its website; conducting customer outreach in both English and Spanish; performing annual system-wide leak tests; and conducting engineering and hydraulic studies to identify water pressure issues.
PRIMARY REASON – To meet its operating costs, to earn a reasonable return on its investment, and to complete significant infrastructure projects over the next two years.

COMMUNITY UTILITIES OF PENNSYLVANIA INC. – WASTEWATER (R-2023-3042805)

REQUESTED RATE INCREASE – $1,755,645 (50.9%)
APPROVED RATE CHANGE – $1,447,621 (42.1%); ***See above description for rate case details.***
PRIMARY REASON – To meet its operating costs, to earn a reasonable return on its investment, and to complete significant infrastructure projects over the next two years.

VEOLIA WATER PENNSYLVANIA INC. – WATER (R-2024-3045192)

REQUESTED RATE INCREASE – $15,494,889 (26.4%)
APPROVED RATE CHANGE – Ongoing
PRIMARY REASON – To recover costs associated with recent capital investments and increases in operating costs.

VEOLIA WATER PENNSYLVANIA INC. – WASTEWATER (R-2024-3045193)

REQUESTED RATE INCREASE – $568,719 (34.8%)
APPROVED RATE CHANGE – Ongoing
PRIMARY REASON – To recover costs associated with recent capital investments and increases in operating costs.

- **AQUA PENNSYLVANIA INC. – WATER (R-2024-3047822)**
  REQUESTED RATE INCREASE – $112,049,126 (18.7%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To maintain the integrity of its existing capital and attract additional necessary capital at reasonable costs. The requested increase included an allocation of $21,850,629 of Aqua Pennsylvania Wastewater Inc.'s revenue requirements for wastewater service, pursuant to Act 11 of 2012.

- **AQUA PENNSYLVANIA WASTEWATER INC. – WASTEWATER (R-2024-3047824)**
  REQUESTED RATE INCREASE – $14,626,346 (20.1%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To maintain the integrity of its existing capital and attract additional necessary capital at reasonable costs.

- **CITY OF LOCK HAVEN – WATER (R-2024-3049248)**
  REQUESTED RATE INCREASE – $483,872 (91.5%)
  APPROVED RATE CHANGE – Ongoing
  PRIMARY REASON – To meet rising operational costs and fund critical mandated system improvements.

- **JEFFERSON ESTATES SEWAGE TREATMENT PLANT INC. (R-2024-3049341)**
  REQUESTED RATE INCREASE – $13,104 (29.4%)
  APPROVED RATE CHANGE – $9,583 (21.3%); This is nearly 27% less than the rate changes originally requested by the company – and is the first change in rates since 2002.
  PRIMARY REASON – To recover costs associated with substantial investment in sewer utility assets and increased operating expenses due to increased sewer regulations and increased operating costs.

TELECOMMUNICATIONS

The Chapter 30 companies filed their Annual Price Stability Index/Service Price Index filings for 2024. During the fiscal year, the companies were authorized to implement a total of $7.33 million in annual revenue increases under their respective price cap filings. The Commission approved $559,598 in annual rate changes.

The Commission maintained the end-user Telecommunications Relay Service (TRS) Surcharge rate at $0.00/month. The Commission also approved the Pennsylvania Universal Service Fund (USF) Annual Rate Adjustment Administrator's Report with recommendations about the Pennsylvania USF's size for Calendar Year 2024.

The Commission reviewed and approved 13 filings, which were either interconnection agreements or amendments to existing interconnection agreements.

2023-24 MERGERS & ACQUISITIONS

FIRSTENERGY CORPORATION'S CONSOLIDATION OF ITS PA ELECTRIC DISTRIBUTION COMPANIES

On Dec. 7, 2023, the PUC approved a joint settlement approving the consolidation of FirstEnergy's PA electric distribution companies – Metropolitan Edison Co. (Met-Ed), Pennsylvania Electric Co. (Penelec), Pennsylvania Power Co. (Penn Power) and West Penn Power Co. (West Penn). The companies merged into a newly established entity known as FirstEnergy Pennsylvania Electric Co., a subsidiary of FirstEnergy Pennsylvania Holding Co. LLC, which, in turn, is a first-tier subsidiary of FirstEnergy Corporation.

TELECOMMUNICATIONS TRANSFERS OF CONTROL APPLICATIONS

The Commission considered 10 applications for transfers of control that comprised a total of 15 dockets and an extensive number of certificated carriers during the prior fiscal year.

WATER/WASTEWATER ACQUISITIONS

Section 1329 enables a water or wastewater public utility or entity to utilize fair market valuation when acquiring municipal corporations or authority-owned water and wastewater systems located in the Commonwealth.

The Commission received one Section 1329 application during Fiscal Year 2023-24:

- Aqua Pennsylvania Wastewater Inc.'s (APW's) application to acquire the Greenville Sewer Authority at Docket No. A-2023-3041695.

The following two Section 1329 applications, received in Fiscal Year 2022-23, were approved by the Commission during Fiscal Year 2023-24:

- Aqua Pennsylvania Inc's acquisition of Shenandoah Borough Municipal Authority's water assets at Docket No. A-2022-3034143.



- Pennsylvania American Water Company-Wastewater Division (PAWC-WD) acquisition of Butler Area Sewer Authority wastewater assets at Docket No. A-2022-3037047.

Further, the Commission denied PAWC-WD's Section 1329 application to acquire the Brentwood Borough wastewater collection system at Docket A-2021-3024058.

The following Section 1329 applications, received in Fiscal Year 2022-23 are pending before the Commission:

- PAWC-WD's acquisition of Towamencin Township wastewater assets at Docket No. A-2023-3039900.
- APW's acquisition of City of Beaver Falls wastewater assets at Docket No. A-2022-3033138.

In June 2024, the PUC approved revised guidelines and procedures designed to increase public involvement and ensure greater consistency in the process for reviewing and evaluating the acquisition and valuation of municipal or authority-owned water and wastewater systems under Section 1329.

2023-24 COMMONWEALTH COURT DECISIONS

TELECOMMUNICATIONS

▸ VERIZON PENNSYLVANIA AND VERIZON NORTH V. PENNSYLVANIA PUBLIC UTILITY COMMISSION (NO. 521 CD 2021) AND MET ED ET AL. V. PENNSYLVANIA PUBLIC UTILITY COMMISSION (NO. 530 CD 2021). Decided Sept. 21, 2023. The Commonwealth Court affirmed the Commission's position and rejected separate claims by FirstEnergy and Verizon that Commission's pole attachment orders and regulations violated Pennsylvania law. Pa. Supreme Court granted FirstEnergy's and Verizon's petitions for allowance of appeal on June 10, 2024. The case is being briefed at the Pennsylvania Supreme Court.

WATER

▸ MIDDLESEX WATER CO. V. PA. PUC (3D CIR. 24-1186). This case involves the takeover of a water company by another water company pursuant to Section 529 of the Public Utility Code. On Nov. 18, 2021, the Commission entered an Opinion and Order at Docket Nos. P-2020-3020914, et al., that (1) granted Twin Lakes' Section 529 Petition; (2) ordered that Aqua PA acquire Twin Lakes' water system; and (3) ordered that Middlesex Water Company, the certificated public utility and parent company of Twin Lakes, place $1.675 million in escrow by Dec. 17, 2021, to be used for future improvements to the water system's infrastructure. Middlesex filed its Complaint at the U.S. District Court for the Middle District of Pennsylvania on March 20, 2023, then filed its Motion for Preliminary Injunction on March 22, 2023. Law Bureau referred the matter to the Office of Attorney General (OAG) on March 22, 2023. On Jan. 18, 2024, the Pennsylvania Middle District Court issued a Memorandum Opinion and Order dismissing Middlesex's complaint with prejudice and denying the Preliminary Injunction Motion as moot. On Jan. 31, 2024, Middlesex appealed the court's order to the Third Circuit, initiating case 24-1186. The Third Circuit Court scheduled oral argument for Nov. 5, 2024. The OAG will appear for the Commission.



PATRICK M. CICERO, CONSUMER ADVOCATE V. PUC (EAST WHITELAND TOWNSHIP) (47 MAP 2024). This case involves the Commission's approval of Aqua Pennsylvania's 1329 application to acquire the wastewater system assets of East Whiteland Township. The Commonwealth Court issued its Opinion and Order on July 31, 2023, reversing the Commission's July 29, 2022, Order. Commonwealth Court denied reargument by a Sept. 26, 2023, Order. The PUC, Aqua and East Whiteland Township each filed individual Petitions for Allowance of Appeal to the Pennsylvania Supreme Court. On June 14, 2024, the Supreme Court granted the Commission's Petition for Allowance of Appeal, as well as Aqua PA's and East Whiteland's Petitions for Allowance of Appeal, and also granted Petitions for Allowance to file amicus curiae briefs in support of the Petitions for Allowance of Appeal. On July 3, 2024, the Supreme Court issued a briefing schedule.

CENTER TWP. V. PUC (1459 CD 2023) AND SUMMIT TWP. V. PUC (1460 CD 2023). This case deals with the PUC approving a settlement regarding Pennsylvania American Water Company's (PAWC's) 1329 application to acquire the wastewater system of the Butler Area Sewer Authority (BASA). On Dec. 14, 2023, Center Township and Summit Township filed Petitions for Review of the Commission's Nov. 16, 2023, Order. On June 27, 2024, the PUC filed a letter informing the Commonwealth Court that the Pennsylvania Supreme Court granted three Petitions for Allowance of Appeal of Cicero, which is referenced in brief in the instant appeals, and provided a copy of the Supreme Court's Order granting review. On Aug. 9, 2024, the Commonwealth Court assigned the appellate briefs to a panel for decision.

PENNSYLVANIA AMERICAN WATER COMPANY V. PUC (355 CD 2024) AND BOROUGH OF BRENTWOOD V. PUC (356 CD 2024). This case deals with the PUC denying PAWC's 1329 application to acquire the wastewater collection and conveyance system of the Brentwood. On April 2, 2024, Pennsylvania American Water Company (PAWC) and the Borough of Brentwood filed separate Petitions for Review of the Commission's March 4, 2024, Order. On May 6, 2024, the Commission filed an Application for Consolidation and an Application for Stay requesting that the Court stay the appeals pending the Pennsylvania Supreme Court's disposition of the Petitions for Allowance of Appeal filed in the Cicero matter at Docket Nos. 568-570 MAL 2023. On June 26, 2024, the PUC filed a letter informing the Commonwealth Court that the Pennsylvania Supreme Court granted three Petitions for Allowance of Appeal of Cicero and provided a copy of the Supreme Court's Order granting review. On Aug. 15, 2024, the Commonwealth Court granted the Application for Consolidation.

ELECTRIC

MCKNIGHT V PA. PUC DOCKET NO. 1253 CD 2019. Decided March 20, 2024. The Commonwealth Court found that the McKnights failed to sustain their burden of proof to establish that PECO's installation of a smart meter at their residence violated Section 1501 of the Public Utility Code, and therefore affirmed the Commission's Order.

BOROUGH OF MIDDLETOWN V PA. PUC DOCKET NO. 1450 CD 2021. Decided Aug. 7, 2023. The issue in this case was whether the PUC's determination that Met-Ed had a Certificate of Public Convenience (CPC) to serve customers in the Borough of Middletown was required to serve Librandi Machine Shop. The Commonwealth Court noted that a tariff does not establish a public utility's authority of offer service in a particular area. The Court also stated that the Commission's reliance on Met-Ed's tariff is not evidence of Met-Ed's authority to act beyond the terms of the 1923 CPC. The Court also found that any legacy or grandfathered service rights of the federal government did not transfer to Met-Ed because the grandfathering provision of the Public Utility Code, 66 Pa.C.S. § 103(a), provides that only public utility services may be grandfathered and the federal government was not a public utility. The Court held that "the Commission erred when it concluded that Librandi has the right to obtain [service] from [Met-Ed] based on [Met-Ed] having the authority to provide such services under its current or preexisting CPCs or by virtue of [Met-Ed's] acquisition of grandfathered or legacy rights when it acquired the electric distribution facilities of the former Olmsted AFB," and reversed the Commission's Order.

MYERS V PA. PUC DOCKET NO. 1337 CD 2019. Decided Nov. 3, 2023. In a reported Opinion the Commonwealth Court affirmed the PUC in denying Myers' Complaint seeking to prevent the installation of a smart meter.

MARY PAUL V PA. PUC DOCKET NO. 460 CD 2019. Decided July 25, 2023. The Commonwealth Court issued a published Opinion affirming the Commission's Order that denied Mary Paul's complaint seeking to prevent the installation of a smart meter.

GAS

CITY OF LANCASTER ET AL. V. PA. PUC SUPREME COURT DOCKET NO. 107 MAP 2022. Decided Apr. 25, 2024. The Supreme Court concluded that the General Assembly never enacted a statute vesting the Commission with any legislative authority to locate gas meters in historic districts. Accordingly, the Supreme Court reversed the Commonwealth Court's conclusion that Section 59.18 of the Commission's regulations constituted an unlawful delegation by the General Assembly authorizing NGDCs to determine the location of gas meters in historic districts.

CULBERTSON V PA PUC DOCKET NO. 152 CD 2022. Decided Aug. 17, 2023. This case involved a pro se challenge to a black box settlement in Columbia Gas' base rate case. The Commonwealth Court issued an unreported panel Opinion affirming the PUC's Dec. 16, 2021, Order and rejecting all of Culbertson's claims of error.

RIGHT-TO-KNOW LAW

ENERGY TRANSFER AND PENNSYLVANIA PUBLIC UTILITY COMMISSION V. REBECCA MOSS AND SPOTLIGHT PA. DOCKET NOS. 1700 C.D. 2019 AND 1722 C.D. 2019. Decided Jan. 20, 2023. Opinion reported. The Commonwealth Court reversed the Office of Open Record's Final Determination regarding Commission records requested under the Right-to-Know Law, 65 P.S. §§ 67.101, et seq.

PUBLIC UTILITY COMMISSION V. ERIC FRIEDMAN AND ENERGY TRANSFER V. ERIC FRIEDMAN (FRIEDMAN II). DOCKET NOS. 1560 C.D 2019 AND 1576 C.D. 2019. Decided April 25, 2023. The PUC appealed the Office of Open Records' Final Determination ordering the PUC to turn over records requested by Eric Friedman pursuant to the PA Right-to-Know Law, including transmittal letters containing confidential security information (CSI) and the non-CSI records submitted under cover of those transmittal letters by Sunoco Pipeline/Energy Transfer (ET). The Court ruled that any requests for or challenges to records involving CSI were outside OOR's jurisdiction and reversed the OOR's Final Determination to the extent that it ordered the Commission to disclose to Friedman any records designated CSI or that contain CSI, if not so designated.

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OCA Hearing Exhibit 4

PENNSYLVANIA
Public Utility Commission
2022-23

PAPUC

















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Pictured left to right are Commissioner Kathryn L. Zerfuss, Commissioner Ralph V. Yanora, Chairman Stephen M. DeFrank, Commissioner John F. Coleman Jr. and Vice Chair Kimberly M. Barrow.

COMMISSIONER LETTER

THE HONORABLE JOSH SHAPIRO
GOVERNOR OF PENNSYLVANIA

THE HONORABLE AUSTIN DAVIS
LIEUTENANT GOVERNOR OF PENNSYLVANIA

MEMBERS OF THE PENNSYLVANIA GENERAL ASSEMBLY

We are pleased to submit the FY 2022-23 Annual Report for the Pennsylvania Public Utility Commission (PUC). This report covers actions taken between July 1, 2022, and June 30, 2023.

As required by Section 321 of the Public Utility Code, 66 Pa. C.S § 321, the Annual Report highlights the significant orders, decisions and issues the PUC faced over the course of the year in fulfillment of our mission as regulators and protectors of the public interest.

This fiscal year, the Commission achieved many important successes, including: encouraging consumers and small businesses who may be experiencing financial difficulty to #CallUtilitiesNow to discuss the options to remain connected to vital utility services; introducing new technologies to enhance customer care for web visitors and callers to the PUC; increasing awareness for Pennsylvania consumers to #KeepUtilitiesOn with the Low Income Household Water Assistance Program; working with regulated utilities to ensure reliability of the electric system during Winter Storm Elliott; educating consumers on how to #SaveInPA to substantially reduce summer energy costs by shopping for electric supply offers; participating in emergency-related activities that focus on emergency preparedness, business continuity, emergency response and cybersecurity plans; encouraging outreach on the FCC's broadband and telecommunications benefits available through the Affordable Connectivity Plan and Lifeline for Pennsylvanians; continuing investigations and enforcement related to pipeline, electric and motor carrier safety; and releasing multiple audits across the regulated industries.

We look forward to continuing our mission to balance the needs of consumers and utilities; ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner.

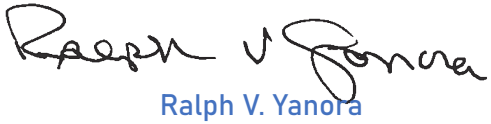
We look forward to the next fiscal year and continuing our important mission.



Stephen M. DeFrank
Chairman



Kimberly M. Barrow
Vice Chair



Ralph V. Yanora
Commissioner



Kathryn L. Zerfuss
Commissioner



John F. Coleman Jr.
Commissioner

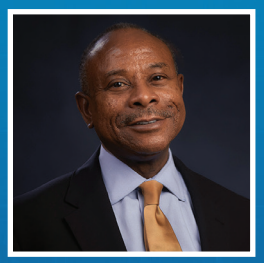
COMMISSION STAFF



JENNIFER BERRIER
EXECUTIVE DIRECTOR



ROBERT C. GRAMOLA
DIRECTOR
BUREAU OF
ADMINISTRATION



CHARLES RAINEY
DIRECTOR & CHIEF ALJ
OFFICE OF
ADMINISTRATIVE
LAW JUDGE



KELLY MONAGHAN
DIRECTOR
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TOM CHARLES
DIRECTOR
OFFICE OF
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DIRECTOR
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MICHAEL ROBERTS
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DIRECTOR
SECRETARY'S BUREAU



KIMBERLY HAFNER
DIRECTOR
OFFICE OF SPECIAL
ASSISTANTS



PAUL DISKIN
DIRECTOR
BUREAU OF TECHNICAL
UTILITY SERVICES

THE EXECUTIVE DIRECTOR is responsible for the oversight of the day-to-day management of the Commission's functions and staff. This position is responsible for the overall planning, direction, organization and operation of the Commission. Also, the Executive Director develops and implements the PUC's strategic plans and policies.

THE BUREAU OF ADMINISTRATION is responsible for overseeing administrative, fiscal and personnel functions. The Bureau of Administration is comprised of the Office of Human Resources; Management Information Systems, which oversees technology; the Secretary's Bureau; the Office of Administrative Services, which is responsible for office services; and the Financial and Assessment Section that handles budget issues and the financial functions of the Commission.

THE OFFICE OF ADMINISTRATIVE LAW JUDGE fulfills a judicial role within the Commission by hearing cases, mediating cases through the alternative dispute resolution process and issuing Decisions. The office's primary duty is to provide fair and prompt resolution of contested proceedings before the Commission. The Administrative Law Judges (ALJs) are attorneys with experience in administrative law who preside over the hearings in cases, which can include consumer complaints, rate filings, investigations, ability to pay/billing disputes and applications.

THE BUREAU OF AUDITS performs financial, management, operational and specialized audits on electric, natural gas, steam heat, wastewater, water and telecommunications utilities. It also reviews certain adjustment clause rate filings and Section 1307(e) reconciliation statements. The audits may result in recommendations to refund over-recovered costs and to improve accounting/operational procedures that could save utilities and consumers money.

THE OFFICE OF COMMUNICATIONS is charged with handling Commission employee communications, media relations, consumer education and communications technology, in addition to acting as the lead staff for the Consumer Advisory Council. The bureau is responsible for issuing press releases, responding to media calls, conducting consumer-education campaigns, distributing educational materials, creating internal and external publications and messages, coordinating the PUC's websites and social media, and managing livestreaming and communications technology.

THE OFFICE OF COMPETITIVE MARKET OVERSIGHT serves as the Commission's electric and natural gas choice ombudsman and oversees the development and functioning of the competitive retail electric and natural gas supply markets, in addition to providing a forum for informal dispute resolution.

THE BUREAU OF CONSUMER SERVICES investigates and issues decisions on informal complaints from residential and small commercial customers and enforces the PUC's customer service regulations. The bureau also serves as an intermediary between utilities and consumers, mediating complaints, making payment agreements, and implementing and monitoring universal service and energy policy. The bureau prepares annual reports for the Commission and General Assembly on complaint handling, customer service performance, universal services and collection performance.

THE OFFICE OF CYBERSECURITY COMPLIANCE AND OVERSIGHT advises the Executive Director and Commissioners on policy issues and procedural improvements involving cybersecurity oversight functions of regulated utilities; drafts proposed cyber-related regulations; and oversees the preparation of documents related to cybersecurity policies and procedures.

THE OFFICE OF HUMAN RESOURCES is responsible for planning, organizing and directing a comprehensive human resource services program for the Public Utility Commission. This includes personnel and position management, labor relations, staff development, equal opportunity, recruitment and placement, employee benefits and services, personnel and leave transactions, and complement management. The bureau provides administrative and advisory services to the Executive Director, Director of Administration and PUC management.

THE BUREAU OF INVESTIGATION AND ENFORCEMENT serves as the prosecutorial bureau for purposes of representing the public interest in ratemaking matters. The bureau also prosecutes service matters before the Office of Administrative Law Judge and enforces regulatory compliance with the state and federal motor carrier safety, electric safety, and gas pipeline safety laws and regulations. The bureau handles rail safety enforcement proceedings and investigates referrals from other bureaus. The bureau also prepares administrative reports for the Commission.

THE LAW BUREAU acts as the Commission's in-house legal counsel in three main areas: advisory, representational and enforcement, providing legal advice to the Commission regarding electric, natural gas, telecommunications, water/wastewater and transportation matters, as well as proposed legislation, and regulatory and policy statements. The bureau's director serves as Chief Counsel to the Commission. The Law Bureau represents the Commission before state and federal courts and before other state and federal agencies.

THE OFFICE OF LEGISLATIVE AFFAIRS acts as the liaison between the PUC and the Governor's Office, the General Assembly and the Pennsylvania Congressional Delegation; identifies legislation that may affect the Commission or public utilities and obtains staff analysis; provides relevant information to the legislature; and promotes the Commission's position on legislation and issues with the General Assembly.

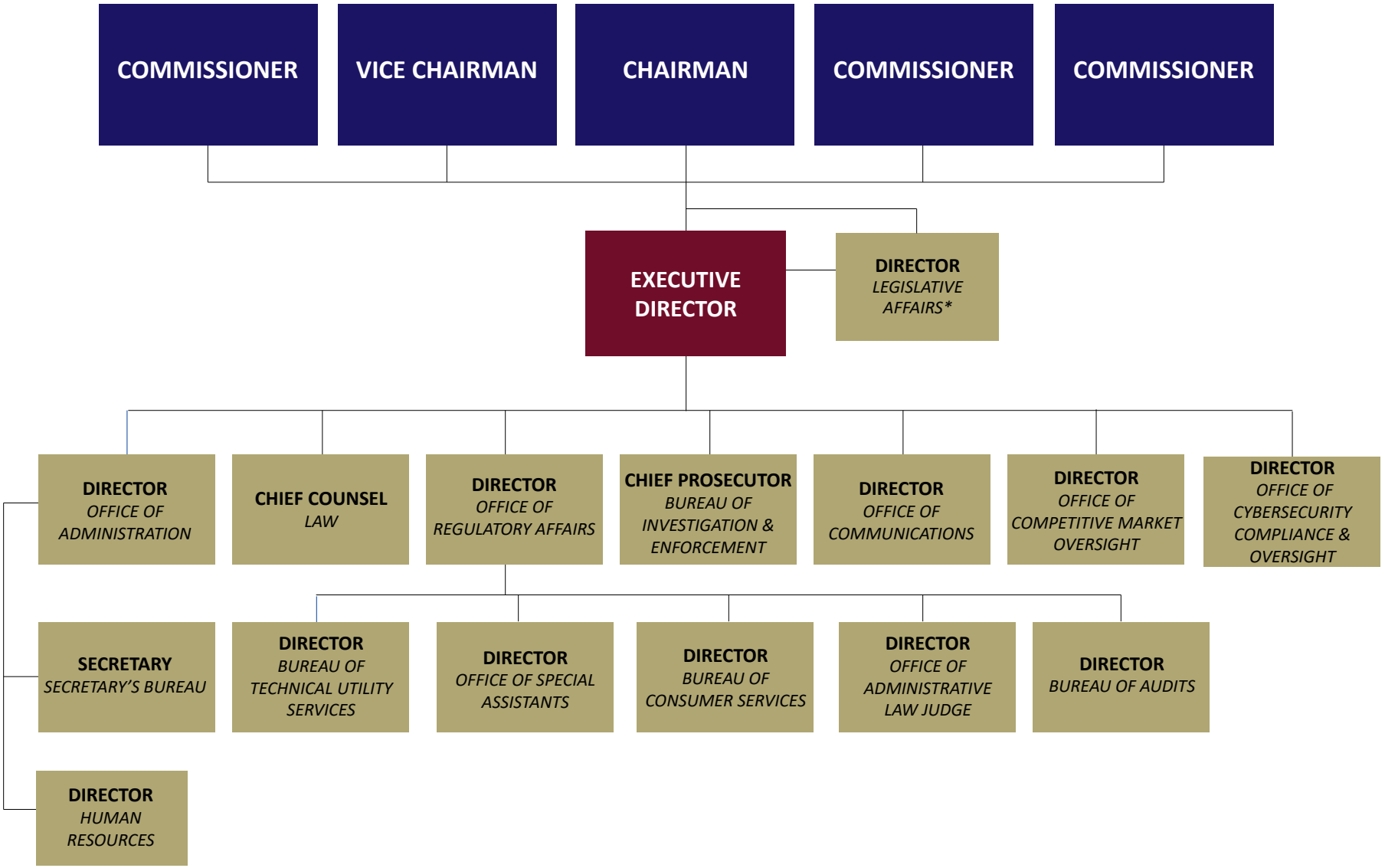
THE DIRECTOR OF REGULATORY AFFAIRS oversees the PUC's bureaus with regulatory functions, including the Bureau of Audits, the Bureau of Consumer Services, the Office of Special Assistants, the Bureau of Technical Utility Services and the Office of Administrative Law Judge. The Director of Regulatory Affairs also is responsible for planning, organizing, coordinating, directing and overseeing regulatory staff. This position is currently vacant.

THE SECRETARY'S BUREAU is the PUC's official point of contact with the public. The Secretary serves as the prothonotary of the Commission, and all documents and filings received by the Commission must be officially filed with the Secretary. The bureau processes, dockets and assigns all filings to the appropriate bureaus within the Commission for review and recommendation. All official Commission actions and decisions are issued over the Secretary's signature. The Secretary's Bureau coordinates the Commission's Public Meeting agendas, records the minutes of each Public Meeting, and issues all Commission Orders, Decisions and Secretarial Letters. The Secretary also is the Commission's official Right-to-Know Officer.

THE OFFICE OF SPECIAL ASSISTANTS is the Commission's advisory support bureau, providing legal and technical advice to the Commission primarily regarding challenges to Administrative Law Judge decisions, as well as policy issues; drafts proposed Opinions and Orders containing a review of the facts, the applicable law and a proposed resolution of the issues raised in contested proceedings; drafts Opinions and Orders pursuant to Motions adopted at Public Meeting; and reviews Petitions for Relief following the issuance of Commission Orders.

THE BUREAU OF TECHNICAL UTILITY SERVICES serves as the principal technical advisory bureau to the Commission regarding fixed and transportation utility regulatory matters, as well as an adviser to the PUC on technical issues for electric, natural gas, water and wastewater, and telecommunications utilities. The bureau also offers policy recommendations on rates, tariffs and regulatory matters; processes utility applications; and coordinates emergency operations of utilities.

ORGANIZATIONAL CHART



*Dual reporting relationship to Commissioners and Executive Director

PUC BUDGET

EXECUTIVE GOVERNMENT OPERATIONS

GENERAL GOVERNMENT FUND	GENERAL FUND Estimated 2022-23 Expenditures	GENERAL FUND Approved 2023-24 Budget
State Funds:		
Personnel	$65,772,000	$68,750,000
Operating	14,109,000	13,936,000
Fixed Assets	210,000	210,000
Total State Funds	**$80,091,000**	**$82,896,000**
Federal Funds:		
Personnel	$4,070,000	$4,252,000
Operating	1,113,000	1,286,000
Total Federal Funds	**$5,183,000**	**$5,538,000**
Total Commission Budget	**$85,274,000**	**$88,434,000**

OTHER REVENUE SOURCES

	2022-23 RECEIPTS
Unconventional Gas Well Fund – Act 13	$1,000,000
Unconventional Gas Well – Act 13 Administration	552,500
Filing & Fees	52,068
Application Fees	526,468
Assessment & Supplemental Fees	55,728,915
UCR	4,945,568
Damage Prevention Fines	1,314,770
Violation of Order Fines	1,673,675
Federal – Gas Pipeline Safety	3,995,000
Federal – Motor Carrier (Motor Carrier Safety Administration Program)	1,188,000
Total	**$70,976,964**

2020-21 APPLICATION FEES, FILING FEES & FINES

	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	2020-21 TOTAL
Unconventional Gas Well – Act 13 Administration	$0	$0	$19,500	$533,000	$552,500
Filing & Fees	11,245	6,308	10,045	24,470	$52,068
Application Fees	122,893	65,892	73,037	264,647	$526,468
Assessment & Supplemental Fees	16,754,494	38,914,528	16,153	43,740	$55,728,915
UCR	0	2,556,089	2,244,033	145,476	$4,945,568
Damage Prevention Fines	155,575	270,900	519,900	368,395	$1,314,770
Violation of Order	275,232	969,916	280,823	147,704	$1,673,675
Total	**$17,319,439**	**$42,783,631**	**$3,163,461**	**$1,527,432**	**$64,793,964**

INTRODUCTION

FILING AND RESOURCES

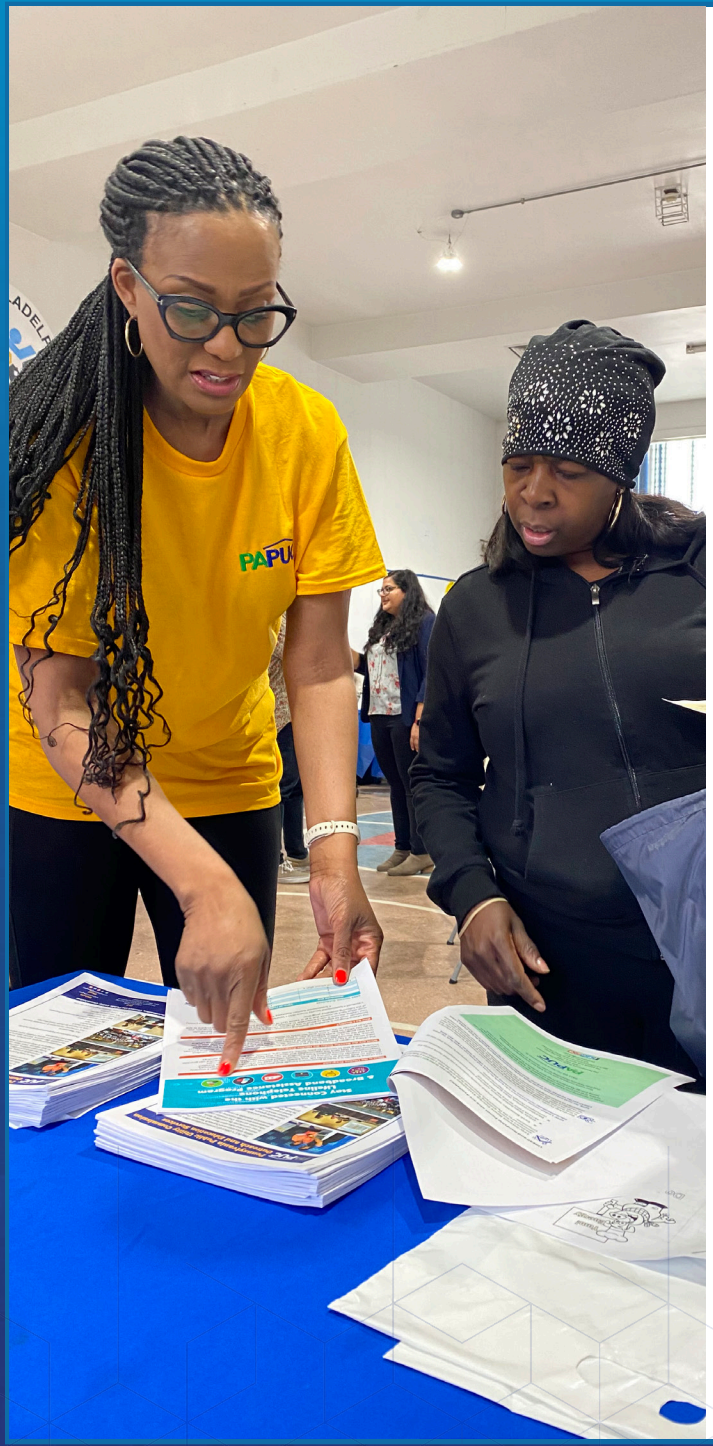
The Secretary's Bureau received approximately 26,000 filings this past fiscal year and served approximately 15,000 documents, including approximately 700 Orders and 6,000 Secretarial Letters. The Commission received more than 150 Right-to-Know requests.

The PUC's Office of Administrative Law Judge presided over a mix of telephonic and in-person hearings – a total of 602 evidentiary hearings and 26 public input hearings. In addition, 263 cases were resolved through mediation. Presiding officers rendered 323 written decisions.

Throughout the year, the PUC's Office of Special Assistants prepared 165 Orders for Commission consideration at Public Meetings in proceedings involving consumers and regulated utilities.

The PUC's Law Bureau regularly represented the Commission in an average of 54 open state and federal court appeals, administrative proceedings and matters involving affirmative litigation.





2022-23 ACCOMPLISHMENTS

CONSUMER ISSUES

Throughout the year, the Commission has continued to vigorously promote our #CallUtilitiesNow initiative – working to connect struggling consumers with utility assistance programs. The pressures of rising energy prices, inflation, and the ongoing state and national recovery continue to impact our communities. It is important that we work collectively to help keep residents and businesses connected to vital services.

Our PUC consumer education team planned the annual Be Wise and Be Utility Wise conferences for human service professionals, which reached nearly 1,200 participants through a hybrid in-person and virtual approach.

Through educational outreach, we encouraged Pennsylvanians to stay connected through the Affordable Connectivity Program, a benefit funded by Congress through the Infrastructure Investment and Jobs Act (IIJA).

The PUC's Bureau of Consumer Services answered more than 134,000 calls, and investigated and issued more than 53,000 informal complaint decisions.

Also, new technologies were implemented to enhance customer care through the PUC's new Artificially Intelligent Virtual Agent, or "Aiva," providing 24/7 bilingual assistance to web visitors and callers.

WATER/WASTEWATER ISSUES

The PUC increased awareness for Pennsylvania consumers to #KeepUtilitiesOn with the Low Income Household Water Assistance Program.

EMERGENCY PREPAREDNESS

Winter Storm Elliott impacted the Eastern United States over the holiday weekend of Dec. 23, 2022, through Dec. 25, 2022. The large drop in temperatures within a very short time period tested the reliability of much of the bulk electric grid, and the regional electric grid organization, PJM Interconnection LLC (PJM).

While PJM and its members were able to maintain the reliability of the system, serve customers and support neighboring systems, the PUC communicated with the Pennsylvania Emergency Management Agency (PEMA) and the Department of Environmental Protection's Energy Programs Office (DEP EPO) throughout the event, pursuant to the responsibilities of the PUC under the Commonwealth Emergency Operations Plan.

Commission staff participated in several emergency preparedness exercises and activities with our colleagues at PEMA, along with other agencies and utility stakeholders. The PUC also helped facilitate two Black Sky Steering Committee meetings, facilitated the annual Operation Blue Flame natural gas exercise, and participated in the Cybersecurity and Infrastructure Security Agency (CISA) 5th National Cybersecurity Summit.

The PUC also continued its collaboration with the Pennsylvania Department of Environmental Protection's Energy Programs Office on updating the energy security plan for Pennsylvania.

AUDITS

The PUC Financial Audits team released 25 reports covering 66 years of adjustment clauses and reviewed and approved approximately 387 adjustment clause filings. Management Audit staff released four Management Audits, two Management Efficiency Investigation reports, and the 516 Annual Report for Calendar Year 2022.

RATE CASES

The PUC's rates and technical divisions participated in 12 base rate cases with a total requested increase value of more than $471 million, five Section 1329 acquisitions and seven Section 1307(f) annual purchased gas cost filings.

ENERGY RETAIL MARKETS

The PUC's Office of Competitive Market Oversight continued to monitor the developments within the wholesale energy markets and our efforts to help consumers deal with affordability concerns. This included convening a meeting on Nov. 1, 2022, of the Committee Handling Activities for Retail Growth in Electricity (CHARGE), including suppliers, utilities and advocates to review current market conditions and concerns. There currently are 458 electric generation suppliers and 335 natural gas suppliers licensed with the Commission.

IMPACT FEES

In 2022, the PUC distributed $234 million from impact fees on natural gas producers – pushing the 10-year total to more than $2.2 billion collected and distributed to communities across the state. Additionally, more than 72% of our utilities accessed the PUC's assessment portal online to report annual revenues.

SAFETY ISSUES

Pipeline safety inspectors spent more than 2,900 days conducting inspection of procedures, records and field-based operations for just over 86,000 miles of jurisdictional pipeline facilities, including 27% of pipeline construction project inspections. The division discovered 185 violations through non-compliance notifications and actively investigated dozens of potential incident investigations.

Meanwhile, electric safety inspectors spent more than 263 days conducting inspections of procedures, record and field-based operation for just over 211,000 miles of jurisdictional electric distribution facilities serving 5.7 million customers. The division discovered 140 violations through non-compliance notifications and actively investigated more than 150 potential and actual incidents. During this timeframe, there was a dramatic reduction of electric-related injuries and fatalities.

Both the Pipeline Safety and Electric Safety Divisions serve as technical experts for the PUC's Bureau of Investigation and Enforcement resulting in enhanced safety measures and civil penalties.

Also, more than 400 underground facility owners, excavators and project owners were directed to attend Act 50 training (related to the Pennsylvania One Call Law), while the PUC's Damage Prevention Committee (DPC) approved 1,774 violations related to nearly 500 cases that were addressed during monthly DPC meetings.

The PUC's Motor Carrier Enforcement Division conducted 77 focused reviews on carriers, and completed nearly 2,400 federal New Entrant Safety Audits and more than 4,000 roadside inspections of commercial motor vehicles.

TELECOMMUNICATIONS EFFORTS

This past fiscal year, the PUC again recognized Lifeline Awareness Week to help income-eligible Pennsylvanians stay connected through the Lifeline and Affordable Connectivity programs. The Commission also has a role in the Pennsylvania Broadband Development Authority to continue its efforts to expand broadband services across the state and encouraging the universal deployment of advanced broadband networks and services to improve the quality of life for all Pennsylvanians. Additionally, the PUC remains focused on ensuring that those that need it have access to safe and reliable basic local telephone service at just and reasonable rates.

2022-23 AUDITS UPDATE

ELECTRIC

The PUC released 17 reports covering 42 years of Section 1307(e) reconciliation statement audits, involving default service, purchased power, transmission service costs, generation supply service, smart meter and universal service programs.

The Commission also reviewed and processed 164 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional 74 Section 1307(e) reconciliation statements that were reviewed and processed.

During Fiscal Year 2022-23, the PUC performed management and operations audits or management efficiency investigations, including:

- PECO ENERGY COMPANY – A management and operations audit, released on Aug. 25, 2022, made 22 recommendations to the company for improvement resulting in projected annual savings of $15 million and one-time savings of $13.5 million. The company indicated acceptance of 19 recommendations and partial acceptance of three recommendations.

NATURAL GAS

During Fiscal Year 2022-23, the PUC released 44 reports covering 22 years of Section 1307(e) and Section 1307(f) reconciliation statement audits, involving purchased gas costs, gas cost rates and universal service audits.

The PUC also reviewed and processed 48 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional 31 Section 1307(e) reconciliation statements that were reviewed and processed.



During Fiscal Year 2022-23, the PUC performed management and operations audits or management efficiency investigations, including:

- PHILADELPHIA GAS WORKS – A management and operations audit, released on March 2, 2023, made 32 recommendations to the company for improvement. The company indicated acceptance of 26 recommendations partial acceptance of three recommendations, and rejection of three recommendations.

STEAM HEAT

During Fiscal Year 2022-23, the PUC released one report covering two years of Section 1307(e) reconciliation statement audits of steam cost rates for Vicinity Energy Philadelphia.

The PUC also reviewed and processed 16 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional three Section 1307(e) reconciliation statements that were reviewed and processed.

WATER/WASTEWATER

During Fiscal Year 2022-23, the PUC reviewed and processed 41 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional 11 Section 1307(e) reconciliation statements that were reviewed and processed.

During Fiscal Year 2022-23, the PUC performed management and operations audits or management efficiency investigations, including:

- PITTSBURGH WATER & SEWER AUTHORITY – A management and operations audit, released on April 20, 2023, made 41 recommendations to the company for improvement. The company indicated acceptance of 34 recommendations and partial acceptance of seven recommendations.

TELECOMMUNICATIONS AUDITS

The Commission released the Telecommunications Relay Service Report for the two years ending Feb. 28, 2021. It contained one audit observation.

RATE INCREASE REQUESTS

During the fiscal year, the following rate increase requests were filed and/or finalized with the Commission. Information about the ratemaking process is available on the PUC website.

◆ ELECTRIC

◇ CITIZENS' ELECTRIC COMPANY OF LEWISBURG PA (R-2022-3032369)

REQUESTED RATE INCREASE – $999,270 (7.3%)
APPROVED RATE INCREASE – $930,000 (6.8%)
PRIMARY REASON – To continue its replacement of distribution infrastructure and installation of small line extensions and upgrades, to address declining sales and revenues from the previous rate case, and to account for operations and maintenance costs increasing due to inflation.

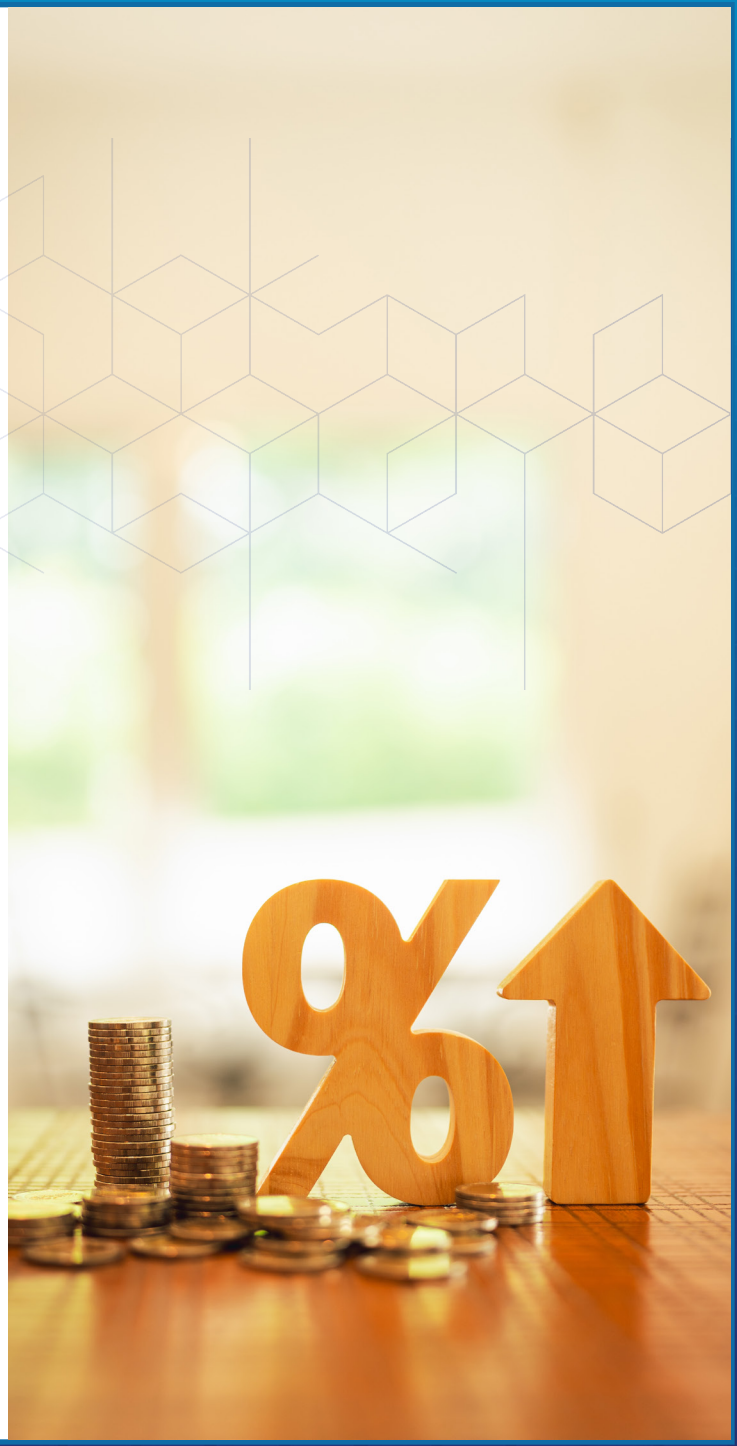
◇ UGI UTILITIES INC. – ELECTRIC DIVISION (R-2022-3037368)

REQUESTED RATE INCREASE – $11.4 million (7.5%)
APPROVED RATE INCREASE – Ongoing
PRIMARY REASON – To earn a fair return on its investments, to obtain additional financial support for infrastructure replacement programs and enhanced information technology systems, and recover higher levels of operating expenses.

◆ NATURAL GAS

◇ COLUMBIA GAS OF PA INC. (R-2022-3031211)

REQUESTED RATE INCREASE – $82.2 million (12.6%)
APPROVED RATE INCREASE – $44.5 million (5.5%)
PRIMARY REASON – To enhance its distribution system through the replacement of pipe and related appurtenances, provide operation and maintenance expenditures, and provide operations safety enhancements. Also requested approval of a residential energy efficiency program along with a revenue normalization adjustment mechanism intended to stabilize utility revenue regardless of changes in customer usage.



◇ LEATHERSTOCKING GAS COMPANY LLC (R-2022-3032764)
REQUESTED RATE INCREASE – $701,200 (32.4%)
APPROVED RATE INCREASE - $645,000 (25.7%)
PRIMARY REASON – To provide sufficient operating revenues to meet operating expenses (including depreciation), taxes, fixed charges and a reasonable rate of return on investments in gas property, and maintain creditworthiness at a level sufficient to raise capital.

◇ NATIONAL FUEL GAS DISTRIBUTION CORPORATION (R-2022-3035730)
REQUESTED RATE INCREASE – $28.1 million (9.2%)
APPROVED RATE INCREASE - $23.0 million (7.5%)
PRIMARY REASON – To earn a fair return on its investments, support infrastructure replacement programs, recover higher levels of operating expenses, including employee compensation costs, implement a Weather Normalization Adjustment tariff rider, and implement an energy efficiency pilot program, the cost of which is recovered from residential customers.

◇ PECO ENERGY COMPANY (R-2022-3031113)
REQUESTED RATE INCREASE – $81.2 million (9.1%)
APPROVED RATE INCREASE - $54.8 million (6.0%)
PRIMARY REASON – To continue substantial investments in new and replacement gas utility plant. PECO projects that it will need to invest approximately $1.8 billion in new and replacement gas utility plant between January 2022 and December 2023.

◇ PHILADELPHIA GAS WORKS (R-2023-3037933)
REQUESTED RATE INCREASE – $85.5 million (10.3%)
APPROVED RATE INCREASE – Ongoing
PRIMARY REASON – To maintain its favorable bond ratings, continue to improve safety and improve customer service.

◇ UGI UTILITIES INC. – GAS DIVISION (R-2021-3030218)
REQUESTED RATE INCREASE – $82.7 million (7.8%)
APPROVED RATE INCREASE – $49.5 million (4.7%)
PRIMARY REASON – To earn a fair return on investments, to support ongoing Commission-approved infrastructure replacement programs, to enhance information technology systems, to increase training opportunities for personnel, to implement a Weather Normalization Adjustment tariff rider, and to recover higher levels of certain operating expenses that support the provision of safe and reliable gas distribution services.

◇ VALLEY ENERGY INC. (R-2022-3032300)
REQUESTED RATE INCREASE – $999,631 (11.8%)
APPROVED RATE INCREASE - $958,000 (11.3%)
PRIMARY REASON – To provide for the ongoing replacement of its aging infrastructure and to account for the rise in costs in its operations and maintenance expenses.

◆ WATER/WASTEWATER/STORMWATER

◇ WONDERVIEW WATER INC. – WATER (R-2022-3032243)
REQUESTED RATE INCREASE – $25,845 (27.6%)
APPROVED RATE INCREASE – $25,845 (27.6%)
PRIMARY REASON – To cover its operating expenses and to achieve adequate rate of return to move the company toward a profitable position to attract prospective buyers.

◇ BOROUGH OF AMBLER – WATER (R-2022-3031704)
REQUESTED RATE INCREASE – $637,691 (45.4%)
APPROVED RATE INCREASE – $424,948 (30.1%)
PRIMARY REASON – To provide sufficient revenues to continue to furnish adequate, safe and reliable water service, pursuant to state and federal drinking water standards, to continue to operate, maintain and renew its facilities and meet its financial obligations, and to achieve an adequate rate of return.

◇ PENNSYLVANIA AMERICAN WATER COMPANY – WATER (R-2022-3031672)
REQUESTED RATE INCREASE – $154,420,781 (21.6%)
APPROVED RATE INCREASE – $83,370,539 (11.6%)
PRIMARY REASON – To earn a reasonable return on the fair value of its property used and useful in the public service and to maintain the integrity of its existing capital. The requested increase included an allocation of $72,946,653 of Pennsylvania American Water Company's revenue requirements for wastewater service, pursuant to Act 11 of 2012. The approved increase included an allocation of $26,961,883 of Pennsylvania American Water Company's revenue requirements for wastewater service, pursuant to Act 11 of 2012.

◇ PENNSYLVANIA AMERICAN WATER COMPANY – WASTEWATER (R-2022-3031673)
REQUESTED RATE INCREASE – $18,735,170 (16.1%)
APPROVED RATE INCREASE – $54,629,462 (47.1%)
PRIMARY REASON – To earn a reasonable return on the fair value of its property used and useful in the public service, and to maintain the integrity of its existing capital.

◇ THE YORK WATER COMPANY – WATER (R-2022-3031340)
REQUESTED RATE INCREASE – $18,853,738 (33.8%)
APPROVED RATE INCREASE – $11,599,404 (21.6%)
PRIMARY REASON – To provide sufficient revenues to recover the cost of providing water service, to allow it to continue to furnish an adequate, safe and reliable level of service, to maintain facilities properly, and to earn a more reasonable rate of return. The requested increase included an allocation of $2,670,856 of The York Water Company's revenue requirements for wastewater service, pursuant to Act 11 of 2012. The approved increase included an allocation of approximately $1.3 million of The York Water Company's revenue requirements for wastewater service, pursuant to Act 11 of 2012.

◇ THE YORK WATER COMPANY – WASTEWATER (R-2022-3032806)
REQUESTED RATE INCREASE – $1,456,792 (35%)
APPROVED RATE INCREASE – $1,899,902 (45.6%)
PRIMARY REASON – To provide sufficient revenues to recover the cost of providing wastewater service, to allow it to continue to furnish an adequate, safe and reliable level of service, to maintain facilities properly, and to earn a more reasonable rate of return.

◇ ELVERSON WATER COMPANY – WATER (R-2022-3036491)
REQUESTED RATE INCREASE – $41,031 (22%)
APPROVED RATE INCREASE – $26,201 (14%)
PRIMARY REASON – To recover increased cost of supplies and services and upgrades to operations.

◇ COLUMBIA WATER COMPANY – WATER (R-2023-3040258)
REQUESTED RATE INCREASE – $999,900 (14.2%)
APPROVED RATE INCREASE – Pending
PRIMARY REASON – To earn a fair return on capital investments, support long-term infrastructure replacement programs, and recover increased operating expenses and employee benefit costs.

◇ THE PITTSBURGH WATER AND SEWER AUTHORITY – WATER (R-2023-3039920)
REQUESTED RATE INCREASE – $106,718,828 (79.8%)
APPROVED RATE INCREASE – Pending
PRIMARY REASON – To fund capital improvements, recover operating costs, meet new financial obligation and improve financial metrics.

◇ THE PITTSBURGH WATER AND SEWER AUTHORITY – WASTEWATER (R-2023-3039921)
REQUESTED RATE INCREASE – $19,665,720 (38.3%)
APPROVED RATE INCREASE – Pending
PRIMARY REASON – To fund capital improvements, recover operating costs, meet new financial obligations and improve financial metrics.

◇ THE PITTSBURGH WATER AND SEWER AUTHORITY – STORMWATER (R-2023-3039919)
REQUESTED RATE INCREASE – $19,415,352 (81.5%)
APPROVED RATE INCREASE – Pending
PRIMARY REASON – To fund capital improvements, recover operating costs, meet new financial obligations and improve financial metrics.

TELECOMMUNICATIONS

The Chapter 30 companies filed their Annual Price Stability Index/Service Price Index filings for 2023. During the fiscal year, the companies were authorized to implement a total of $10.66 million in annual revenue increases under their respective price cap filings. The Commission approved $161,395 in actual rate increases.

The Commission maintained the end-user Telecommunications Relay Service (TRS) Surcharge rate at $0.00/month.

The Commission also approved the Pennsylvania Universal Service Fund (USF) Annual Rate Adjustment Administrator's Report with recommendations about the Pennsylvania USF's size for Calendar Year 2023.

The Commission reviewed and approved 27 filings, which were either interconnection agreements or amendments to existing interconnection agreements.



2022-23 MERGERS & ACQUISITIONS

- FIRSTENERGY CORPORATION'S CONSOLIDATION OF ITS PA ELECTRIC DISTRIBUTION COMPANIES

  Under the proposed reorganization, which was filed with the PUC on March 6, 2023, FirstEnergy's PA electric distribution companies – Metropolitan Edison Co. (Met-Ed), Pennsylvania Electric Co. (Penelec), Pennsylvania Power Co. (Penn Power) and West Penn Power Co. (West Penn) – would merge into a newly established entity known as FirstEnergy Pennsylvania Electric Co., which would be a subsidiary of FirstEnergy Pennsylvania Holding Co. LLC, which, in turn, would be a first-tier subsidiary of FirstEnergy Corporation. A settlement in the case was filed on Aug. 30, 2023, which is now being reviewed by the OALJ before it goes before the Commission.

- VEOLIA WATER PENNSYLVANIA INC. AND VEOLIA WATER BETHEL INC. CONSOLIDATION

  On Oct. 4, 2022, Veolia Water Pennsylvania Inc. and Veolia Water Bethel Inc. filed an application to merge Veolia Water Bethel into Veolia Water Pennsylvania. Under the proposed plan, rates for Veolia Water Bethel's customers would not change. The Commission approved the merger on Feb. 9, 2023.

- TELECOMMUNICATIONS TRANSFERS OF CONTROL

  The Commission considered 10 applications that comprised a total of 15 dockets and an extensive number of certificated carriers during the prior fiscal year.

WATER/WASTEWATER ACQUISITIONS

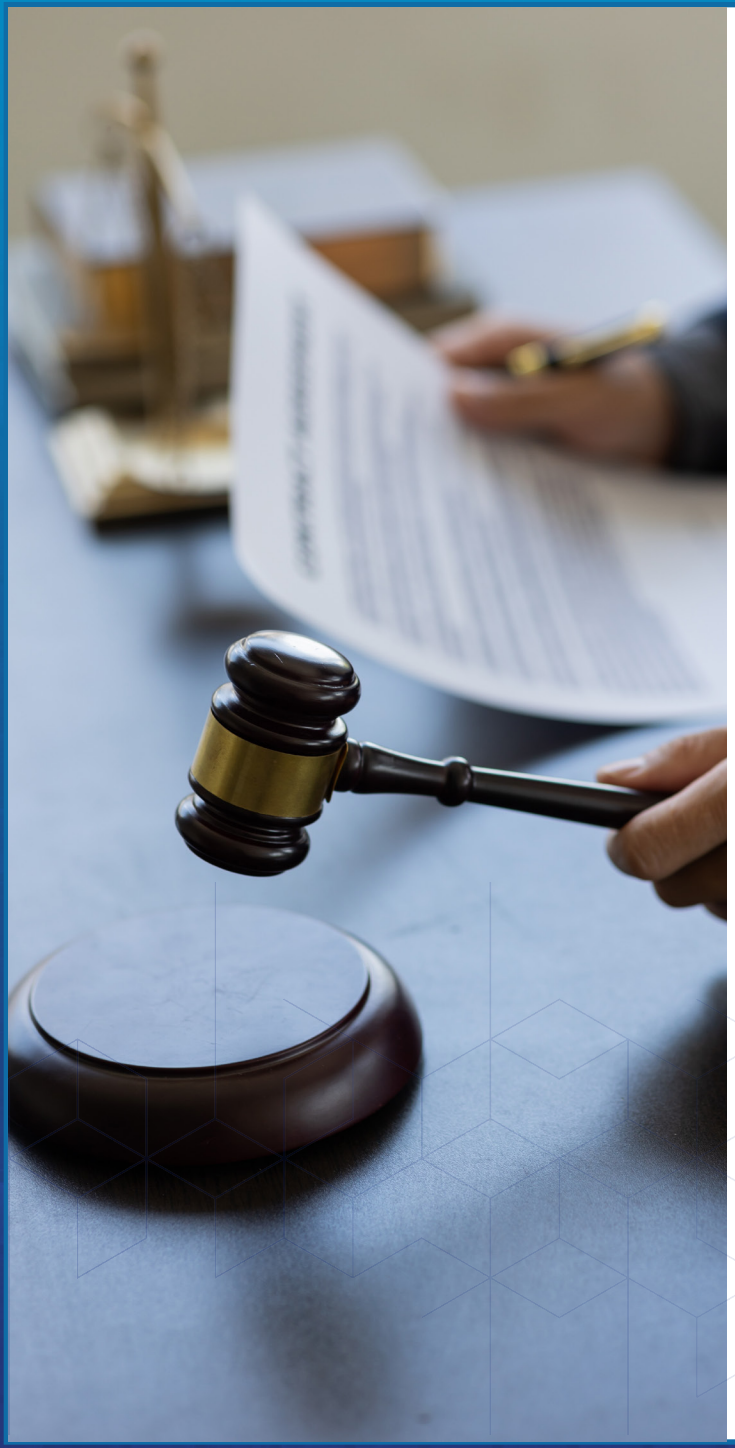
Section 1329 enables a water or wastewater public utility or entity to utilize fair market valuation when acquiring municipal corporation or authority owned water and wastewater systems located in the Commonwealth.

The Commission received the following Section 1329 applications during Fiscal Year 2022-23:

- Aqua Pennsylvania Water Inc. (Aqua) Shenandoah Borough Municipal Authority - Docket A-2022-3034143
- Pennsylvania American Water Company-Wastewater Division Butler Area Sewer Authority - Docket A-2022-3037047
- Aqua Pennsylvania Wastewater Inc. (APW) City of Beaver Falls - Docket A-2022-3033138
- PAWC-WD Brentwood Borough - Docket A-2021-3024058
- PAWC-WD Towamencin Township - Docket A-2023-3039900

The following Section 1329 applications, received in Fiscal Year 2021-22, were approved by the Commission during Fiscal Year 2022-23:

- APW East Whiteland Township - Docket A-2021-3026132
- APW Willistown Township Section - Docket A-2021-3027268



2022-23 COMMONWEALTH COURT DECISIONS

- TELECOMMUNICATIONS

  - Core Communications v. Pennsylvania Public Utility Commission, Verizon PA and Verizon North, U.S. Middle District of PA. Docket No. 1:30-CV-01802. Decided Aug. 8, 2022. Core Communications filed a complaint in federal court arguing the Commission's adjudications of interconnection agreements between Core and Verizon were not based on substantial evidence, were arbitrary and capricious, and were inconsistent with federal law.

- WATER

  - Twin Lakes Utilities Inc. and Aqua Pennsylvania Inc. v. Pennsylvania Public Utility Commission. Docket Nos. 1289 C.D. 2021 and 1359 C.D. 2021. Decided Aug. 11, 2022. This case involves the takeover of a water company by another water company pursuant to Section 529 of the Public Utility Code.

  - County of Delaware v. Pennsylvania Public Utility Commission. Docket No. 455 C.D. 2021. Decided Sept. 12, 2022. Unreported opinion. The County of Delaware petitioned for review of a March 30, 2021, Opinion and Order which vacated the Recommended Decision of the ALJ to deny the application of Aqua Pennsylvania Wastewater Inc. (Aqua) seeking approval to acquire the assets of the Delaware County Regional Water Quality Control Authority (DELCORA).

- ELECTRIC

  - Maria Povacz et al v. Pennsylvania Public Utility Commission Supreme Court Docket Nos. 34-45 MAP 2021. Decided Aug. 16, 2022. This case involved installation of "smart" meters by EDCs in compliance with Act

129 of 2008 (66 Pa.C.S. § 2807(f)). The Pennsylvania Supreme Court held that Act 129 mandates that EDCs furnish smart meters to all electric customers within the EDC's service territory and that Act 129, when read in its entirety, does not allow for an accommodation of an opt-out from having a smart meter installed.

- ◇ Eileen Walden v. Pennsylvania Public Utility Commission. Supreme Court Docket No. 81 MM 2022. Decided Dec. 22, 2022. Ms. Walden filed a Petition for Leave to File a Petition for Allowance of Appeal Nunc Pro Tunc to the PA Supreme Court. This petition was filed in response to her litigation matter against the PUC (in her original dispute with PECO).

- ◇ Township of Marple v. Pennsylvania Public Utility Commission. Docket No. 319 C.D. 2022. Decided March 9, 2023. Opinion reported April 25, 2023. The Commonwealth Court vacated and remanded the Commission's March 10, 2022, Opinion and Order with instructions that it issue an Amended Decision regarding Intervenor PECO Energy Company's "Petition for a finding pursuant to 53 P.S. Section 10619" that must incorporate the results of a constitutionally sound environmental impact review as to siting a "fiber building" and "gas reliability station building" upon real property located in the Township of Marple, Delaware County.

- ◇ Interstate Gas Supply Inc. d/b/a IGS Energy, NRG Energy Inc. and Shipley Choice LLC d/b/a Shipley Energy v. Public Utility Commission. Docket No. 472 C.D. 2022. Decided April 28, 2023. Opinion reported July 12, 2023. A group of electric generation suppliers (IGS) filed complaints against the FirstEnergy Company electric distribution companies.

- ◇ Evangeline Hoffman-Lorah v. Pennsylvania Public Utility Commission. Docket No. 712 C.D. 2019. Decided June 23, 2023. Unreported opinion. The Commonwealth Court affirmed the Commission's Order dismissing a pro se Complainant's consolidated "smart meter" complaints against PPL Electric Utilities Corporation (PPL) regarding her two service properties.

- ◇ Atuahene v. Pennsylvania Public Utility Commission. Docket No. 1077 C.D. 2021. Decided June 27, 2023. Unreported opinion. Agnes and Steve Atuahene (Atuahenes) filed a complaint challenging a threatened termination of their electric service by disputing the accuracy of PECO's electric meter readings and the legality of PECO's transfer of electric service account balances from several rental properties owned by the Atuahenes to the account at their current residential address.

◆ GAS

- ◇ City of Lancaster v. Pennsylvania Public Utility Commission. Docket No. 251 C.D. 2019. Decided Oct. 11, 2022. The City of Lancaster and other municipalities filed a Petition with Commonwealth Court which challenged the validity of Section 59.18 of the PUC's Regulations 52 Pa. Code § 59.18, which, as amended by a Final Rulemaking Order adopted on May 22, 2014, mandated outdoor gas meter locations but permits a natural gas distribution company's consideration of indoor gas meter locations when a gas meter is located inside a building within a locally designated historic district.

- Sunoco Pipeline LP v. Pennsylvania Public Utility Commission, Docket Nos. 1415-1419 C.D. 2021 and 1421 C.D. 2021. Decided May 5, 2023. The Commonwealth Court affirmed in part and reversed in part the Commission's Order dated Nov. 18, 2021. Specifically, the Court affirmed part of the Commission's decision concluding that Sunoco Pipeline L.P.'s public awareness program as implemented failed to meet the reasonable service standard pursuant to 66 Pa.C.S. Section 1501, and there was no error in directing remedial actions to ensure the delivery of safe and reasonable service.

RIGHT-TO-KNOW LAW

- Energy Transfer and Pennsylvania Public Utility Commission v. Rebecca Moss and Spotlight PA. Docket Nos. 1700 C.D. 2019 and 1722 C.D. 2019. Decided Jan. 20, 2023, Opinion reported. The Commonwealth Court reversed the Office of Open Record's (OOR) Final Determination regarding Commission records requested under the Right-to-Know Law, 65 P.S. §§ 67.101, et seq.

- Public Utility Commission v. Eric Friedman and Energy Transfer v. Eric Friedman (Friedman II). Docket Nos. 1560 C.D 2019 and 1576 C.D. 2019. Decided April 25, 2023. The PUC appealed the Office of Open Records' Final Determination ordering the PUC to turn over records requested by Eric Friedman pursuant to the PA Right-to-Know Law, including transmittal letters containing confidential security information (CSI) and the non-CSI records submitted under cover of those transmittal letters by Sunoco Pipeline/Energy Transfer (ET).

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OCA Ex. 5

Hearing



OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
THE JOINT APPLICANTS - SET IV
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set IV

OCA-JA-IV-8 For each regulated Pennsylvania public utility owned by Essential Utilities, identify that utility's last five Pennsylvania rate cases, by date and docket number.

Response:

Aqua PA:

- Docket Nos. R-2024-3047822 & R-2024-3047824 (W & WW). May 23, 2024
- Docket Nos. R-2021-3027385 & R-2021-3027386 (W & WW). August 20, 2021
- Docket Nos. R-2018-3003558 & R-2018-3003561 (W & WW). August 17, 2018
- Docket No. R-2011-2267958 (W). November 18, 2011
- Docket No. R-2009-2132019 (W). November 18, 2009

Peoples:

- Docket No. R-2023-3044549 (Peoples). December 29, 2023
- Docket No. R-2018-3006818 (Peoples). January 28, 2019
- Docket No. R-2012-2201702 (Peoples). February 28, 2012
- Docket No. R-2010-2201702 (Peoples). October 28, 2010
- Docket No. R-2008-2029325 (Equitable). June 30, 2008

Responsible Witness(es):

Colleen Arnold

Michael Huwar

OCA Statement No. 1
Public Version

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company,	:	
Inc., Essential Utilities, Inc., Aqua Pennsylvania, Inc.,	:	A-2025-3058927
Aqua Pennsylvania Wastewater, Inc., Peoples Natural	:	A-2025-3058928
Gas Company LLC and Alpha Merger Sub, Inc. for a	:	A-2025-3058929
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	:	

DIRECT TESTIMONY

OF

RALPH C. SMITH
[HIGHLY CONFIDENTIAL AND CONFIDENTIAL INFORMATION HAS BEEN REDACTED]

REGARDING MERGER POLICY AND BENEFITS

ON BEHALF OF THE
PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

May 21, 2026

DIRECT TESTIMONY OF RALPH C. SMITH
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ATTACHMENTS:

RCS-1, Background and Qualifications

RCS-2, Selected non-confidential responses to discovery that are referenced in my testimony.

RCS-3, Selected confidential responses to discovery.

RCS-4, Selected HIGHLY CONFIDENTIAL information from American Water's response to OCA-JA-I-05.

RCS-5, Illustrative Examples of Goodwill Impairments that have occurred after Acquisitions.

I. INTRODUCTION

Q. Please state your name, position and business address.

A. Ralph C. Smith. I am a Senior Regulatory Consultant at Larkin & Associates, PLLC, 15728 Farmington Road, Livonia, Michigan 48154.

Q. Please describe Larkin & Associates.

A. Larkin & Associates is a Certified Public Accounting and Regulatory Consulting firm. The firm performs independent regulatory consulting primarily for public service/utility commission staffs and consumer interest groups (public counsels, public advocates, consumer counsels, attorneys general, etc.). Larkin & Associates has extensive experience in the utility regulatory field as expert witnesses in over 400 regulatory proceedings including numerous telephone, water and sewer, gas, and electric matters.

Background and Qualifications

Q. Mr. Smith, please summarize your educational background.

A. I received a Bachelor of Science degree in Business Administration (Accounting Major) with distinction from the University of Michigan - Dearborn, in April 1979. I passed all parts of the C.P.A. examination in my first sitting in 1979, received my CPA license in 1981, and received a certified financial planning certificate in 1983. I also have a Master of Science in Taxation from Walsh College, 1981, and a law degree (J.D.) cum laude from Wayne State University, 1986. In addition, I have attended a variety of continuing education courses in conjunction with maintaining

my accountancy license. I am a licensed Certified Public Accountant and attorney in the State of Michigan. I am also a Certified Financial Planner™ professional and a Certified Rate of Return Analyst (CRRA). Since 1981, I have been a member of the Michigan Association of Certified Public Accountants. I am also a member of the Michigan Bar Association and the Society of Utility and Regulatory Financial Analysts (SURFA). I have also been a member of the American Bar Association (ABA), and the ABA sections on Public Utility Law and Taxation.

Q. Please summarize your professional experience.

A. Subsequent to graduation from the University of Michigan, and after a short period of installing a computerized accounting system for a Southfield, Michigan realty management firm, I accepted a position as an auditor with the predecessor CPA firm to Larkin & Associates in July 1979. Before becoming involved in utility regulation where the majority of my time for the past 46 years has been spent, I performed audit, accounting, and tax work for a wide variety of businesses that were clients of the firm.

During my service in the regulatory section of our firm, I have been involved in rate cases and other regulatory matters concerning numerous electric, gas, telephone, water, and sewer utility companies. My present work consists primarily of analyzing rate case and regulatory filings of public utility companies before various regulatory commissions, and, where appropriate, preparing testimony and schedules relating to the issues for presentation before these regulatory agencies.

I have performed work in the field of utility regulation on behalf of industry, state attorneys general, consumer groups, municipalities, and public service

commission staffs concerning regulatory matters before regulatory agencies in Alabama, Alaska, Arizona, Arkansas, Barbados, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Jersey, New Mexico, New York, Nevada, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington D.C., West Virginia, and Canada as well as the Federal Energy Regulatory Commission and various state and federal courts of law. My prior testimonies have included evaluations of numerous utility rate case filings and revenue requirement determinations.

Q. Have you previously testified before the Pennsylvania Public Utility Commission?

A. Yes. I have previously testified before the Pennsylvania Public Utility Commission ("PA PUC" or "Commission") on a number of occasions.

Q. Have you previously submitted testimony before the Commission in utility merger and acquisition cases?

A. Yes. I presented testimony on behalf of the Pennsylvania Office of Consumer Advocate ("OCA") in Docket No. A-122250F5000 involving a proposal for Approval of the Transfer of All Stock and Rights of The Peoples Natural Gas Company d/b/a Dominion Peoples to Equitable Resources. I filed testimony on behalf of the Pennsylvania OCA in Docket No. A-2008-2063737, involving a proposal to transfer all of the issued and outstanding shares of capital stock of The

Peoples Natural Gas Company to SteelRiver Infrastructure Fund North America LP ("SRIFNA"). I filed testimony on behalf of the Pennsylvania OCA in Docket No. A-2010-2210326, involving a proposal to transfer all of the issued and outstanding shares of capital stock of T.W. Phillips Gas and Oil Co., currently owned by TWP Inc., to LDC Holdings II LLC, an indirect subsidiary of SRIFNA, and to Approve the Resulting Change in Control of T.W. Phillips Gas and Oil Co.

As additional illustrative examples, I filed testimony and participated in the following Pennsylvania acquisition/merger proceedings on behalf of the OCA:

- LDC Holdings Inc. proposed purchase of T.W. Phillips Gas and Oil Co., Pennsylvania PUC Docket No. A-2010-2210326;
- Babcock & Brown Infrastructure Fund North America LP proposed acquisition of Peoples Natural Gas Company, Pennsylvania PUC Docket No. A-2008-2063737; and
- Equitable Resources, Inc. proposed acquisition of Dominion Peoples, Pennsylvania PUC Docket No. A-122250F5000.

I also filed testimony on behalf of the OCA in the Aqua-Peoples acquisition/merger case, Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063. I filed direct and surrebuttal testimony on behalf of the OCA in the NextEra-Manwalamink water and sewer utility ownership transfer and request for approval of Certificates of Public Convenience matters, Docket Nos. A-2022-3035298 (Water), A-2022-3035299 (WW), A-2022-3035490 (Water), and A-2022-3035492 (WW). I also filed direct testimony on behalf of the OCA in the Pennsylvania-American Water Company-Butler Area Sewer Authority sewer utility ownership transfer, Docket Nos. A-2022-3037047, et al.

Q. Have you filed testimony in other jurisdictions concerning utility acquisition and merger cases?

A. Yes, as illustrative examples my prior testimony has included evaluations of proposed mergers, such as Docket No. T-01051B-99-0497 before the Arizona Corporation Commission on behalf of the Utilities Division Staff concerning the merger of the parent corporations of Qwest Communications Corporation, LCI International Telecom Corp., USLD Communications, Inc., Phoenix Network, Inc. and US WEST Communications, Inc. As other illustrative examples, I filed testimony on behalf of the West Virginia Consumer Advocate Division ("CAD") in Case No. 08-1761-G-PC, concerning a proposal to transfer all of the issued and outstanding shares of capital stock of Hope Gas, Inc. d/b/a Dominion Hope to SRIFNA and in Case No. 10-0713-E-PC, concerning a proposal for a merger between a subsidiary of FirstEnergy and Allegheny Energy, Inc. and the "change of control" of Monongahela Power Company, Potomac Edison Company and Trans-Allegheny Interstate Line Company.

I filed testimony on behalf of the Connecticut Office of Consumer Counsel in Docket No. 15-03-45 before the Connecticut Public Utilities Regulatory Authority ("PURA") in the Joint Application Of Iberdrola, S.A., et al, and UIL Holdings Corporation for Approval of a Change Of Control.

I filed testimony on behalf of the District of Columbia District Government in Formal Case No. 1119 before the District of Columbia Public Service Commission concerning the Matter of the Merger of Exelon Corporation, Pepco

Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC and New Special Purpose Entity, LLC.

I filed testimony on behalf of the Steering Committee of Cities Served by Oncor, the Texas Office Of Public Counsel, and the Texas Industrial Energy Consumers before the Public Utility Commission of Texas in Docket 46238 concerning a proposed acquisition by NextEra Energy, Inc. of Oncor Electric Delivery Company LLC.

I filed testimony before the Montana Public Utilities Commission in a number of merger and acquisition proceedings including Docket No. 2025.10.078 involving a proposed merger of NorthWestern Energy and Black Hills Corporation; Docket No. D2018.1.6, involving a proposed corporate reorganization of Montana Dakota Utilities and Great Plains Natural Gas Co.; Docket No. 2024.08.088, involving a proposed purchase by NorthWestern Energy of Energy West Montana and Cut Bank Gas Company.

I also participated/testified in the following acquisition/merger proceedings:

- NextEra's proposed purchased of the Hawaiian Electric Companies (HECO), Hawaii Public Utilities Commission Docket No. 2015-0022;
- Iberdrola, S.A., et al proposed purchase of UIL Holdings Corporation, Massachusetts Department of Utilities, Docket No. 15-26;
- Proposed merger of Fortis, Inc. and UNS Energy Corporation, Arizona Corporation Commission Docket Nos. E-04230A-14-0011, E-01933A-14-0011;
- LDC Holdings Inc. proposed purchase of T.W. Phillips Gas and Oil Co., Pennsylvania PUC Docket No. A-2010-2210326;
- Babcock & Brown Infrastructure Fund North America LP proposed acquisition of Peoples Natural Gas Company, Pennsylvania PUC Docket No. A-2008-2063737;

- Equitable Resources, Inc. proposed acquisition of Dominion Peoples, Pennsylvania PUC Docket No. A-122250F5000.

Q. Have you also participated in Pennsylvania water and wastewater utility rate cases in which acquired utility systems were addressed?

A. Yes. On behalf of the OCA I also filed testimony and participated in a number of Pennsylvania water and/or wastewater utility rate cases in which acquired systems were addressed. Some of those Pennsylvania rate cases involving water and wastewater systems that were acquired by PAWC and Aqua predated Section 1329 and some involved acquisitions made by the utilities under Section 1329.

Q. Have you filed testimony and/or participated in utility rate cases in which the fair value of utility assets was analyzed?

A. Yes, in several Arizona utility rate cases, where fair value was being used to established the utility's required operating income and revenue requirement, I reviewed and addressed the utility's fair value and reconstruction cost new depreciated (RCND) analyses for public utility assets. The Arizona state constitution includes a requirement that the Arizona Corporation Commission consider fair value in establishing utility rates. I have worked on many Arizona rate cases in which original cost, reconstruction cost new depreciated (RCND) and fair value rate base presented by utilities were reviewed and adjusted. The RCND studies used by Arizona utilities in their rate cases have some similarities to the replacement cost analysis used in the Section 1329 appraisal studies, in that Handy Whitman and other cost indices are applied to historical plant costs to derive

reconstruction/replacement values. The fair value rate base used in Arizona rate cases is different than the fair market value concept used in Pennsylvania Section 1329 cases where the average of two independent appraisals is compared with the purchase price of utility assets to determine the amount to be used for rate base for the acquired system.

Q. Have you participated on project teams that were involved with the valuation of water or sewer utility assets for potential purchase or acquisition?

A. Yes. As an illustrative example, in 1997-1998, on a project for the Village of University Park, IL, a Larkin & Associates team I led worked with the engineering firm, Crawford, Murphy & Tilly, Inc., to perform a water and sewer valuation study for University Park. Various reports were jointly produced for University Park for that project.

Q. Have you prepared an attachment summarizing your educational background and regulatory experience?

A. Yes. Attachment RCS-1 provides details concerning my experience and qualifications.

Purpose of Testimony

Q. On whose behalf are you appearing?

A. I am appearing on behalf of the Pennsylvania OCA.

Q. What is the purpose of the testimony you are presenting?

A. My testimony presents the analysis, results and conclusions of Larkin & Associates' review of this proposed acquisition of American Water Works Company, Inc. ("AW" or "American Water") and Essential Utilities, Inc. ("EU" or "Essential") (combined "Applicants," "Joint Applicants" or "JA") under Sections 1102(a)(3) and 2210(c) of the Public Utility Code and for other approvals for a change in control of Aqua, Pennsylvania, Inc., ("Aqua PA"), Aqua Pennsylvania Wastewater, Inc., ("Aqua PA WW") (collectively "Aqua") and Peoples Natural Gas Company LLC ("PNG" or "the Peoples Companies") and the risks it presents to ratepayers in the Commonwealth. My testimony also presents a number of conditions that are necessary to address concerns that I have identified with the merger.

Q. What information did you review in conducting your analysis?

A. In conducting my analysis, I reviewed the Applicants' filed testimony and exhibits and their responses to discovery propounded by the OCA and others. This included the Highly Confidential "due diligence" documentation prepared by or for American Water and Essential. I also reviewed publicly available documents, such as annual reports and SEC filings, and other information.

Attachments Filed with Testimony

Q. Have you prepared any attachments to be filed with your testimony?

A. Yes. Attachments RCS-2 through RCS-5 were prepared by me or under my supervision and are attached to my testimony.

Q. Please briefly explain what is included in each of those attachments.

A. Attachment RCS-2 contains selected non-confidential responses to discovery that are referenced in my testimony.

Attachment RCS-3 contains selected confidential responses to discovery.

Attachment RCS-4 contains selected HIGHLY CONFIDENTIAL information from American Water's response to OCA-JA-I-05.

Attachment RCS-5 presents some Illustrative Examples of Goodwill Impairments that have occurred after Acquisitions.

Summary of Testimony and Conclusions

Q. Please summarize your testimony and conclusions.

A. The merger proposed by the Joint Applicants is not in the public interest and should be rejected. Only with sufficient conditions to protect ratepayers and assure a public benefit should the merger be approved.

Q. Do you have concerns about the lack of information that is being provided on how the transaction proposed by the Joint Applicants will affect the largest investor owned water and wastewater in Pennsylvania?

A. Yes. I note that the proposal put forward by the Joint Applicants specifically seeks approval 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 PA"), Aqua Pennsylvania Wastewater, Inc., ("Aqua WW PA") (collectively "Aqua") and Peoples Natural Gas Company LLC ("Peoples" or "PNG") to American Water. This proposal is the

Pennsylvania specific aspect of a broader agreement for Aqua and Peoples's current controlling-parent corporation, Essential Utilities, to be assumed into American Water. Aqua is currently the second largest investor-owned water and wastewater utility in Pennsylvania. As a result of this change, Aqua would become American Water's second water and wastewater subsidiary in Pennsylvania. Pennsylvania American Water Company ("PAWC"), a subsidiary of AW is currently the largest investor-owned water and wastewater utility in Pennsylvania and would also be affected by the proposed transaction. However, the Applicants contend that PAWC is not a formal party to this proceeding. This is a claim that the Joint Applicants have made clear repeatedly through the discovery process when the JAs objected to numerous requests for information on PAWC. While I acknowledge that PAWC is not a formal party in this proceeding, that does not necessarily mean that PAWC is irrelevant or that PAWC will not also be affected by the proposed transaction. Given that the request before the Commission is for Aqua and Peoples to become American Water subsidiaries, it would seem shortsighted to not review PAWC's records and trends and to consider impacts of the JA's proposed merger on PAWC, as well as on Aqua and Peoples and how to consider how Aqua, Peoples and PAWC will each managed under the common control of American Water.

Q. What are the conditions under which this acquisition could be approved?

A. In order for the Commission to approve this acquisition, the acquisition must affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way. If the Joint Application on its own does not meet that standard, conditions must be imposed to reflect benefits to the ratepayers of

Pennsylvania that are substantial, and the various risks and harms that could result from the acquisition as proposed by Applicants must be mitigated. The following conditions and mitigation measures are recommended in addition to those proposed by the Joint Applicants to protect Pennsylvania ratepayers from the risks associated with the acquisition, and to bring affirmative benefits. I recommend that the Joint Applicants adopt the following commitments:

- Joint Applicants shall establish a rate credit fund to reduce customer rates in future rate cases of Aqua, the Peoples Companies and Pennsylvania American Water Company ("PAWC") (collectively, the "Pennsylvania Utilities" or "PA Utilities").

- A commitment for the JA's to a three-year stay-out on Section 1329 acquisitions, other than for troubled water and wastewater utility systems, should be required.

- Joint Applicants commit that the merger will not interfere with Aqua's or PAWC's ability to finance or pursue acquisitions of troubled PUC regulated Pennsylvania water and wastewater utilities and that Aqua PA and AW on behalf of its subsidiary PAWC commit to continuing to pursue such acquisitions.

- Recording of Goodwill and Protection from "Push Down" Accounting: No Pennsylvania public utility shall record any goodwill resulting from the transaction on its books. The JAs and each of the Pennsylvania public utilities shall also ensure that such Goodwill does not impact rates charged to any Pennsylvania public utility customers, or the capital structure of any Pennsylvania public utilities.

- All of the Pennsylvania utility assets acquired by American Water from Essential Utilities, including all rate base includable assets of Aqua and Peoples, shall be recorded at the depreciated net book value on Aqua's and Peoples' books. None of those acquired Pennsylvania utility assets shall be recorded at higher "fair value' amounts on Aqua's or Peoples' books as a result of the proposed transaction.

- No acquisition premium or Goodwill amount associated with the Transaction will be recorded on the books of any Pennsylvania public utility. Nor will any acquisition premium or Goodwill amount

associated with the Transaction be included in the utility rates of any of the PA Utilities.

- The Joint Applicants agree and commit that any acquisition premium or Goodwill amounts resulting from the Transaction will be excluded from the ratemaking capital structures for Aqua PA and the Peoples Companies and AW on behalf of its subsidiary PAWC agree and commit that any acquisition premium or Goodwill amounts resulting from the Transaction will be excluded from the ratemaking capital structures for PAWC.

- The Joint Applicants shall file a Report of Action within one hundred and twenty (120) days after closing of the Merger. The Report of Action shall contain: (1) the closing date of the Merger; (2) the actual total EU stock sale price; and (3) the actual accounting entries records on each company's books to reflect the Merger. The Merger-related accounting entries in Aqua and Peoples' books shall include: all Transaction Cost and Transition Cost accounting entries for Aqua and Peoples that are recorded on the books of each entity; all Merger related fair value, Goodwill, and/or Acquisition Premium accounting entries for Aqua and Peoples and their subsidiaries; all Merger-related tax accounting entries for Aqua and Peoples and their subsidiaries; all Merger-related debt and equity financing accounting entries for Aqua and Peoples and their subsidiaries

- The Joint Applicants shall ensure that Merger accounting is rate-neutral for all Pennsylvania public utility customers. The Joint Applicants shall ensure that any accounting treatments associated with transaction accounting do not affect rates charged to Pennsylvania public utility customers. American Water shall not record any of the impacts of purchase accounting on the books of any Pennsylvania public utility, thereby maintaining historical cost accounting at each Pennsylvania public utility. No Goodwill or other fair value adjustments shall be recorded at any Pennsylvania public utility upon consummation of the Merger. No Goodwill shall be recorded on any Pennsylvania public utility's books or included in any rates charged to any Pennsylvania public utility customers.

- None of the Pennsylvania public utilities shall seek recovery in rates of any Transaction Costs incurred in connection with the Acquisition or Merger. The categories of "Transaction Costs" incurred in connection with consummation of the Merger that shall not be recovered from utility customers are: (1) consultant, investment banker, legal, and regulatory support fees, (2) change in control or retention payments, executive severance payments, and the accelerated portion of

supplemental executive retirement plan payments, (3) costs associated with the shareholder meetings and a proxy statement related to the Merger approval by Joint Applicants' respective shareholders, (4) costs associated with the imposition of conditions or approval of settlement terms in other state jurisdictions, (5) costs associated with shareholder litigation concerning the Merger, (6) costs associated with paying off existing debt, and (7) any other costs related to the Transaction that would not be incurred but for the proposed Transaction.

- All Transaction Costs shall be recorded on the books of American Water and shall be specifically tracked to facilitate verification that none of the Transaction costs are being included directly or indirectly in the cost of service of any Pennsylvania public utility.

- No Transaction costs shall be recorded on the books of any Pennsylvania public utility.

- Joint Applicants commit that all Transition Costs that are incurred prior to the closing of the proposed transaction should be borne by shareholders. No pre-merger closing Transition Costs should be allocated to any Pennsylvania utility operating entities.

- The Joint Applicants agree that if the transaction is not consummated all costs related to pursuing the Acquisition including all termination fees are the "responsibility of shareholders" (i.e. the costs will be borne by the respective applicant companies themselves and will not be recovered from Pennsylvania utility ratepayers).

- American Water commits that no pre-merger closing Transition Costs shall be included in the cost of service of any Pennsylvania utilities in any Pennsylvania rate case. "Transition costs" as used in this condition are incremental costs that are incurred to facilitate the integration of the companies and include, but are not necessarily limited to, all of the types of costs that are listed in the response to OCA-JA-I-18(a) and (e) (expenses incurred to realize anticipated benefits such as consulting fees, IT system changes, restructuring expenses, IT integration, process alignment and workforce restructuring).

- Neither the Joint Applicants nor any of their Pennsylvania jurisdictional utilities will seek recovery of any "golden parachute," change-in-control, separation or severance, retention, or re-branding costs related to the merger from Pennsylvania jurisdictional customers. These costs will be specifically identified as part of any future rate review proceeding for each owned Pennsylvania jurisdictional utility and shall be borne by shareholders.

- Joint Applicants confirm that the merger does not and will not impact the accumulated deferred income tax (ADIT) or Excess ADIT (EADIT) balances on any Pennsylvania utility's financial statements (including balance sheets).

- All Transition Costs shall be recorded on the books of American Water. No Transition Costs shall be recorded on the books of any Pennsylvania Utility.

- American Water shall track and account for Transition Costs and costs to achieve synergy savings in sufficient detail so the parties can review such costs and verify that none of the costs have been included in the cost of service of any Pennsylvania Utility.

- Each Pennsylvania Utility currently under the ownership of American Water or Essential Utilities shall refrain from filing a new base rate case for three years from the date of effective rates in its last base rate case filing as of the date of closing.

- In each of its subsequent rate cases, each Pennsylvania Utility shall report and quantify the impacts resulting from any constraints on their ability to monetize otherwise available tax benefits due to their affiliation with American Water and its post-merger participation in a U.S. consolidated federal income tax return with American Water subsidiaries.

- Joint Applicants shall ensure that consummation of the Merger shall not affect accounting and ratemaking treatments of the Peoples Companies' accumulated deferred income taxes, including excess deferred income taxes, accumulated deferred tax credits and net operating losses (including net operating loss carrybacks and net operating loss carryforwards). No tax elections or accounting methods shall be employed related to the Merger that would in any way result in any reduction to the Peoples Companies' net accumulated deferred income tax balances that are used to reduce rate base in the Peoples Companies' rate cases.

- Joint Applicants shall ensure that consummation of the Merger shall not affect accounting and ratemaking treatments of the Aqua PA's accumulated deferred income taxes, including excess deferred income taxes, accumulated deferred tax credits and net operating losses (including net operating loss carrybacks and net operating loss carryforwards). No tax elections or accounting methods shall be employed related to the Merger that would in any way result in any reduction to the Aqua PA's net accumulated deferred income tax balances that are used to reduce rate base in Aqua PA rate cases.

- A commitment by the JA's to present a 50/50 hypothetical debt/equity capital structure in the Pennsylvania utilities' base rate cases for 10 years following the merger consummation. Having information on such a 50/50 capital structure in the utility rate cases, can help protect Pennsylvania utility customers from indirect, return-increasing efforts by holding company executive management, such as double leveraging or other parent company tactics to issue debt and infuse the debt into the utility subsidiary equity, increasing rates for ratepayers.

- Joint Applicants and their Pennsylvania subsidiaries and affiliates shall, during the ten-year period following Merger Close, provide for the next ten years annual contributions to public 501(c)(3) charities, that are not industry associations or donor-advised funds, of at least their highest annual amount during the five years pre-merger. American Water shall file by April 30 of each year an annual report on the contributions made in the prior calendar year, which shall at minimum specify which company(ies) made the contribution (e.g. Aqua PA, the Peoples Companies, PAWC, affiliated service companies, etc.), the amount of the contribution, and the recipient of the funds. These charitable contributions shall not be recovered in rates.

- Report deviations from Aqua's and the Peoples Companies budgeted capital and O&M expenditures made in anticipation of American Water ownership, and similar reporting deviations from Aqua's and the Peoples Companies budgeted capital and O&M expenditures that are made after transaction consummation and the reasons for those deviations.

- Ensure that transaction accounting is rate-neutral for the Aqua and Peoples Companies Pennsylvania utility customers.

- Require that Joint Applicants provide a side-by-side comparison by function of pre- and post-Acquisition shared-services cost allocations to Aqua and to the Peoples Companies for five pre- and post-Acquisition years.

- Require tracking of affiliated service company charges for services provided to Aqua and to the Peoples Companies on a comparable basis for tracking transaction-related Savings.

- Require reporting of key credit metrics including Funds from Operations ("FFO")/debt, FFO/interest, and debt/capitalization for Essential Utilities and each Pennsylvania utility that has its own bond credit rating, and requiring that Joint Applicants use reasonable efforts to maintain the Essential Utilities, Aqua and Peoples Companies' credit

ratings at investment-grade for each of their publicly-traded debt securities.

- American Water shall commit to safely operating all of the Pennsylvania natural gas companies that it would acquire in the proposed transaction.

- American Water shall assure that the executive management of the Peoples Companies continue to possess substantial experience at a natural gas utility and with pipeline safety issues and gas utility pipeline integrity management. American Water shall assure that turnover of Peoples Companies executive management and key employees does not present public safety risks to the public, and that executive management and personnel in key positions who leave the Peoples Companies are promptly replaced with qualified and knowledgeable replacements.

- Joint Applicants commit to maintaining field office staffing for the Peoples Companies and for Aqua at least at the levels approved in the most recent base rate case for the next five years. American Water and the Peoples Companies and Aqua shall provide annual reports to the Commission, I&E, OSBA, and OCA regarding field offices and staffing levels in its service territory for a period of five years following the Transaction.

- The proposed transaction will have no impact to current office locations and staffing levels at each Pennsylvania utility.

- There will be no reductions in the JA's current Pennsylvania employment for at least three years from the merger consummation date.

- The Essential Utilities, Aqua PA, Peoples Gas headquarters shall remain in Pennsylvania for at least five years from merger consummation.

- Aqua's state-of-the-art testing facility that Aqua recently opened in Bryn Mawr shall continue to be maintained at that location for at least 10 years from merger consummation.

- American Water should also commit to maintaining a qualified management team that will continue to operate the Peoples Companies after the proposed transaction occurs.

- The Joint Applicants commit to adhere to the collective bargaining agreements in effect as of Closing.

- American Water will have a board of directors consisting of at least one member who possesses substantial experience at a natural gas utility and with pipeline safety issues and gas utility pipeline integrity management.

- The American Water Board of Directors and Executive Committee shall include the Pittsburgh, PA area and service area of the Peoples Companies among the locations of their meetings.

- The American Water Board of Directors and its committees shall meet with the Peoples Companies executive management at least once per month for the first three years post-merger and shall meet at least once per year in the Pittsburgh, PA headquarters office and/or at a location in the utility service area of the Peoples Companies.

- American Water will continue to maintain the Aqua and Essential Utilities corporate headquarters in Bryn Mawr for a least five years from merger consummation.

- American Water agrees not to move Aqua and Essential Utilities corporate headquarters in Bryn Mawr after Closing and can only do so after that time upon application to and approval by the Commission.

- American Water will continue to maintain the Peoples Companies' corporate headquarters at 375 North Shore Drive in Pittsburgh, PA until the lease expires (January 31, 2029) at which point the Company will evaluate whether to exercise the option to extend the lease by 5 more years or negotiate a new lease.

- Peoples agrees not to move its headquarters outside of the Peoples Companies' Pennsylvania service territory after Closing and can only do so after that time upon application to and approval by the Commission.

- Aqua will continue to maintain its corporate headquarters in Pennsylvania and agrees not to move its headquarters outside of the Aqua Pennsylvania service territory after Closing for at least five years and can only do so after that time upon application to and approval by the Commission.

- American Water commits to continue tracking and fulfilling the Peoples Companies' commitments that are listed in the settlement in Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063 (the Aqua-Peoples merger dockets) that have not yet been fulfilled prior to the consummation of the proposed merger.

- If, on a per-customer basis, the benefits in any other state regulatory jurisdiction that must approve the proposed Transaction are materially more beneficial than the terms of this Order with respect to the same category of benefits, then American Water shall increase the amount of the benefit in each such respective category that is to be provided to Pennsylvania public utility customers of Aqua PA and the Peoples Companies in an amount equivalent (on a per-customer basis) to the value provided in the other jurisdiction. In no event shall the operation of this condition cause the Pennsylvania rate credit amount or any other financial or non-financial benefit to be reduced. In the event that any benefits are to be increased pursuant to this condition, the Commission shall retain the authority to allocate any such additional benefits, credits, or payments in any manner that is consistent with the public interest.

- PNG currently issues debt on behalf of the Peoples Companies and Aqua PA currently issues its own debt. The Peoples Companies outstanding debt is currently expected to remain in place following the acquisition. In the future, PNG will continue to issue debt on behalf of the Peoples Companies. The Peoples Companies and Aqua PA will issue and maintain their own long term debt held by investors and by affiliates, unless the Commission authorizes to the contrary.

- The Peoples Companies and Aqua PA will not guarantee the debt of Funding, American Water, or any of their affiliates; grant liens upon its property other than in conjunction with obtaining financing for their own utility operations; or make loans or extend credit for a term of more than one year, without prior Commission approval if required by the Pennsylvania Public Utility Code.

- Under American Water ownership, the Peoples Companies' cost of financing will be absolutely transparent. Its cost of debt will reflect its actual underlying credit, without the effect of less than arms-length affiliated transactions.

- Under American Water ownership, Aqua's cost of financing will be absolutely transparent. Its cost of debt will reflect its actual underlying credit, without the effect of less than arms-length affiliated transactions.

- Aqua and Peoples will maintain the existing terms and conditions of employment and expects that all management and operating employees, other than the officers listed as expected to leave or retire will remain with the Peoples Companies after the acquisition.

- Concerning employee compensation and benefits of the Aqua and Peoples Companies, American Water shall commit to maintain levels of total compensation and benefits for the Aqua and Peoples existing employees at levels comparable to those in effect immediately prior to closing for at least one year after the closing date. American Water has also offered to retain Peoples' existing day-to-day management team and honor existing employment agreements. Aqua and Peoples will continue in effect its current collective bargaining agreement. In addition, its existing pension plans will be maintained.

- The Peoples Companies and Aqua will continue to maintain separate books and records, each in accordance with the applicable Uniform System of Accounts for their type of utility.

These conditions are in addition to those recommended by OCA witness Barbara Alexander.

By requiring these recommended conditions for approval in conjunction with those recommended by Ms. Alexander, the Commission can ensure that Pennsylvania ratepayers and the interests of the Commonwealth are protected from the risks and harm presented by the acquisition, and that substantial affirmative benefits are provided as a result of the acquisition and subsequent business combination.

II. STANDARD OF REVIEW

Q. How have the Applicants attempted to present the proposed transaction?

A. Applicants have presented the transaction as an all stock tax-free merger. Under the terms of their merger agreement, Essential Utilities shareholders will receive 0.305 shares of American Water common stock for each share of Essential they own at the closing of the transaction. This is a fixed exchange ratio and will not change based

on stock price fluctuations. The exchange ratio provides a roughly 10% premium to Essential's common stock shareholders. Post-merger, American Water shareholders will hold approximately 69% and Essential Utilities shareholders approximately 31% of the combined entity. As a result of the proposed transaction, American Water will wholly own Essential. American Water will remain the corporate parent of PAWC and all other American Water subsidiaries and will become the corporate parent of Essential and all of its subsidiaries, including Aqua PA, Aqua PA WW, and Peoples. American Water is not proposing to merge PAWC and Aqua PA at this time.

Q. Please state your understanding of the standard of review that must be met in order for the proposed transaction to be approved by the Commission.

A. It is my understanding that Section 1102(a) of the Public Utility Code requires the Commission to issue a Certificate of Public Convenience as a legal prerequisite to certain property transfers by public utilities or their affiliated interests. This same statute also requires that a certificate be granted only if "necessary or proper for the service, accommodation, convenience or safety of the public". I have been advised by counsel that the Pennsylvania Courts and the Commission have construed this as requiring that a proposed acquisition of, or merger with, a public utility "… will affirmatively promote the service accommodation, convenience, or safety of the public in some substantial way." City of York v. Pennsylvania Public Utility Commission, 449 Pa 136, 141, 209 A.2d 825,828 (1973); Popowsky v. Pa. PUC, 594 Pa. 583; 937 A.2d 1040; 2007 Pa. LEXIS 2896 (2007), aka the Verizon decision.

Moreover, the provision of substantial affirmative public benefits, as required by the City of York case, cannot be limited to the mitigation of risks created or

enhanced by the acquisition. That would be equivalent to a no-adverse-effect standard, rather than an affirmative benefit requirement. Pennsylvania requires more than doing no harm. Pennsylvania requires more than maintaining the status quo. Pennsylvania requires the transaction involving a Pennsylvania utility company to provide substantial affirmative public benefits in order for the transaction to be approved by the Commission.

Q. What are Pennsylvania's other relevant standards?

A. The Natural Gas Choice and Competition Act also requires the Commission to determine whether the proposed acquisition and business combination is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail customers from obtaining the benefits of a properly functioning and effectively competitive retail natural gas market. 66 Pa. C.S. § 2210. The Commission may not approve such a business combination except upon terms and conditions it finds necessary to preserve the benefits of a properly functioning and effectively competitive retail natural gas market. 66 Pa. C.S. § 2210.

I am advised that Pennsylvania's Constitution uniquely guarantees its citizens the right to clean air, pure water, and a healthy environment. Known as the Environmental Rights Amendment (Article I, Section 27) (ERA), it legally requires the state to protect natural resources for current and future generations. The Pennsylvania ERA thus provides that citizens have a constitutional right to clean water. Thus it is important to assure that the Pennsylvania water utilities that will be

owned by American Water, including PAWC and Aqua PA, continue to acquire troubled water utilities in the state that are not providing adequate service.

Finally, the Commission must at all times act in the public interest. And, all actions of the Commission must be supported by substantial evidence. This proposed transaction satisfies neither of those standards.

III. OVERVIEW OF THE ACQUISITION

The Proposed Transaction

Q. Please briefly summarize the Transaction that the Joint Applicants are proposing.

A. Under the terms of the Proposed Transaction, the Transaction is an all-stock merger in which Essential will become a wholly owned subsidiary of American Water. Aqua will remain a subsidiary of Essential, but under a new three-tier holding structure with American Water as the ultimate parent company. Peoples will also remain a subsidiary of Essential, but under a multi-tier holding structure with American Water as the ultimate parent company. American Water would acquire indirect control over Aqua and Peoples as subsidiaries of Essential. The Transaction also requires Aqua and Peoples to enter into new affiliated interest agreements — a shared support services agreement with American Water Works Service Company ("AWWSC") and a financial services agreement with American Water Capital Corp. ("AWCC") — replacing its current arrangements through Essential and with Aqua's current service company Aqua Services, Inc. The transaction also requests an office space lease by Aqua and AWWSC. Upon completion, Aqua would become

American Water's second regulated water and wastewater utility subsidiary in Pennsylvania, alongside PAWC.

Q. Have the Applicants provided the terms of their Proposed Transaction?

A. Yes. The terms of the Proposed Transaction are presented in the Merger Agreement, which is Exhibit A in the Application.

Q. Will any other public utilities be acquired by America Water as a result of the Proposed Transaction?

A. Yes. Essential Utilities owns water, sewer, and natural gas utilities operating in a number of other states. Essential Utilities provides services to its subsidiaries operating in Pennsylvania, Ohio, North Carolina, Illinois, Indiana, Kentucky, New Jersey, Texas, and Virginia.

Q. Will the proposed transaction result in other entities that are not public utilities being acquired by American Water?

A. Yes. The non-utility businesses of Essential Utilities will be acquired by American Water in the proposed transaction.

Q. Have the Joint Applicants provided diagrams showing the current and proposed corporate structure of American Water?

A. Yes. The pre-acquisition corporate structures of American Water and Essential Utilities are shown on Exhibit B to the Joint Application. The post-acquisition corporate structure of American Water is shown on page 7 of the Joint Application. As can be seen on that chart, Essential Utilities will become a direct subsidiary of

American Water, and each Essential utility, including Aqua PA and Peoples, will be a subsidiary of Essential.[1]

Consideration to Be Paid

Q. What is the consideration to be paid by Aqua America to acquire Funding and its subsidiaries?

A. The proposed transaction is structured as an exchange of the common stock of EU and American Water. As described by the Joint Applicants[2]:

> Under the terms of the agreement, Essential shareholders will receive 0.305 shares of American Water for each share of Essential they own at the closing of the transaction. This exchange ratio implies a premium of approximately 10% to Essential shareholders based on the average of the daily volume weighted average price of each company's common stock over the 60-trading-day period ending October 24, 2025. Upon completion of the merger, American Water shareholders will own approximately 69% and Essential shareholders will own approximately 31% of the combined company on a fully diluted basis.

Q. What is the value of the proposed transaction?

A. The merger between American Water Works Company, Inc. and Essential Utilities, Inc., announced in October 2025, is an all-stock transaction valued at approximately $63 billion in enterprise value. The proposed transaction would create a combined company with a pro forma market capitalization of roughly $40 billion.

[1] See, e.g., page 4 of JA's witness David Bowler.
[2] See, e.g., https://ir.amwater.com/news-and-events/financial-releases/financial-release-details/2025/American-Water-and-Essential-Utilities-to-Merge-as-a-Leading-Regulated-U-S--Water-and-Wastewater-Utility/default.aspx

Q. Will that result in an amount being recorded for Goodwill?

A. Yes. While specific figures regarding the amount of goodwill and intangible assets to be recognized from the proposed transaction have not been finalized in public filings, while the proposed transaction is still pending, with closing expected in the first quarter of 2027, the acquisition premium on EU's common stock is expected to result in Goodwill being recorded from the transaction. I discuss issues relating to Goodwill in a separate section of my testimony.

Q. What commitments have the Joint Applicants made to support their request for Approval of the proposed transaction?

A. None that I believe support approving the transaction as filed.

The Joint Applicants present a set of commitments in Exhibit C to the Joint Application. Those are described as "affirmative commitments regarding operations, capital investment, rates and governance" intended to "bolster a finding that the Transaction is in the public interest." Those Joint Applicant commitments fall into the following categories:

1. Rates. The Joint Applicants commit that Aqua and Peoples will not seek recovery of transaction costs or goodwill and that Commission-approved rates and tariffs in effect at closing will not change as a result of the Transaction.

2. Service quality. The JAs commit to devoting the necessary resources to maintain, at a minimum, current service quality and to continuing to invest in infrastructure replacement and renewal.

3. Local presence and employees. The JAs commit that Aqua and Peoples' operations will continue to be locally managed and that American Water will honor

Aqua and Peoples' existing collective bargaining agreements and pension obligations. On community support, the JAs commit to maintaining charitable giving at historical levels for two years post-closing.

4. Corporate organization and financial integrity. The JAs commit that Aqua and Peoples will maintain separate financial statements and its own capital structure, that American Water will provide Aqua and Peoples with no less than its current access to short-term debt and liquidity, and that Aqua IL will not assume liability for debts issued by American Water or AWCC.

Q. Please comment on the commitments made by the Joint Applicants in Appendix C that was attached to the Application.

A. Appendix C represents a continuation of the status quo and does not result in substantial affirmative public benefits. As described in Appendix C and in the response to OCA-JA-I-65, existing ring-fencing would be continued. Continuation of protections, such as existing ring-fencing, is needed to prevent harm, but does not in itself result in an affirmative public benefit.

Q. Will the transaction result in Transaction Costs that would not have been incurred but for the Proposed Transaction?

A. Yes.

Q. Have the Applicants identified the amount of anticipated Transaction Costs?

A. Aqua's response to OCA-JA-I-2 indicates that approximately $150 million of transaction costs are expected. I address Transaction Cost issues in a subsequent section of my testimony.

Background on Buyer, Seller and Companies Being Acquired

Q. Please provide some general background on American Water.

A. American Water is a public utility holding company that is incorporated in Delaware and maintains its corporate headquarters in Camden, New Jersey. American Water is the largest and most geographically diverse investor-owned water and wastewater utility in the United States. American Water and its subsidiaries employ more than 6,700 employees. The Company provides water and wastewater services to 3.5 million customer connections, or more than 14 million people in 14 states, including Pennsylvania, and on military installations. American Water's largest utility subsidiary is Pennsylvania American Water Company.

Q. Please provide a brief overview of Essential Utilities and its current Pennsylvania public utilities.

A. Essential is a publicly-traded public utility holding company organized under the laws of the Commonwealth of Pennsylvania and headquartered in Bryn Mawr, Pennsylvania. Essential provides water, wastewater, and natural gas service to approximately 5.5 million people through its operating subsidiaries in Pennsylvania, Ohio, North Carolina, Illinois, Indiana, Kentucky, New Jersey, Texas, and Virginia.

Aqua PA and Aqua PA WW are Pennsylvania corporations headquartered in Bryn Mawr, Pennsylvania. Aqua PA furnishes water service to approximately 459,000 customers and wastewater service, through Aqua PA WW, to approximately 68,000 customers (representing a population of approximately 1.59 million people) in 33 counties in Pennsylvania. Aqua PA and Aqua PA Wastewater are each a

"public utility" as that term is defined in Section 102 of the Code and, therefore, are subject to regulation by the Commission. Aqua PA is a direct subsidiary of Essential. Essential owns 100% of the stock of Aqua PA.

Peoples is a Pennsylvania limited liability company headquartered in Pittsburgh, Pennsylvania. Peoples provides natural gas service to approximately 700,000 customers in 18 counties in Western Pennsylvania. Peoples is a "public utility" and "natural gas distribution company" as those terms are defined respectively in Sections 102 and 2201 of the Code, and is subject to regulation by the Commission. Peoples is an indirect subsidiary of Essential. Essential owns 100% of the membership interests of LDC Funding LLC ("Funding"), which owns 100% of the ownership interests in PNG Companies LLC ("PNG"). PNG owns 100% of the ownership interests in Peoples.

Q. Does American Water currently own or operate any natural gas distribution utilities?

A. No.

<u>Applicants' Reasons for the Proposed Transaction</u>

Q. What reasons have the Joint Applicants stated for undertaking the Proposed Transaction?

A. Joint Applicants claim in their Application at page 2 that:

> The combined company will leverage operational and financial expertise from complementary platforms and deeper resources and capabilities to deliver high-quality service and drive a superior customer experience. The Merger unites two highly skilled and experienced teams in the regulated utility space with

> a greater ability to attract, develop, and retain water, wastewater, and natural gas utility employees and create long-term opportunities for career growth.

Additional benefits of the proposed merger were identified by the Applicants in their response to OCA-JA-I-24. In their public statements, including their presentations to potential investors, the Applicants have indicated that they expect the proposed transaction would be accretive to American Water's earnings and earnings per share. One example of this is Applicants' statement that the proposed transaction[3]:

> Supports long-term EPS and DPS growth of 7-9% for combined company. The transaction is expected to be accretive to American Water's earnings per share in the first year following close, and the combined company expects to maintain American Water's 7-9% earnings per share and dividend growth targets post close. Subject to market conditions and board approval, the parties expect the combined company to adopt American Water's current dividend policy and payout target range. Both companies expect to maintain their existing dividend policies until the transaction is completed.

Q. What does it mean to be "accretive to earnings"?

A. The term being "accretive to earnings" is used in acquisition transactions to convey that the acquiring company expects its earnings per share to be higher in some period following the close of the transaction. Because earnings per share are a key data point for many shareholders, an expectation or announcement that an acquisition

[3] See, E.g., https://www.amwater.com/press-room/press-releases/corporate/american-water-and-essential-utilities-to-merge-as-a-leading-regulated-us-water-and-wastewater-utility

would be "accretive to earnings" would tend to be viewed positively by shareholders, particularly ones that have not investigated the transaction more deeply

Benefits Claimed by Applicants

Q. In what ways does the Joint Application claim that the transaction would provide affirmative public benefits?

A. As noted above page 2 of the Application and the Applicants response to OCA-JA-I-24 list benefits that the Applicants expect to be enabled by their proposed transaction, including bigger size, greater scale, expected synergies, etc.

Q. Have the Joint Applicants provided other material, such as investor presentations and press releases, that describe why they are pursuing the proposed transaction and the benefits that it expects to result?

A. Yes. The JA's response to OCA-JA-I-5 provided various attachments including an investor relations presentation. The JA's response to OCA-JA-I-6 listed their Securities and Exchange Commission filings related to the proposed transaction. The JA's response to OCA-JA-I-7 listed and provided presentations by AW and EU management to securities analysts regarding the proposed transaction. Those responses generally describe how the proposed transaction would create a larger, more diversified regulated public utility.

Among other things, the JA's have indicated that the proposed merger is expected to be accretive to American Water's earnings per share ("EPS") in the First Year Following the Close of Transaction.[4]

Q. Approximately how many of Aqua and Peoples current public utility customers are located in Pennsylvania?

A. Aqua has approximately 499,000 water and 68,000 wastewater utility customers in Pennsylvania. Peoples has approximately 700,000 natural gas utility customers in Pennsylvania Approximately 50% of Aqua's total water customers are located in Pennsylvania. The proposed transaction is thus very important to Pennsylvania and is perhaps more impactful on Aqua PA water ratepayers than on Aqua water utility ratepayers in other states.

IV. ANALYSIS OF THE PROPOSED TRANSACTION

Q. Please describe your approach to evaluating the proposed transaction.

A. It is my understanding that in order to gain Commission approval the proposed transaction must provide substantial affirmative benefits to Pennsylvania ratepayers and the public. To determine whether the acquisition, as proposed, is likely to provide the required substantial benefits, I have considered both: (1) the potential

[4] See, e.g., https://ir.amwater.com/news-and-events/financial-releases/financial-release-details/2025/American-Water-and-Essential-Utilities-to-Merge-as-a-Leading-Regulated-U-S--Water-and-Wastewater-Utility/default.aspx

costs and risks that will result from the transaction and (2) the amount of benefits proposed and the likelihood of Pennsylvania ratepayers enjoying those benefits.

Potential Costs and Risks

Q. In general, what types of risks and harm could ratepayers be exposed to as the result of an acquisition of a public utility by another entity?

A. In general, ratepayers can be exposed to many types of risks and harm as the result of an acquisition of a public utility by another entity. This is especially true when considering the essential nature of utility services. There is a risk that acquisition costs, transaction costs, transition costs, and/or higher financing costs, could find their way into customer rates. There are risks to service quality resulting from diversion of management attention and from workforce changes that typically follow acquisitions. Additionally, there can be risks of higher costs and lack of control associated with outsourcing functions that are currently being performed by utility or affiliated service company employees. This proposed transaction involves the acquisition of natural gas distribution companies by Aqua America, Inc., a company that has experience with water and wastewater utilities but no experience with natural gas distribution or gas gathering systems. Retention of the management and workforce necessary to safely and reliably operate the natural gas distribution companies is therefore of critical importance. With some acquisitions, there could be a loss of local control at the utility level or at the regulatory level. Essential's headquarters is in Pennsylvania, whereas American's headquarters is in New Jersey. The proposed transaction thus is a shift away from a local parent company to a

parent company that operates in another state. This has an impact on PA jobs, economic development, etc.

There are also risks that costs of the acquisition and costs incurred attempting to achieve synergies could overwhelm cost savings. With some utility acquisitions, there are risks that large amounts of cost-free capital in the form of ADIT currently existing on the utility's books could be eliminated in acquisition transactions that are treated as asset purchases for federal income tax purposes.[5] Where the utilities being acquired are natural gas utilities, there can be additional public safety risks associated with natural gas line safety, especially if acquired by a parent company that has no experience with natural gas. Such risks could be very important where the acquiring entity has no experience or expertise in owning and operating a natural gas utility. In summary, an acquisition of a public utility by another company can place ratepayers at risk for higher future rates, public safety risks, and lower service quality than they would enjoy absent the merger. The Applicants' proposed transaction presents some, but not all, of these risks.

Q. How does the proposed transaction present risks of increased costs and rate increases?

A. Applicants have indicated that there would be no change in the rates currently charged by the utilities as a result of the proposed ownership transfer. However, as I describe in my testimony, a number of significant cost increases would occur as a direct result of the proposed transaction. Unless safeguards and protections are

[5] This does not appear to be a risk associated with the proposed acquisition.

required as merger commitments, costs associated with the transaction present a risk to customers.

Q. How does the requested acquisition present risks of increased cost of the Peoples Companies natural gas distribution utility service and/or to Aqua PA's water and wastewater utility service?

A. Unless adequate safeguards are in place, additional costs related to the transaction could be charged to ratepayers.

Q. How could that risk to ratepayers be avoided?

A. The risk of harm to ratepayers from the increased costs resulting from the proposed transaction could be avoided by a variety of means, including obtaining commitments that certain categories of costs, such as Goodwill and transaction costs, will be borne by shareholders and not included in rates. Imposing a moratorium on rate increases for the acquired utilities under the new ownership and by establishing base rate credits sufficient to offset the increases in revenue requirement and to provide for an affirmative public benefit are additional means of protecting ratepayers.

<u>Lack of Cost Savings Quantified in the Application</u>

Q. What specific cost savings are anticipated to result from the proposed transaction?

A. The Application does not present <u>any</u> quantified cost savings that would occur as a result of the change in ownership. While there may be future benefits obtained from applying the best practices of AW and EU to each other's utilities and from increased

access to capital for a larger, combined company, the Application does not present any tangible cost savings. While synergies are anticipated to result from the proposed transaction, the JA's have not quantified in their Application, direct testimony or discovery responses any material reduction in their cost of public utility service at this time. The Applicants propose no immediate rate changes as a result of the proposed transaction; however, rates cannot be increased in a merger transaction proceeding, so the JA's assurance of "no immediate rate changes" is not of much comfort to the Pennsylvania ratepayers of the utilities that currently are, or who would come under the control of American Water.

Rather than provide reliable evidence on quantifiable benefits from the proposed transaction, it appears to be the JA's intention that any cost reduction, such as from synergies enabled by the merger, would be included for review and approval in a subsequent base rate case. The Application does not quantify or offer to provide customers with any significant cost savings benefits that would result from the change in ownership.

Joint Applicants' Estimate of Synergies

Q. Do the Joint Applicants project any synergy savings for the proposed transaction?

A. While the Joint Applicants expect the proposed transaction to enable synergies and cost savings, and that they expect that the proposed merger will result in benefits to their customers, including the customers of Aqua PA and Peoples after the merger, no quantified benefits to Pennsylvania ratepayers have been identified or committed

by the JA's in their direct testimony. The Joint Applicants state that they expect the merger integration process to lead to cost efficiencies in various functional areas. However, to date, the Joint Applicants have not provided requested benefit-cost analyses. The Joint Applicants' response to OCA-JA-I-16, for example, states that: "American Water has not conducted or had conducted for it the requested analysis." Similarly, EU's response to OCA-JA-I-10 states that: "Essential does not have any documents responsive to this question." Other Joint Applicant responses to similar requests for estimates of merger synergy savings and cost benefits received similar responses. As another illustrative example, in response to OCA-JA-I-14, the AW's states that: "American Water has not projected potential synergies resulting from the Merger." That AW response states further that:

> Certain assumptions regarding potential synergies (or efficiencies) were made by Bank of America, based on similar historical merger proceedings, when providing a financial analysis of the transaction. Please [see] OCA-JA-I-5_Attachment_HIGHLY CONFIDENTIAL.

Selected pages from AW's HIGHLY CONFIDENTIAL response to OCA-JA-I-5 are included in Attachment RCS-4 to my testimony.

Q. What have the Joint Applicants indicated concerning their intention to consolidate operations of the utilities?

A. The responses to OCA-JA-I-16 indicates that the Joint Applicants "have not made a determination regarding the consolidation of any existing Pennsylvania utility operations at this time and consolidation is not part of the transaction for which the

Joint Applicants seek approval in this proceeding." The responses to OCA-JA-I-17 indicates that "[t]he Joint Applicants expect some consolidation of administrative functions but have only recently started having integration discussions." Further, "no integration plans regarding administrative functions have yet been developed." An Integration Office has been established by AU and EU as described further in their response to OCA-JA-1-56.

Q. Has American Water explored the potential for savings from eliminating duplication and by streamlining corporate functions?

A. Yes, to some extent, as shown in the estimates of potential synergies (or efficiencies) made by Bank of America for AW, that [BEGIN HIGHLY CONFIDENTIAL] [redacted] [END HIGHLY CONFIDENTIAL] That information was provided in OCA-JA-I-5_Attachment_HIGHLY CONFIDENTIAL[6]

Q. Are synergy savings typically achieved by eliminating or consolidating duplicative departments, and work force downsizing?

A. Yes.

Q. What have the Joint Applicants stated concerning EU's current employment in Pennsylvania?

A. EU's response to OCA-JA-I-42 lists EU's Pennsylvania employment in Attachment 1 to that response, which shows 2,352 full-time employees (FTEs) in Pennsylvania is:

[6] Selected pages from American Water's HIGHLY CONFIDENTIAL response to OCA-JA-I-5 are included in Attachment RCS-4.

Total employee FTE count

Pennsylvania	Total Employee FTE Count
Aqua	712
Essential	211
PNG	1429
Grand Total	**2352**

Q. What have the Joint Applicants stated concerning AW's current employment in Pennsylvania?

A. AW's response to OCA-JA-I-42 provides the following information:

> (1) Total AWWC employees at a worksite located in Pennsylvania: 1,349,
>
> Pennsylvania-American Water Company ("PAWC") employees at a worksite located in Pennsylvania: 1,235,
>
> American Water Service Company, Inc. ("Servco") employees at a worksite located in Pennsylvania: 114.
>
> (2) Total full-time equivalent positions at a worksite located in Pennsylvania: 1,347.5,
>
> PAWC full-time equivalent positions at a worksite located in Pennsylvania: 1,233.5,
>
> Servco full-time equivalent positions at a worksite located in Pennsylvania: 114.
>
> (3) The total number of contractors currently employed at American Water is 2,469. The number of contractors separated by work location is not available.

Q. What is an "FTE"?

A. An "FTE" is a full-time equivalent position. A full-time job at Aqua or Peoples or PAWC or at affiliated service companies would be referred to as an FTE in the

merger-synergy analysis relating to reductions in labor costs and job cuts. A reduction of one FTE is essentially the cut of one full-time job.

Q. For what time have the JA's committed to maintaining Pennsylvania employment levels?

A. Currently, there is no time frame associated with Joint Applicants' commitment to maintain current Pennsylvania utility staffing.

Q. What have the Joint Applicants provided concerning information on the extent of work force downsizing that would be enabled by the proposed transaction?

A. The JA's have not provided a detailed specific plan for Pennsylvania work force downsizing that would be enabled by the proposed transaction; however, the HIGHLY CONFIDENTIAL due diligence report that was prepared for AW by Bank of America that is referenced in the response to OCA-JA-1-5[7] [BEGIN HIGHLY CONFIDENTIAL] [redacted] [END HIGHLY CONFIDENTIAL]

<u>Rate Credit Fund</u>

Q. Please discuss how a fund for rate credits could be determined.

A. A fund for rate credits could be determined by using information that has been provided by the JA's in terms of potential for synergy savings and cost efficiencies and/or by reference to sharing some of the anticipated earnings accretion that

[7] See, e.g., Attachment RCS-4, references to [BEGIN HIGHLY CONFIDENTIAL] [redacted] [END HIGHLY CONFIDENTIAL]

American Water's financial advisors expects to result from the proposed transaction with customers.

Q. How would the fund for base rate credits be allocated among rate classes?

A. The base rate credits should be allocated to the classes in proportion to the revenues approved in the most recent rate proceeding for each of the Pennsylvania utilities. Base rate credits should not be applied to reduce the bills of customers that receive contract rates. The base rate credits should be designed to provide the amounts allocated to each class over no less than a 3-year period and will terminate upon exhaustion of the amounts allocated to each class.

Q. What amount of rate credits are you recommending at this time?

A. At this time, due to the lack of detailed estimates of synergy savings and cost efficiencies that are expected by the JA's, I have not yet determined a specific amount of rate case credits.

Q. How could an amount of rate credits be determined?

A. Ideally, the rate credits would be determined using JA integration plans and JA quantifications of anticipated synergies and efficiencies. However, that information has not been provided by the JA's. If such JA synergy and efficiency information continues to be lacking, it may be necessary to use other, more high-level information to estimate potential savings and quantify a customer bill credit amount.

<u>Section 1329 Acquisition Stay-Out</u>

Q. Should there be a commitment for a Section 1329 acquisition stay-out?

A. Yes. As a condition to approving the proposed transaction, a commitment for the JA's to a three-year stay-out on Section 1329 acquisitions, other than for troubled water and wastewater utility systems, should be required. The Section 1329 acquisition moratorium would apply from the date of merger consummation. Additionally, any Section 1329 acquisitions that were in progress prior to merger consummation would be suspended until the completion of that three-year period. Section 1329 acquisitions can result in large increases in the rate base of the acquired utility due to the use of "fair market value" rather than the previous owner's net depreciated original cost of the utility plant being acquired. The Section 1329 transactions can thus present substantial upward pressure on rates. A three-year moratorium on Section 1329 acquisitions, therefore, represents another form of ratepayer protection from higher rates under the American Water ownership. American Water and Essential Utilities are the largest and second largest investor-owned water utilities in the U.S. During the three year period following merger consummation, their focus should be on integrating the two companies, and providing reliable and reasonably priced service to their existing customers in Pennsylvania, not on increasing rate base by pursuing additional Section 1329 acquisitions.

Accounting Issues Related to Goodwill and Acquisition Premium

Q. What is "Goodwill"?

A. Goodwill is an intangible asset that arises as a result of the acquisition of one company by another for a premium value. Goodwill represents the excess, at the date of acquisition, of the purchase price over the book value of the net tangible and

identifiable intangible assets acquired and the related liabilities assumed. The Applicants' revised response to OCA-JA-I-18(f) defines "Goodwill" as follows: "In utility acquisitions, an intangible asset that may result from a business combination. Goodwill would equal the purchase price less the value of identifiable assets acquired and liabilities assumed."

Q. How is Goodwill that results from a business combination typically accounted for?

A. Goodwill is usually recorded on the acquiring company's balance sheet and is considered an intangible asset because it is not a physical asset that, like buildings or equipment, is used in providing utility service. Goodwill is carried at initial cost less any write-down for impairment. Put another way, Goodwill is the excess of the cost of a business acquisition accounted for by the purchase method of accounting over the fair value of its net assets.

Q. How does an acquisition adjustment or goodwill differ from an acquisition premium?

A. An acquisition premium is the difference between the actual price paid to acquire a company or asset and the trading price of the stock of the acquired company during a period preceding the acquisition or merger announcement. The Applicants' response to OCA-JA-I-18(g) indicates that: "American Water understands the term "acquisition premium" to refer to a "Utility Plant Acquisition Adjustment" as defined in Account 114 in the NARUC Uniform System of Accounts."

Q. What have the Applicants stated concerning whether the proposed transaction is expected to result in an Acquisition Adjustment?

A. The JA's response to OCA-JA-I-20 states that they do not anticipate that an Acquisition Adjustment would result from the proposed transaction.

Q. Is the Applicants' definition of an Acquisition Adjustment different than an Acquisition Premium?

A. Yes. The definition provided by AW does not appear to relate to an Acquisition Premium which involves paying an above-market price for the common stock of the company that is being acquired.

Q. What are some of the factors that influence the size of an Acquisition Premium?

A. The size of an acquisition premium depends on various factors, which can include competition within the industry, the presence of other bidders, and the motivations of the buyer and seller. Companies may pay acquisition premiums for two reasons: (1) to ensure that the deal gets closed and (2) because they feel that the synergies of the combined entities will be greater than the total price paid for the target.

Q. Will the proposed transaction result in recording an amount for "goodwill"?

A. Since an acquisition premium over EU's common stock price is being used, it does appear that the proposed transaction will result in Goodwill.

Q. What amount of Goodwill are Applicants anticipating for the proposed transaction?

A. The Applicants' response to OCA-JA-I-21 is unclear as to the amount of Goodwill that is expected to be recorded if the proposed transaction occurs.

Q. Have the Applicants committed that Goodwill associated with the proposed transaction will not be charged to any Pennsylvania ratepayers?

A. The Applicants response to OCA-JA-I-21(d) states that: "AWWC does not intend to seek recovery from customers, any acquisition premium or goodwill resulting from this transaction." The "does not intend to seek" is weak. There should be a commitment that American Water shall not seek recovery from Pennsylvania utility customers, any acquisition premium or goodwill resulting from this transaction.

Q. Are you addressing certain accounting issues presented by this Goodwill?

A. Yes. I address two accounting issues related to the Goodwill: (1) protecting customers from the risk of "push down" accounting; and (2) the risk of a substantial Goodwill impairment on American Water's balance sheet and the need to protect the Aqua and Peoples Companies and American Water's Pennsylvania public utility customers from that risk, along with ways in which to provide that protection.

Protecting Pennsylvania Public Utility Customers from "Push Down" Accounting for Goodwill

Q. On which entity's books would the Goodwill be recorded?

A. The OCA sought information on this issue in discovery. See, e.g., OCA-JA-I-21(a) and (c) which states that the merger would be accounted for in accordance with Generally Accepted Accounting Principles (GAAP) applicable to Goodwill, including ASC 805. The response to OCA-JA-I-21(a) states that:

> Under ASC 805, all assets acquired and liabilities would be recorded at their acquisition date fair value and, accordingly, the total purchase price allocated to the tangible and intangible assets acquired and liabilities assumed based on their respective fair values using the fair value concepts defined in ASC 820 Any difference between the purchase price for Essential and the

> fair value of the identifiable net assets acquired will be recorded as goodwill. The transaction will be recorded on the books of AWWC and will not be recorded on Aqua PA or Peoples' books.

AW's response to OCA-JA-I-21(c) states that:

> The accounting treatment of the merger is detailed in the Joint Proxy Statement filed with the Securities and Exchange Commission on December 31, 2025. See pages 26, 112 – 117. Also see pages 146 – 155 which contains the unaudited pro forma condensed combined financial information which was prepared using the acquisition method of accounting in accordance with GAAP.

While AW's responses to OCA-JA-I-21(d) and (e) state that "AWWC does not intend to seek recovery from customers, any acquisition premium or goodwill resulting from this transaction," that commitment is less from than a "shall not request" type commitment. Moreover, the above-noted AW responses raise additional concerns about whether AW will increase the utility plant assets acquired from EU to "fair value" amounts which exceed the net depreciated original cost amounts of those assets on the books of the acquired EU Pennsylvania utilities, including Aqua and Peoples.

AW's response to OCA-JA-I-21 is non-committal concerning the use of "push down" accounting, which could result in an amount of Goodwill being recorded on the books of one or more of the EU Pennsylvania utilities that are being acquired and/or the acquired assets of the EU Pennsylvania utilities being recorded at their "fair value" rather than at their net depreciated original cost amounts.

Q. What is "push down" accounting?

A. "Push down" accounting refers to the risk of recording Goodwill (or some equivalent to Goodwill, such as an Acquisition Adjustment or recording acquired utility assets at fair value, rather than at depreciated original cost) on the books of one or more of the public utilities that are being acquired.

Q. Can "push down" accounting for the goodwill, or recording utility plant assets of Aqua and Peoples at "fair value" that would be generated by the proposed transaction be avoided?

A U.S. Generally Accepted Accounting Principles (GAAP) would appear to allow the acquired company to avoid "push down" accounting, i.e., to avoid having to record Goodwill (or some equivalent to Goodwill, such as an Acquisition Adjustment) on the books of any of the public utilities. In 2015, the SEC withdrew its requirement that Registrants apply push down accounting. This was done at the time that the Financial Accounting Standards Board (FASB) issued its own standard on push down accounting in ASC 805-50 which specified that it is elective. Since "push down" accounting is not a requirement of the SEC and is an elective decision under U.S. GAAP, it appears that any "push down" of the Goodwill amounts resulting from the proposed transaction onto the books of the public utilities can be avoided.

Q. What risk would "push down" accounting pose for the customers of the Pennsylvania public utilities?

A. If applied, push down accounting could result in Goodwill associated with the transaction being recorded on the utility's books.

Q. Should a commitment be included to address push down accounting and to protect the Pennsylvania utility customers from the risk of having transaction related Goodwill being recorded on their books?

A. Yes. A condition formalizing the commitment that push down accounting for Goodwill does not occur, which should protect the Pennsylvania public utility customers from that risk. A commitment should be made by the Joint Applicants stating that there will be no "push down" of the Goodwill amounts resulting from the proposed transaction onto the books of the public utilities.

Q. What specific condition do you recommend to protect utility customers from push down accounting for Goodwill?

A. I recommend the following condition:

- Recording of Goodwill and Protection from "Push Down" Accounting: No Pennsylvania public utility shall record any goodwill resulting from the Transaction on its books. Aqua America, Inc. and each of the Pennsylvania public utilities shall also ensure that such Goodwill does not impact rates charged to any Pennsylvania public utility customers, or the capital structure of any Pennsylvania public utilities.

- All of the Pennsylvania utility assets acquired by American Water from Essential Utilities, including all rate base includable assets of Aqua and Peoples, shall be recorded at the depreciated net book value on Aqua and Peoples's books. None of those acquired Pennsylvania utility assets shall be recorded at higher "fair value" amounts on Aqua's or Peoples' books as a result of the proposed transaction.

<u>Risks of a Substantial Goodwill Impairment</u>

Q. What amount of Goodwill is expected to result from the proposed transaction?

A. As noted above, there is expected to be a large amount of Goodwill as a result of the proposed transaction.

Q. Do EU or AW already have Goodwill amounts recorded on their books?

A. Yes. Per the response to OCA-JA-I-27, EU had the following amounts of Goodwill recorded on its books as of December 31, 2024, and December 31, 2025: $2.341 billion and $2.349 billion.

AW had the following amounts of Goodwill recorded on its books as of December 31, 2024 and December 31, 2025 are: $1.144 billion and $1.156 billion, respectively, per the revised response to OCA-JA-I-27.

Q. Has American Water described how it tests for Goodwill impairment?

A. Yes. AW's supplemental response to OCA-JA-I-28 describes how Goodwill impairment is evaluated.

Q. Is there a risk that AW's balance sheet could become weakened due to impairments of Goodwill?

A. Yes. There is a risk that the very large additional amounts of Goodwill to be recorded in connection with the proposed transactions could become impaired, which could weaken the balance sheets of American Water and the combined entities.

Q. Can the creation of a large amount of Goodwill present risks to utility operations, even if there is not an attempt to recover the Goodwill directly from customers?

A. Yes. Large amounts of Goodwill—which are intangible assets that do not earn a return and which are not amortized—can present a challenge for the acquiring company's management in a number of respects. Goodwill amounts of several

billion dollars are not used or useful in the provision of utility service. Having large amounts of such assets on the books also requires the acquiring company to finance those assets by having long term capital sources such as debt and equity on the liabilities and shareholder equity side of its balance sheet. Impairments of Goodwill can result in large losses and can lead to reductions to recorded amounts of equity capital. The reason is that when a company records a Goodwill impairment, it is basically telling the market that the value of the acquired assets has fallen below what the company generally paid for them.

Q. Can you explain in general terms how a Goodwill impairment could occur?

A. Yes. Generally, a Goodwill impairment occurs when a company (1) pays more than book value for a set of assets (the difference is the Goodwill), and (2) must later adjust the book value of that Goodwill. Goodwill is an intangible asset, but it does not amortize or depreciate like other assets. Instead, GAAP rules require companies to "test" Goodwill every year for impairments.

I can explain the issue through a hypothetical illustration of a Goodwill impairment. Assume that Company A purchases Company B. The book value of Company B's assets is $8 billion, but for various reasons, Company A pays $13 billion for Company B, including assumed debt. Because Company A paid $13 billion for $8 billion worth of assets, Company A records $5 billion of Goodwill as an intangible asset on its balance sheet.

After the acquisition, Company B's actual earnings turn out to be lower than the projections that Company A was expecting when it evaluated the purchase. This could occur for a variety of reasons including changing economic conditions,

changes in the regulatory environment, changes in competition from new technologies, lower authorized return on equity (ROE), etc. A Goodwill impairment could also occur if changing conditions in the stock or long-term debt markets result in lower valuations, such as if there were to be a sustained rise in long term interest rates, which could result in higher discount rates being applied and lower net present values ("NPV") being assigned to future cash flow streams. Generally, all things being equal, the higher the interest rate used in a net present value calculation of a stream of estimated future cash flows, the lower the resultant NPV result.

In our hypothetical example, a few years have now passed, and for Company A, this means comparing a current estimate of the fair value of Company B to the book value on Company A's financial statements. If the fair value of Company B is less than the book value (that is, if Company A were to sell Company B today, it would not get a price equal to or greater than its recorded value), Company A must recognize a Goodwill impairment. The estimation of fair value involves a considerable degree of judgment, and is therefore subject to some discretion on the part of Company A's management. A change in management at Company A could trigger a more stringent evaluation of Goodwill resulting from past acquisitions attributable to prior management. In this hypothetical example, assume that Company B's current estimated fair market value has fallen and is now $9 billion versus the $13 billion value at the time of the acquisition. The difference between the two is $4 billion, and Company A must therefore reduce the Goodwill on its books by that amount to recognize the impairment. The Goodwill amount on its balance sheet decreases from $5 billion to $1 billion, and its total assets fall by $4

billion correspondingly. Typically, there would also be a reduction to Company A's common equity balance for the after-tax impact of recognizing the Goodwill impairment.

Q. Please summarize your concern.

A. In summary, Goodwill can represent a large amount of a company's net worth, and acquisitions can involve the purchase of estimated future earnings streams that are difficult to estimate accurately and result in purchase premium amounts for Goodwill that may turn out over time to have been estimated inaccurately.

Q. Can you provide a few illustrative examples of actual Goodwill impairments that have occurred after acquisitions?

A. Yes. A few illustrative examples of large Goodwill impairments are included in Attachment RCS-5 to my testimony. Some of the more well-known Goodwill impairments have occurred after large acquisitions, including Qwest's $41 billion Goodwill impairment (which followed the acquisition/merger of Qwest and US West) and AOL-Time Warner's $54 billion Goodwill impairment charges in 2002 following their merger. Similarly, Scottish Power recorded a Goodwill impairment of £922 million (British pounds) in 2006, or approximately $1.4 billion at contemporaneous exchange rates, as an exceptional charge related to goodwill impairment at its then discontinued PacifiCorp operations.[8] News announcements and other documentation for these Goodwill impairments is presented in Attachment RCS-5.

[8] Illustrative news articles and SEC filings regarding goodwill impairments are included in Attachment RCS-5.

Q. Have substantial Goodwill impairments occurred years after regulated public utilities were acquired?

A. Yes. One example of this is the substantial write-down for a Goodwill impairment following the acquisition of Dayton Power & Light Company (DPL, an electric utility operating in Ohio) by AES. This is important because it describes the types of circumstances that can lead to a significant goodwill impairment. As described in an SEC Form 8-K filed on November 1, 2012, subsequent to that acquisition, a Goodwill impairment of approximately $1.7 to $2.0 billion was identified (out of total Goodwill of approximately $2.6 billion):

> Item 2.06 Material Impairments
>
> DPL Inc.
>
> In its Form 10-K for the year ended December 31, 2011 and in subsequent periodic filings with the Securities and Exchange Commission, DPL Inc. (DPL) disclosed that it had recorded substantial goodwill of $2.6 billion in connection with its acquisition by The AES Corporation (AES) and that as a result of market conditions and other factors, there was a risk that the goodwill could be subject to impairment. On October 31, 2012, DPL concluded that it will recognize an estimated non-cash impairment charge related to the goodwill in the range of approximately $1.7 billion to $2.0 billion. The non-cash impairment charge will not impact DPL's cash flows or cash balances and is not expected to result in any material future cash expenditures. The non-cash impairment charge represents DPL's best estimate of the impairment range based on the latest information available and the results of its preliminary interim impairment test of goodwill and will be recognized as of September 30, 2012 in accordance with U.S. generally accepted accounting principles. Management expects to complete the interim impairment test of goodwill and the related non-cash impairment charge in connection with the submission of DPL's Form 10-K for the year ended December 31, 2012.

Q. What was the amount of Goodwill impairment write-off reported by Dayton Power & Light when it filed its SEC form 10-K?

A. Dayton Power & Light Company's SEC Form 10-K for the year 2012 reported that its final estimate of the Goodwill Impairment that followed its acquisition by AES was $1,817,200,000.

Q. When was DPL acquired by AES?

A. AES completed its acquisition of DPL on November 28, 2011.

Q. Do you have another example of a large Goodwill Impairment following the acquisition of a public utility?

A. Yes. As documented in news announcements and the SEC Form 10-K, Energy Future Holdings which had utility operations in Texas was the subject of a leveraged buyout and has recorded Goodwill Impairments totaling $18.19 billion through December 31, 2015.

Q. What factors can result in a Goodwill impairment?

A. Several factors can lead to a Goodwill impairment: Some examples include changed circumstances. When testing goodwill for impairment, a company may assess qualitative factors, including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, and entity specific events, for some or all of its reporting units to determine whether it’s more likely than not that the fair value of a reporting unit is less than its carrying amount. Alternatively, based on a company’s assessment of the qualitative factors previously noted, it may perform a quantitative goodwill impairment test by determining the fair value of a reporting unit based on a discounted cash flow analysis. If a company performs a

quantitative test and determines that the fair value of a reporting unit is less than its carrying amount, it would record an impairment loss for the amount by which a reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill.

Q. Will the additional Goodwill from the proposed transaction be added to the Goodwill amounts already recorded?

A. Yes. The new amounts for the Goodwill or acquisition premium resulting from the proposed transactions would be additional to the amounts of Goodwill that are already recorded.

Q. Can the mere presence of a large amount of Goodwill on a company's books impact management decisions?

A. Yes. The presence of a very large amount of Goodwill on the books of the acquiring Company may be expected to impact decision making by creating pressures on management to attempt to generate other means of improving earnings to achieve a return on and of the recorded Goodwill amounts.

Q. What is an Acquisition Adjustment?

A. Consistent with the definition in the Uniform System of Accounts, Accounts 114 through 116, an acquisition adjustment is the difference between a utility's own cost to acquire property and the depreciated original cost of that property. An acquisition adjustment is sometimes recorded as "Goodwill" on the acquiring company's balance sheet.

Q. Are the Applicants expecting that any of the Pennsylvania utilities will be recording an acquisition adjustment following completion of the merger?

A. No. As stated in AW's response to OCA-JA-I-18(g): "American Water understands the term "acquisition premium" to refer to a "Utility Plant Acquisition Adjustment" as defined in Account 114 of the NARUC Uniform System of Accounts." The Joint Applicants' response to OCA-JA-I-20 states that AW does not anticipate that an acquisition adjustment will result from the proposed transaction.

Summary of Recommended Conditions to Protect Customers Relating to Goodwill

Q. What do Applicants state with respect to recovery of acquisition related costs?

A. The Applicants state that that no acquisition premium or Goodwill amount associated with the Transaction will be included in the retail utility rates of Aqua PA or the Peoples Companies and that Aqua America agrees that any acquisition premium or goodwill amounts resulting from the Transaction will be excluded from the ratemaking capital structures for Aqua PA and the Peoples Companies.[9]

Q. What commitments do you recommend with respect to recovery of an acquisition premium and Goodwill?

A. I recommend the following commitments:

- No acquisition premium or Goodwill amount associated with the Transaction will be recorded on the books of any Pennsylvania public utility. Nor will any acquisition premium or Goodwill amount associated with the Transaction be included in the utility rates of any Pennsylvania regulated utility.

- American Water agrees and commits that any acquisition premium or Goodwill amounts resulting from the Transaction will be excluded

[9] See, e.g., Joint Applicants' response to OCA-III-9, included in Attachment RCS-3.

from the ratemaking capital structures for all of its Pennsylvania utilities, including but not limited to Aqua and the Peoples Companies.

Q. What additional commitments do you recommend to protect Pennsylvania public utility customers from the Goodwill amounts that are expected to be recorded for these transactions?

A. I recommend that the following conditions be imposed by the Commission as part of any approval of the proposed merger:

- American Water shall file a Report of Action within one hundred and twenty (120) days after closing of the Merger. The Report of Action shall contain: (1) the closing date of the Merger; (2) the actual total sale price; and (3) the actual accounting entries records on each entity's books to reflect the Merger. The Merger-related accounting entries in AW's, EU's and Aqua and Peoples' books shall include: all Transaction Cost accounting entries that are recorded on the books of each entity; all Merger related fair value, Goodwill, and/or Acquisition Premium accounting entries for AW, EU Aqua and Peoples; all Merger-related tax accounting entries for AW, EU, Aqua and Peoples; all Merger-related debt and equity financing accounting entries for AW, EU, Aqua and Peoples.

- American Water shall ensure that Merger accounting is rate-neutral for all Pennsylvania public utility customers. Aqua shall ensure that any accounting treatments associated with Acquisition accounting do not affect rates charged to Pennsylvania public utility customers. Aqua America shall not record any of the impacts of purchase accounting on the books of any Pennsylvania public utility, thereby maintaining historical cost accounting at each Pennsylvania public utility. No Goodwill or other fair value adjustments shall be recorded at any Pennsylvania public utility upon consummation of the Merger. No Goodwill shall be recorded on any Pennsylvania public utility's books or included in any rates charged to any Pennsylvania public utility customers.

These commitments include reporting for Transaction Costs and Transition Costs. I address additional concerns and recommended commitments for Transaction and Transition costs below.

Transaction Costs

Q. What are transaction costs?

A. Transaction costs are those costs incurred in connection with the completion of the proposed transaction. AW's response to OCA-JA-I-18(b) provides the following statement of AW's general understanding of transaction costs:

> ***Transaction costs:*** Direct costs associated with executing a transaction, such as legal fees, investment banking fees, due diligence expenses, and regulatory filing costs.

Q. What types of costs are included in transaction costs?

A. Transaction Costs include, but are not limited to, any of the following: (1) consultant, investment banker, and legal fees; (2) change in control or retention payments; (3) costs associated with the shareholder meetings and proxy statement/registration statements related to the proposed transaction; and (4) costs associated with shareholder litigation related to the proposed transaction. The JA's responses to OCA-JA-I-18 and OCA-JA-I-19 provide additional information and descriptions. Any termination fee that is to be paid by the Joint Applicants related to the proposed transaction should also be included as part of the Transaction Costs and, if incurred, should be borne by shareholders.

There are a number of other costs that are triggered by the completion of the transaction and which should therefore be considered as part of the costs borne by Applicants. Examples of these other Transaction Costs include:

- Retention bonuses for Essential Utilities, Aqua and Peoples Companies' employees;
- Retention bonuses for American Water employees

- Supplemental Executive Retirement Plan ("SERP") payments to executives that are triggered by the ownership change associated with the transaction;
- Severance payments for Essential Utilities, Aqua and Peoples Companies' executives and employees related to the transaction; and
- Costs of shareholder litigation (if any) related to the proposed transaction.

Q. How do the Applicants propose to treat transaction costs?

A. As stated above, the Applicants have stated generally they will not seek recovery of Transaction Costs. The Applicants' response to OCA-JA-I-2 states that: "Joint Applicants will not seek rate recovery of transaction costs incurred in connection with the Merger."

Q. Have the Applicants identified the anticipated magnitude of some of these costs?

A. Yes. The Applicants' response to OCA-JA-I-2(a) states that their current estimate of transaction costs is $150 million, which is the amount identified in their Proxy Statement. OCA-JA-I-36 had asked for the amounts of transaction costs for each entity by category; however, the JA's response to OCA-JA-I-36 simply referred back to their response to OCA-JA-I-2.

Q. Why should transaction costs not be charged to Pennsylvania ratepayers?

A. Transaction costs would not be incurred but for the proposed transaction. As such, they are a cost of changing the ownership and should therefore be borne by the new owners, i.e., by Aqua stockholders, and not by Pennsylvania public utility ratepayers.

Q. Should safeguards be imposed to assure that no "transaction costs" are charged to Pennsylvania public utilities in any subsequent rate cases?

A. Yes. Safeguards should be imposed on the acquisition to provide the requisite assurance.

Q. Have there been any lawsuits related to the proposed Transaction?

A. Apparently, not. No lawsuits related to the proposed transactions have been identified to date.

Q. How should the cost of defending lawsuits related to the proposed Transaction be treated if there are any?

A. Costs of defending lawsuits related to the proposed Transaction, if any, should be treated as Transaction costs and should be permanently excluded from Pennsylvania utility rates.

Q. What are solicitation costs?

A. The Joint Applicants' response to OCA-JA-I-18(d) indicates that:

> ***Solicitation costs***: Costs incurred to solicit proxies from shareholders in connection with obtaining shareholder approval associated with a transaction, which may consist of costs incurred in connection with (i) preparing, printing and filing of proxy statements/prospectuses and other shareholder materials, (ii) mailing and delivery of such shareholder materials (including postage, freight and shipping), (iii) tabulation of votes in connection with the meeting of shareholders, (iv) holding the shareholder meeting, and (v) fees paid to, and reimbursed costs and expenses of, proxy solicitors engaged with respect to the shareholder meeting. In this case, solicitation costs are considered transaction costs.

Q. Are solicitation costs part of Transaction costs?

A. Yes. Solicitation costs are part of the Transaction costs because they would not otherwise be incurred, but for the proposed transaction.

Q. What are golden parachute payments and retention bonuses?

A. The Joint Applicants' responses to OCA-JA-I-18(h) and (i) provide the following definitions, respectively:

> ***Golden parachute payments***: The term "golden parachute payment" refers to a "parachute payment", as defined by Section 280G(b)(2)(A) of the Internal Revenue Code of 1986, as amended, and related Treasury Regulations, all as in effect on the date hereof.
>
> ***Retention bonuses***: Payments offered to certain employees to incentivize them to remain with the company during or after a merger, acquisition, or restructuring period.

Q. Have the Joint Applicants identified amounts for retention bonus and/or golden parachute payments resulting from the proposed transaction?

A. Not at this time.

Q. Have the Joint Applicants indicated that they do not plan to seek Transaction Costs recovery in customer rates?

A. Yes. The Joint Applicants have indicated that they do not plan on seeking recovery for a transition expenses from the customers of any Pennsylvania public utility.

Q. What is your recommended condition concerning Transaction Costs?

A. I recommend the following condition for Transaction Costs:

> None of the Pennsylvania public utilities shall seek recovery in rates of any Transaction Costs incurred in connection with the Acquisition or Merger. The categories of "Transaction Costs" incurred in connection with consummation of the Merger that shall not be recovered from utility customers are: (1) consultant, investment banker, legal, and regulatory support fees, (2) change in control or retention payments, executive

severance payments, and the accelerated portion of supplemental executive retirement plan payments, (3) costs associated with the shareholder meetings and a proxy statement related to the Merger approval by Essential Utilities and American Water shareholders, (4) costs associated with the imposition of conditions or approval of settlement terms in other state jurisdictions, (5) costs associated with shareholder litigation concerning the Merger, and (7) any other costs related to the Transaction that would not be incurred but for the proposed Transaction.

All Transaction Costs recorded on the books of American Water and shall be specifically tracked to facilitate verification that none of the Transaction costs are being included directly or indirectly in the cost of service of any Pennsylvania public utility.

No Transaction costs shall be recorded on the books of any Pennsylvania public utility.

Termination Fee

Q. Could termination fees be incurred related to the Proposed Transaction?

A. Yes. The Proposed Transaction provides that termination fees could be incurred under certain circumstances.

Q. If any such termination fees are incurred should such fees be borne by shareholders?

A. Yes. Under no circumstances should any termination fees related to the proposed Transaction be passed on to Pennsylvania public utility customers.

Q. Should the Joint Applicants' shareholders have responsibility for any termination fees that are incurred related to the proposed Transaction?

A. Yes. All termination fees would be the responsibility of shareholders.

Q. Do you have a recommended commitment related to termination fees?

A. Yes. I recommend the following commitment be required of the Applicants related to termination fees:

- The Joint Applicants agree that if the proposed transaction is not consummated all costs related to pursuing the transaction including all termination fees are the "responsibility of shareholders" (i.e. the costs will be borne by the respective applicant companies themselves and will not be recovered from Pennsylvania utility ratepayers.

Transition Costs

Q. What are transition costs?

A. Transition costs are sometimes referred to as "costs to achieve" and can be associated with efforts to integrate and combine the operations of the acquired companies with the operations or the acquiring company. The JA's response to OCA-JA-I-18(a), (c) and (e) provide the following definitions:

> ***Costs to achieve***: Expenses incurred to realize anticipated benefits from a transaction or strategic initiative, such as cost savings or synergies. These are typically one-time costs, like consulting fees, IT system changes, or restructuring expenses.
>
> ***Transition costs***: Transaction costs include costs to achieve (see above) and merger integration costs (see below).
>
> ***Merger integration costs***: Costs of combining two businesses into a single entity post-merger. These include IT integration, process alignment, and workforce restructuring.

Costs-to-achieve (referred to as "transition costs") represent incremental out-of-pocket costs rather than simply redeployed costs already existent within the business. In an acquisition and merger transaction, these costs would include expenditures in areas such as communications, facilities, information technology and certain corporate costs, among others. The costs-to-achieve may be incurred in the

first years after the acquisition. "Transition costs" include costs incurred by the Applicants for costs to facilitate the integration of the companies.

Q. Have the Joint Applicants illustrated how estimated transition costs would be accounted for?

A. Not in detail. Information on anticipated transition costs was sought in OCA-JA-I-35. In response, the Applicants did not provide that information but stated that: "Transition costs will be captured within appropriate line items on financial statements. Accordingly, separate journal entries for transition costs are not anticipated."

Q. Have the Applicants indicated they will not seek recovery of merger-related transition costs?

A. To date, the Applicants have made no such commitment.

Q. On which entity's books will the transition costs be recorded?

A. Transition costs could be recorded on the books of AW or on the books of Pennsylvania utilities.

Q. Should each type of transition cost be tracked to assure that it will never become part of any Pennsylvania regulated public utility's cost of service?

A. Yes.

Q. How should transition costs be addressed in the context of this Proposed Transaction?

A. For this proposed transaction, I am recommending that all Transition costs that are incurred through the date of merger consummation be accounted for in detail and be

permanently excluded from the rates of all of the Pennsylvania utilities that would be owned by American Water after the merger.

Q. What conditions are you recommending related to transition costs?

A. I am recommending the following modified conditions:

- All Transition Costs that are incurred prior to the closing of the proposed transaction should be borne by shareholders. No pre-merger closing Transition Costs should be allocated to any Pennsylvania utility operating entities.

- American Water shall track and account for Transition Costs and costs to achieve synergy savings in sufficient detail so the parties can review such costs and verify that none of the costs have been included in the cost of service of any Commission regulated utilities in any Pennsylvania rate case.

<u>Tax Indemnification</u>

Q. PLEASE ADDRESS TAX INDEMNIFICATION.

A. A condition should be imposed to assure that neither Aqua's nor the Peoples Companies' income taxes are increased due to the affiliation with American Water. This tax indemnification provision is similar to a safeguard that was imposed in the context of another utility holding company merger, specifically, by the District of Columbia PSC in the context of approval of the Exelon-PHI merger.

Q. Are you recommending any other conditions?

A. Yes. I recommend the following condition:

- In each of its subsequent rate cases, Aqua and the Peoples Companies shall report and quantify the impacts resulting from any constraints on their ability to monetize otherwise available tax benefits due to their affiliation with American Water and each of their post-merger

participation in a U.S. consolidated federal income tax return with American Water subsidiaries.

Q. Why do you assert that this additional condition is needed?

A. This condition will alert the Commission and the parties to future Aqua and Peoples Companies' rate cases to any potential increases in taxes due to the inability of Aqua or of the Peoples Companies to monetize tax benefits as a result of their affiliation with American Water.

Tax Elections That, If Made, Could Harm Customers Of The Acquired Utilities

Q. Does the Application propose any tax elections that could adversely affect customers?

A. This proposed transaction does not appear to contemplate, but does not prohibit, an election under Internal Revenue Code §338(h)(10), which would result in treating the common stock exchange as an asset purchase for federal income tax purposes.

Q. Why would that type of a tax election be harmful to customers?

A. Such a tax election could eliminate the ADIT and EADIT balance that has been accumulating for years on the books of the acquired utilities. Because ADIT functions as a substantial rate base deduction, this type of tax election could result in higher rate base and higher rates (other things being equal) for the utility for several years following the acquisition, and thus presents an additional form of ratepayer harm that could result from an acquisition.

Q. What is ADIT?

A. ADIT is a source of non-investor supplied zero-cost capital that is used for ratemaking purposes as an asset to rate base. ADIT related to tax and book depreciation timing differences results from the utility recording Deferred Income Tax on its books. A simplified accounting example of the impact of tax depreciation exceeding book depreciation is provided below. This illustrative example assumes that tax depreciation exceeds book depreciation in the year by $10 million and that the Company is paying Federal income taxes at a 21% tax rate:

	DR.	CR.
Federal Income Taxes Payable	$2,100,000	
Current Income Tax Expense		$2,100,000
To record the reduction to current Federal income taxes from the use of accelerated tax depreciation		
Deferred Federal Income Taxes	$2,100,000	
Accumulated Deferred Income Taxes		$2,100,000
To record the increase in Deferred Income Taxes resulting from normalizing the difference between book and tax depreciation ofr Federal income taxes.		

The decrease to Current Federal Income Taxes Expense of $2.1 million is offset by the increase of Deferred Federal Income Tax Expense. The ADIT of $2.1 million becomes non-investor supplied cost-free capital that is provided by ratepayers through that payment of the utility's revenue requirement, which includes Deferred Income Tax Expense. The ADIT also has similarities to a zero cost loan from the government in the form of deferred income tax payments in that the company can use the tax savings it realized by the deductions for accelerated tax

depreciation interest-free until some point in the future, typically when the asset is retired or sold.

Q. How is ADIT typically treated for ratemaking purposes?

A. ADIT represents a source of cost-free capital to the utility. It is typically treated as a reduction to the utility's rate base. Because ADIT for liberalized depreciation is a rate base offset, the decreased amount of ADIT equates to an increased rate base.

An election under Internal Revenue Code Section 338 can result in treating the proposed stock purchase as an asset purchase for federal income tax purposes. It is designed to treat the stock sale as a sale of assets for income tax purposes. A Section 338 election would result in eliminating the acquired utilities' ADIT balances. Basically, the interest-free loan that has been provided to the acquired utilities through ratepayer funding of the utility's deferred tax expense would disappear. This would occur because the seller would need to pay the income tax liability that would be triggered by the sale of assets (for income tax purposes) to the new owners.

Q. Does the proposed transaction entail making any elections for federal income tax purposes that could jeopardize the ADIT of the Pennsylvania utilities?

A. It appears not. Applicants have stated that there would not be an Internal Revenue Code ("IRC") Section 338 election.[10] Had such an income tax election been made,

[10] See Joint Applicants' responses to OCA-JA-I-48.

that would result in the transaction being treated for federal income tax purposes as an asset sale.

Q. Why is an IRC Section 338 election a cause for concern?

A. As a result of making this tax election, the balance of ADIT on the acquired utility's books, which functions as a rate base offset, would be eliminated. Other things being equal, this would result in a substantially increased rate base, and potentially higher rates, as a direct result of the change in ownership.

Q. Were you able to confirm that no Internal Revenue Code §338(h)(10) election is being made with respect to this proposed acquisition?

A. Yes. The Applicants' response to OCA-JA-I-48(a) states that: "Because the merger is for 100% of EU stock the 338(h)(10) election is not available." The response to OCA-JA-I-48(d) states that: "There are no other federal income tax elections to be associated with the proposed transaction."

Q. What would be necessary if that type of tax election were present?

A. Were this type of tax election to be made, in order to protect the utility customers from the rate base increase related to this detrimental aspect of the change in ownership, a hold harmless provision would be needed. Because the proposed transaction does not incorporate this type of tax election, additional specially-tailored ratepayer protections to help counteract its impact in eliminating utility ADIT do not appear to be needed.

Q. Have the Joint Applicants provided information on the Aqua and Peoples's ADIT balances as of 12/31/2025?

A. Yes. That information was provided in response to OCA-JA-I-44. That response also states that Aqua's and Peoples' ADIT balances as of December 31, 2025.

Q. Do your recommended conditions include requiring that the Joint Applicants confirm that no §338(h)(10) election will be made?

A. Yes. Having the Applicants confirm specifically that there is no §338(h)(10) election being made should not be objectionable, and will help avoid any unpleasant surprises that might occur if such an election were to be made later. I am recommending the following condition to address this:

- Joint Applicants shall ensure that consummation of the Merger shall not affect accounting and ratemaking treatments of the Aqua and Peoples Companies' accumulated deferred income taxes, including excess deferred income taxes, accumulated deferred tax credits and net operating losses (including net operating loss carrybacks and net operating loss carryforwards). No tax elections or accounting methods shall be employed related to the Merger that would in any way result in any reduction to the Aqua or Peoples Companies' net accumulated deferred income tax balances that are used to reduce rate base in the Aqua and Peoples Companies' rate cases.

<u>Capital Structure Commitment</u>

Q. Where there are multiple layers of organizational entities above the regulated utilities in a corporate organization, does that raise issues about the utilities' capital structure?

A. Yes. Where there are multiple layers of additional entities above a utility in a corporate organizational structure, particularly when some of those entities above the utility are issuing debt, that raises issues about whether the controlling parent companies are actually financing the common equity capital on the utility's books

with debt that has been issued at the higher level entities in the corporate organizational structure. When additional large amounts of Goodwill, which is an intangible asset on the parent company's books that does not produce a return, there could be additional motivation on executive management to attempt to earn higher net operating income at the utilities by indirect means, such as earning a common equity return at the utility with equity that is effectively being financed with debt at other entities above the utility in the organizational structure.

Q. Could the concern about utility capital structure be addressed by a merger commitment.

A. Yes. A commitment by the JA's to present a 50/50 hypothetical debt/equity capital structure in the Pennsylvania utilities' base rate cases for 10 years following the merger consummation. Having information on such a 50/50 capital structure in the utility rate cases, can help protect Pennsylvania utility customers from indirect, return-increasing efforts by holding company executive management, such as double leveraging or other parent company tactics to issue debt and infuse the debt into the utility subsidiary equity, increasing rates for ratepayers

Rate Case Plans And Concerns About Rate Increases

Rate Case Filing Plans

Q. When was the last time Aqua pa filed a rate case?

A. Aqua PA filed its most recent rate case before the Commission in R-2024-3047822 for its water and wastewater utility operations. A final decision was issued on

February 7, 2025 and Aqua's new base rates for water and sewer utility service became effective on February 22, 2025.

Q. What are the Peoples Companies' current rate case filing plans?

A. The Peoples Natural Gas Company recently filed a rate case before the Commission.

Q. Has American Water's largest utility subsidiary, PAWC, also been frequently filing rate cases with the Commission?

A. Yes. PAWC has filed for rate increases approximately every other year for a long time. For example, within the past five years, PAWC has filed three base rate cases:

- 2022: R-2022-3031672
- 2023: R-2023-3043189
- 2025: R-2025-3057983.

In fact, the data shows that PAWC files for rate cases more frequently than both Aqua and Peoples. There is a real risk that, under American's ownership, Aqua and Peoples could file for more frequent rate cases to satisfy Americans shareholder growth desires. Both American Water and Essential Utilities target compound growth rates of 5% to 9%. Currently undergoing regulatory approval to merge, the combined entity projects a long-term compound annual growth rate (CAGR) of 7% to 9% for both Earnings Per Share (EPS) and dividends. To achieve this growth rate, the parent company's subsidiary utilities would likely be required to file more frequent rate increases to meet Americans' CAGR.

Q. Have the Joint Applicants provided any commitment to postpone future filings of rate cases before the Commission?

A. To date, the Joint Applicants have made no Commitment to postpone the next rate cases of any of the Essential Utilities and American Water Pennsylvania utilities.

Q. Should approval of the Proposed Transaction require a commitment to postpone the next rate cases of any of the Pennsylvania public utilities of Essential Utilities and American Water?

A. Yes.

Q. Are you recommending a rate case moratorium for these utilities?

A. Yes. I recommend a commitment that, as a condition to approval of the proposed transaction, there be a commitment for a moratorium on rate case filings for each of the Joint Applicants Pennsylvania public utilities of three years from the date of each of their most recent rate case filing before the Commission.

Q. How would such a rate case moratorium benefit Pennsylvania ratepayers?

A. A three-year moratorium on rate case filings by the Joint Applicants' owned Pennsylvania public utilities will provide a period of base rate stability for the customers of those utilities. Noting again that the JAs have failed to provide any synergy estimates or otherwise quantify in their application, testimony or responses to discovery the financial savings to be realized if this application were to be approved by the Commission, a rate case moratorium is one way to help ensure that ratepayers will receive at least some benefit as a result of any approval of the merger.

Q. Could such a rate case moratorium also provide a benefit to the Joint Applicants?

A. Yes. A three-year moratorium on rate case filings by the Joint Applicants' owned Pennsylvania public utilities will also provide time for the Joint Applicants to implement best practices and achieve synergies that would be enabled by their proposed transaction.

Charitable Contributions

Q. Did the Applicants provide information about charitable contributions?

A. Yes. The JA's response to OCA-JA-I-55 provided information on charitable contributions. AW's response to OCA-JA-I-55 has the following summary of charitable contributions:

Charitable Contributions				
	2023	2024	2025	3 Year Total
AWWC & Subs	$2,613,976	$2,128,283	$3,703,237	$8,445,497
Pennsylvania	$793,855	$639,208	$734,648	$2,167,711

Additional details are provided in the response attachments.

Essential's response to OCA-JA-I-55 includes details on EU's Aqua's and Peoples' charitable contributions in an attachment to that response, and shows a 2025 Pennsylvania amount of $6,670,422. The combined AW and EU Pennsylvania charitable contributions for 2025 are approximately $8.84 million

Q. Are you recommending a condition related to maintaining the levels of charitable contributions and community support?

A. Yes. I recommend the following merger condition to assure that pre-merger levels of charitable contributions and community support are maintained or increased post-merger:

- American Water, Essential Utilities and their Pennsylvania public utilities shall, during the ten-year period following Merger Close, provide for the next ten years at least $10 million in annual contributions to public 501(c)(3) charities, that are not industry associations or donor-advised funds, $8.84 million of which must go to an organization providing services in Pennsylvania. American Water shall file by April 30 of each year an annual report on the contributions made in the prior calendar year, which shall at minimum specify which company(ies) made the contribution (e.g. Aqua, the Peoples Companies, American Water Service Company, PAWC, etc.), the amount of the contribution, and the recipient of the funds. These charitable contributions shall not be recovered in rates.

Other Conditions And Reporting Requirements

Q. Are you recommending some additional conditions and reporting requirements?

A. Yes. I am also recommending some other conditions and reporting requirements, which include:

- reporting deviations from Aqua's and the Peoples Companies budgeted capital and O&M expenditures made in anticipation of American Water ownership, and similarly reporting deviations from Aqua's and the Peoples Companies budgeted capital and O&M expenditures that are made after transaction consummation and the reasons for those deviations.;

- ensuring that transaction accounting is rate-neutral for the Aqua and Peoples Companies Pennsylvania utility customers;

- requiring that Joint Applicants providing a side-by-side comparison by function of pre- and post-Acquisition shared-services cost allocations to Aqua and to the Peoples Companies for five pre- and post-Acquisition years;

- requiring tracking of affiliated service company charges for services provided to Aqua and to the Peoples Companies on a comparable basis for tracking transaction-related Savings; and

- requiring reporting of key credit metrics including Funds from Operations ("FFO")/debt, FFO/interest, and debt/capitalization for Essential Utilities and each Pennsylvania utility that has its own bond credit rating, and requiring that Joint Applicants use reasonable efforts

to maintain the Essential Utilities, Aqua and Peoples Companies' credit ratings at investment-grade for each of their publicly-traded debt securities.

Q. Please explain why the condition concerning reporting deviations from the Aqua and the Peoples Companies' capital and O&M expenditures is needed.

A. This condition is needed because it should help to ensure that the Aqua and Peoples Companies' capital and O&M expenditures are not curtailed by American Water in the years following the transaction.

Q. Please explain why the condition concerning Neutral Acquisition Accounting is needed.

A. This condition is needed to assure that the Aqua's and the Peoples Companies' costs will not be increased due to acquisition accounting. Aqua's and the Peoples Companies' accounting may differ in certain respects from that currently used by the American Water. The rates charged to Aqua's or to the Peoples Companies customers should not be increased due to the use by American Water of a different accounting scheme. My recommended commitment would apply, among other things, to higher costs and to higher allocations of affiliated "shared service" (or corporate services) costs to Aqua and to the Peoples Companies.

Q. Please explain why the side-by-side reporting requirements are needed.

A. These reporting requirements are needed to assure that the cost of service for Aqua or for the Peoples Companies is not increased due to cost allocations or cost shifts that occur under American Water's ownership. The reporting described in these conditions works in conjunction with the protection described for neutral acquisition

accounting. The reporting will facilitate identification of issues or problems with post-merger cost allocations to Aqua and to the Peoples Companies.

Q. Why should the American Water be required to track merger enabled savings?

A. The tracking of merger enabled synergy savings and costs will help assure that Aqua's and the Peoples Companies' rates are not increased to reflect "costs to achieve" that exceed synergy savings in future Aqua and Peoples Companies PA rate case proceedings. It should also help to make certain that the Peoples Companies and Aqua customers receive the benefits of cost reductions and merger synergy savings in future rate cases.

Q. You recommended reporting of key metrics used by credit rating agencies that include acronyms such as "FFO." What does that stand for?

A. "FFO" refers to funds from operations, which is a key measurement of cash flow. Credit rating agencies use FFO to compute some of the key ratios that they monitor as checks on creditworthiness, including the relationship of FFO to interest cost and FFO to total debt.

Q. Please explain why the commitment to use reasonable efforts to maintain sound investment grade credit ratings and credit metrics reporting is needed.

A. The credit metrics reporting is needed to ensure that the Commission and consumer advocates are alerted promptly to financial problems, such as credit downgrades or negative crediting rating developments. This reporting is intended to be an "early warning" system, so action can be taken before the occurrence of a major deleterious event, such as a credit downgrade to below investment grade, and/or a significant impairment of Goodwill including the new Goodwill that American Water will be

recording as a result of this proposed transaction. Such an event could imperil the ability of both American Water and its regulated Pennsylvania public utilities to obtain financing at reasonable costs.

Preservation of Pennsylvania Utility Work Force and Office Locations

Q. Should there be a commitment to retain current Pennsylvania office locations and employment levels?

A. Yes. There should be a commitment from Joint Applicants that the proposed transaction will have no impact to current office locations and staffing levels at each Pennsylvania utility and that there will be no reductions in the JA's current Pennsylvania employment for at least three years from the merger consummation date. The Essential Utilities, Aqua PA, Peoples Gas headquarters shall remain in Pennsylvania for at least five years from merger consummation. Aqua's state-of-the-art testing facility that Aqua recently opened in Bryn Mawr shall continue to be maintained at that location for at least ten years from merger consummation.

American Water should also commit to maintaining a qualified management team will continue to operate the Peoples Companies after the proposed transaction occurs.

Peoples Companies Executive Management

Q. Are there risks of water utility oriented executive management owning and operating a natural gas utility?

A. Yes. American Water currently does not own or operate any gas distribution utilities. Risks to public safety from leaking gas pipes differ from risks related to leaking

water pipes. There are concerns regarding American Water's board and executive management overseeing a gas distribution utility, including concerns regarding public safety risks.

Q. What are the Joint Applicants proposing?

A. The Joint Applicants are not proposing any conditions related to board membership or the qualifications of American Water's board members, including their experience with managing the risks of a natural gas utility. AW and EU current board membership is described in the response to OCA-JA-I-60.

Q. What conditions related to board membership and qualifications are you recommending?

A. I recommend the following conditions:

- American Water will have a board of directors consisting of at least member who possesses substantial experience at a natural gas utility and with pipeline safety issues and gas utility pipeline integrity management.

- The American Water Board of Directors and Executive Committee shall include the Pittsburgh, PA area and service area of the Peoples Companies among the locations of their meetings.

Q. Will these provisions allow American Water to control the Peoples Companies?

A. Yes. These measures would allow American Water to have majority control of the membership of the Peoples Companies board of directors. These board composition commitments are subject to being changed and strengthened for the transaction to be in the public interest. Because America Water has no experience with owning and operating natural gas utilities, and natural gas utilities entail important public safety

issues, membership on American Water's board by persons with expertise in such matters should be required, as well as having the Peoples Companies CEO be on the American Water board. Having board and executive committee meetings in Pittsburgh and/or the Peoples Companies service area will also help ensure receptivity by the American Water board and executive management to local concerns and concerns regarding pipeline safety associated with the operation of the Peoples Companies natural gas distribution systems.

Q. Please discuss whether approval of the Proposed Transaction would diminish the Peoples Companies' ability to address gas pipeline safety issues.

A. Since American Water currently lacks experience in operating natural gas distribution utilities, provisions are needed to ensure that the Peoples Companies ability to address gas pipeline safety issues is not diminished under the new ownership. Peoples Company's management and American Water board membership should include executives and board members with substantial experience with natural gas utility operations and gas pipeline safety issues. The decisions affecting the Peoples Companies, including gas pipeline maintenance and safety issues, would be overseen and ultimately controlled by American Water, which currently owns no natural gas companies. Moreover, while Essential clearly wanted to acquire Aqua through its acquisition proceeding, Americans' acquisition of Peoples is bundled with Americans' acquisition of Essentials' water and wastewater businesses given the fact that this is a stock transaction. There is a risk that Peoples could be sold off to another entity as a result of the transaction given Americans' lack of natural gas utility knowledge and expertise. Retaining

knowledgeable and experienced executive management at the Peoples Companies and assuring that at least some of the American Water board of directors membership has significant understanding and experience with natural gas utility issues is an important consideration in preserving the Peoples Companies' ability to address public safety issues, including gas pipeline safety and integrity management.

Q. Are you recommending a condition concerning the Peoples Company's executive management and key personnel?

A. Yes. Because American Water has no experience with owning and operating natural gas utilities, and natural gas utilities entail important public safety issues, having Peoples Companies executive management that has extensive experience with natural gas utility operations and with pipeline safety issues and gas utility pipeline integrity management is crucial. I am therefore recommending the following conditions:

- American Water will assure that the executive management of the Peoples Companies possess substantial experience at a natural gas utility and with pipeline safety issues and gas utility pipeline integrity management. American Water will assure that turnover of Peoples Companies executive management and key employees does not present public safety risks to the public, and that executive management and personnel in key positions who leave the Peoples Companies are promptly replaced with qualified and knowledgeable replacements.

- The American Water Board of Directors shall meet with the Peoples Companies executive management at least once per month for the first three years post-merger and shall meet at least once per year in the Pittsburgh, PA headquarters office and/or at a location in the utility service area of the Peoples Companies.

The Aqua PA Headquarters Remains In Bryn Mawr, PA

Q. Should there be a commitment to maintain the Aqua PA and EU headquarters in Bryn Mawr, PA?

A. Yes. The following commitments are recommended:

- American Water will continue to maintain the Aqua and Essential Utilities corporate headquarters in Bryn Mawr for at least 5 years or from merger consummation.

- American Water agrees not to move Aqua and Essential Utilities corporate headquarters in Bryn Mawr after Closing and can only do so after that time upon application to and approval by the Commission.

<u>The Peoples Companies' Headquarters Remains In The Peoples Companies' Gas Distribution Utility Service Area</u>

Q. What is the current location of the Peoples Companies headquarters?

A. The Peoples Companies headquarters is currently located in Pittsburgh, PA.

Q. Have the Applicants committed to keeping it there?

A. The Joint Applicants have expressed an intention about keeping it there, but have not made a commitment to do that.

Q. Is the current headquarters building leased?

A. Yes.

Q. What is the lease term for the current headquarters building?

A. It appears that portions of the current leases run through January 31, 2029, with opportunities to extend the leases beyond that date through five-year renewals.

Q. Can it be important to the locality in considering the impact of a proposed change-in-control transaction whether the corporate headquarters building is leased or owned?

A. Yes. A leased office headquarters may have less permanence as a company's office location than an owned headquarters building. Leases typically have limited terms. When the lease is up, operations can be moved or relocated. In contrast, owned headquarters and office buildings constructed on owned property can remain in the same location for lengthy periods, extending over decades[11] or even centuries,[12] remaining relatively permanent in such locations, while other operations in leased office space have come and gone.

Q. Have the applicants offered a condition regarding the headquarters?

A. No. The Applicants have not indicated that the Peoples Companies' headquarters would remain in the Pittsburgh, PA area after the proposed transaction is completed.

Q. Have the Applicants stated a commitment timeframe for keeping the Peoples headquarters in the Pittsburgh area?

A. No. There is no time commitment. It appears that the Peoples' gas headquarters at 375 North Shore Drive in Pittsburgh, PA would remain there until the lease expires (January 31, 2019) at which point the Company could evaluate whether to exercise the option to extend the lease by 5 more years or negotiate a new lease.

[11] One illustrative example from my former hometown is the Ford Motor Company headquarters offices known as the "glass house" in Dearborn, MI, which had been Ford's world headquarters since 1956, and was built on land originally owned by the founder Henry Ford. It is noted that Ford is moving its world headquarters to another location in Dearborn, MI in 2025-2026.

[12] As illustrated by a number of U.S. federal government buildings in Washington, D.C. which have been in their present locations since the 1800s and Commonwealth buildings in Harrisburg, PA, such as the capitol and legislature which have remained in their present locations for decades.

Q. Are you recommending a commitment for the Peoples Companies' headquarters that includes a minimum time frame?

A. Yes. I recommend the following commitments:

- American Water will continue to maintain the Peoples Companies' corporate headquarters at 375 North Shore Drive in Pittsburgh, PA until the lease expires (January 31, 2029) at which point the Company will evaluate whether to exercise the option to extend the lease by 5 more years or negotiate a new lease.

- American Water agrees not to move the Peoples headquarters outside of the Peoples Companies' Pennsylvania service territory after Closing and can only do so after that time upon application to and approval by the Commission.

Gas Pipeline Safety

Q. Should a commitment be made by the Joint Applicants concerning gas pipeline safety?

A. Yes. The response to OCA-JA-I-39, states as follows:

> With respect to pipeline safety, Peoples is and will remain committed to pipeline safety. To keep the network safe, the natural gas pipeline industry complies with a comprehensive regulatory program directed by the United States Department of Transportation's Pipeline Hazardous Material Safety Administration Division. These regulations provide minimum safety standards for the design, construction, maintenance, and testing of natural gas pipeline systems. In addition, the mandated Pipeline Integrity Management programs for transportation and distribution pipelines require operators to continually assess pipeline integrity and perform risk analysis, especially in highly populated areas. Peoples utilizes preventive and mitigative measures to reduce the risk of pipeline leaks or failures, and to ensure the safe delivery of natural gas to homes and businesses in our service area.

Because American Water does not currently own or operate any gas distribution utilities and gas distribution companies have different risks, including

risks related to hazardous natural gas leaks, a commitment from American Water to preserve Peoples' pipeline safety commitments should be required.

Adherence to Prior Commitments of the Peoples' Companies

Q. Have there been previous commitments that have been made by the Peoples Companies?

A. Yes. In prior dockets there have been a list of previous commitments that have been made by the Peoples Companies and requirements for how they are being tracked.

Q. Are you recommending a condition requiring that previous commitments made by the Peoples Companies continue to be tracked and fulfilled?

A. Yes. However, I note that continuation of previous commitments is merely re-enforcement of the status quo. Regardless, I recommend the following condition to require that previous commitments made by the Peoples Companies continue to be tracked and fulfilled:

> American Water commits to continue tracking and fulfilling the Peoples Companies' commitments that are listed in the Settlement in Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063 (the Aqua-Peoples merger dockets) that have not yet been fulfilled prior to the acquisition/merger.

VI. OTHER RATEPAYER PROTECTIONS

Q. Are you recommending any other merger commitments?

- A. Yes. In addition to the conditions recommended by OCA witness Alexander, I am recommending the following commitments related to ratepayer, employee and public protections including: The Peoples Companies and Aqua PA each currently issues its own debt, and all outstanding debt is currently expected to remain in place following the acquisition. In the future, Peoples Companies and Aqua PA will issue and maintain their own long term debt held by investors and by affiliates, unless the Commission authorizes to the contrary.

- The Peoples Companies and Aqua PA will not guarantee the debt of American Water; grant liens upon their property other than in conjunction with obtaining financing for their own utility operations; or make loans or extend credit for a term of more than one year, without prior Commission approval if required by the Pennsylvania Public Utility Code.

- Under American Water ownership, the Peoples Companies' cost of financing will be absolutely transparent. Its cost of debt will reflect its actual underlying credit, without the effect of less than arms-length affiliated transactions.

- Aqua and Peoples will maintain the existing terms and conditions of employment and expects that all management and operating employees, other than the officers listed as expected to leave or retire will remain with the Peoples Companies after the acquisition.

- Concerning employee compensation and benefits of the Aqua and Peoples Companies, American Water commit to maintain levels of total compensation and benefits for the Aqua and Peoples existing employees at levels comparable to those in effect immediately prior to closing for at least one year after the closing date. American Water has also offered to retain Peoples' existing day-to-day management team and honor existing employment agreements. Aqua and Peoples will continue in effect its current collective bargaining agreement. In addition, its existing pension plans will be maintained."

- The Peoples Companies and Aqua PA will continue to maintain separate books and records, each in accordance with the applicable Uniform System of Accounts for their type of utility.

Q. How should these commitments be formalized?

A. These commitments should be formalized by being included in the Commission's order that addresses the proposed transaction.

Q. Are the commitments made to date by the Applicants sufficient to provide adequate protection to ratepayers and/or to provide an affirmative public benefit?

A. No. The commitments made to date by the Applicants are insufficient to provide adequate protection to ratepayers and/or to provide an affirmative public benefit.

VII. CONCLUSIONS AND RECOMMENDATIONS

Q. Please summarize your conclusions and recommendations.

A. The Joint Application should be denied as filed. The Joint Application is very light on details or commitments. Certainly, the Joint Applicants have not satisfied their burden to demonstrate that the joint application should be approved through substantial evidence. Pennsylvania has a high standard for approval of transactions specifically involving utility companies: a substantial affirmative public benefit must arise as a result of the transaction or the transaction should be denied. This is much different than simply doing no harm or maintaining the status quo which may be the standard for utility proceedings in other jurisdictions. This is particularly important given the fact that this merger involves the two largest water and wastewater companies in the state, and a major natural gas distribution company serving Pittsburgh. This fact warrants particular scrutiny of the application. In contrast, however, the transaction proposed by Applicants would create significant additional costs and presents significant risks to Pennsylvania ratepayers. The Commission should not approve the transaction as proposed by Applicants. This is especially important to consider given the sheer size of the acquisition, as this is the largest water and wastewater acquisition in the history of Pennsylvania, to the best of my knowledge. Given my experience in previous acquisitions, I note that the alleged benefits offered by the Joint Applicants in this transaction are deficient in relation to

substantial affirmative public benefits when compared to smaller acquisitions relatively. The size of the transaction should require greater scrutiny than smaller acquisitions, not less scrutiny and evidence.

I recommend that the Commission should approve the proposed acquisition only if sufficient conditions are met to clearly establish substantial affirmative benefits of the acquisition, to limit ratepayer exposure to the risks of the acquisition, and to ensure that ratepayers receive a fair allocation of the benefits of the acquisition. The Commission should put in place sufficient conditions to bring substantial affirmative public benefits to customers and to the Commonwealth.

Q. Please summarize the mitigation measures and conditions you recommend to protect Pennsylvania ratepayers from risks created by the proposed acquisition and to assure affirmative public benefits.

A. I recommend the commitments described above in my testimony, which should be formalized and stated specifically in the order, as being necessary to protect Pennsylvania ratepayers from the risks associated with the acquisition and to assure substantial affirmative benefits to Pennsylvania ratepayers and the Commonwealth.

By requiring these recommended conditions, and the conditions recommended by OCA witness Alexander, for approval in conjunction with the conditions recommended by other OCA witnesses, the Commission can try to assure that Pennsylvania ratepayers and the interests of the Commonwealth are protected from the risks and harm presented by the acquisition, that affirmative benefits are provided as a result of the acquisition and that the transaction is in the public interest.

Q. Does this conclude your testimony at this time?

A. Yes, it does. Should additional information become available through the discovery process, I will supplement this testimony as appropriate.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Essential Utilities 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., and Peoples Natural Gas Company LLC	:	Docket Nos. A-2025-3058927 A-2025-3058928 A-2025-3058929

VERIFICATION

I, Ralph C. Smith, hereby state that the facts above set forth in my Direct Testimony, OCA Statement 1, are true and correct to the best of my knowledge, information, belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: May 21, 2026

Signature: /s/ Ralph C. Smith
Ralph C. Smith

Address: 15278 Farmington Road
Livonia, MI 48154

Attachment RCS-1
QUALIFICATIONS OF RALPH C. SMITH

Accomplishments

Mr. Smith's professional credentials include being a Certified Financial Planner™ professional, a Certified Rate of Return Analyst, a licensed Certified Public Accountant and attorney. He functions as project manager on consulting projects involving utility regulation, regulatory policy and ratemaking and utility management. His involvement in public utility regulation has included project management and in-depth analyses of numerous issues involving telephone, electric, gas, and water and sewer utilities.

Mr. Smith has performed work in the field of utility regulation on behalf of industry, public service commission staffs, state attorney generals, municipalities, and consumer groups concerning regulatory matters before regulatory agencies in Alabama, Alaska, Arizona, Arkansas, Barbados, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Jersey, New Mexico, New York, Nevada, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington DC, West Virginia, Canada, Federal Energy Regulatory Commission and various state and federal courts of law. He has presented expert testimony in regulatory hearings on behalf of utility commission staffs and intervenors on several occasions.

Project manager in Larkin & Associates' review, on behalf of the Georgia Commission Staff, of the budget and planning activities of Georgia Power Company; supervised 13 professionals; coordinated over 200 interviews with Company budget center managers and executives; organized and edited voluminous audit report; presented testimony before the Commission. Functional areas covered included fossil plant O&M, headquarters and district operations, internal audit, legal, affiliated transactions, and responsibility reporting. All of our findings and recommendations were accepted by the Commission.

Key team member in the firm's management audit of the Anchorage Water and Wastewater Utility on behalf of the Alaska Commission Staff, which assessed the effectiveness of the Utility's operations in several areas; responsible for in-depth investigation and report writing in areas involving information systems, finance and accounting, affiliated relationships and transactions, and use of outside contractors. Testified before the Alaska Commission concerning certain areas of the audit report. AWWU concurred with each of Mr. Smith's 40 plus recommendations for improvement.

Co-consultant in the analysis of the issues surrounding gas transportation performed for the law firm of Cravath, Swaine & Moore in conjunction with the case of Reynolds Metals Co. vs. the Columbia Gas System, Inc.; drafted in-depth report concerning the regulatory treatment at both state and federal levels of issues such as flexible pricing and mandatory gas transportation.

Lead consultant and expert witness in the analysis of the rate increase request of the City of Austin - Electric Utility on behalf of the residential consumers. Among the numerous ratemaking issues addressed were the economies of the Utility's employment of outside services; provided both written and oral testimony outlining recommendations and their bases. Most of Mr. Smith's recommendations were adopted by the City Council and Utility in a settlement.

Key team member performing an analysis of the rate stabilization plan submitted by the Southern Bell Telephone & Telegraph Company to the Florida PSC; performed comprehensive analysis of the Company's projections and budgets which were used as the basis for establishing rates.

Lead consultant in analyzing Southwestern Bell Telephone separations in Missouri; sponsored the complex technical analysis and calculations upon which the firm's testimony in that case was based. He has also assisted in analyzing changes in depreciation methodology for setting telephone rates.

Lead consultant in the review of gas cost recovery reconciliation applications of Michigan Gas Utilities Company, Michigan Consolidated Gas Company, and Consumers Power Company. Drafted recommendations regarding the appropriate rate of interest to be applied to any over or under collections and the proper procedures and allocation methodology to be used to distribute any refunds to customer classes.

Lead consultant in the review of Consumers Power Company's gas cost recovery refund plan. Addressed appropriate interest rate and compounding procedures and proper allocation methodology.

Project manager in the review of the request by Central Maine Power Company for an increase in rates. The major area addressed was the propriety of the Company's ratemaking attrition adjustment in relation to its corporate budgets and projections.

Project manager in an engagement designed to address the impacts of the Tax Reform Act of 1986 on gas distribution utility operations of the Northern States Power Company. Analyzed the reduction in the corporate tax rate, uncollectibles reserve, ACRS, unbilled revenues, customer advances, CIAC, and timing of TRA-related impacts associated with the Company's tax liability.

Project manager and expert witness in the determination of the impacts of the Tax Reform Act of 1986 on the operations of Connecticut Natural Gas Company on behalf of the Connecticut Department of Public Utility Control - Prosecutorial Division, Connecticut Attorney General, and Connecticut Department of Consumer Counsel.

Lead Consultant for The Minnesota Department of Public Service ("DPS") to review the Minnesota Incentive Plan ("Incentive Plan") proposal presented by Northwestern Bell Telephone Company ("NWB") doing business as U S West Communications ("USWC"). Objective was to express an opinion as to whether current rates addressed by the plan were appropriate from a Minnesota intrastate revenue requirements and accounting perspective, and to assist in developing recommended modifications to NWB's proposed Plan.

Performed a variety of analytical and review tasks related to our work effort on this project. Obtained and reviewed data and performed other procedures as necessary (1) to obtain an understanding of the Company's Incentive Plan filing package as it relates to rate base, operating income, revenue requirements, and plan operation, and (2) to formulate an opinion concerning the reasonableness of current rates and of amounts included within the Company's Incentive Plan filing. These procedures included requesting and reviewing extensive discovery, visiting the Company's offices to review data, issuing follow-up information requests in many instances, telephone and on-site discussions with Company representatives, and frequent discussions with counsel and DPS Staff assigned to the project.

Lead Consultant in the regulatory analysis of Jersey Central Power & Light Company for the Department of the Public Advocate, Division of Rate Counsel. Tasks performed included on-site review and audit of Company, identification and analysis of specific issues, preparation of data requests, testimony, and cross examination questions. Testified in Hearings.

Assisted the NARUC Committee on Management Analysis with drafting the Consultant Standards for Management Audits.

Presented training seminars covering public utility accounting, tax reform, ratemaking, affiliated transaction auditing, rate case management, and regulatory policy in Maine, Georgia, Kentucky, and Pennsylvania. Seminars were presented to commission staffs and consumer interest groups.

Previous Positions

With Larkin, Chapski and Co., the predecessor firm to Larkin & Associates, was involved primarily in utility regulatory consulting, and also in tax planning and tax research for businesses and individuals, tax return preparation and review, and independent audit, review and preparation of financial statements.

Installed computerized accounting system for a realty management firm.

Education

Bachelor of Science in Administration in Accounting, with distinction, University of Michigan, Dearborn, 1979.

Master of Science in Taxation, Walsh College, Michigan, 1981. Master's thesis dealt with investment tax credit and property tax on various assets.

Juris Doctor, cum laude, Wayne State University Law School, Detroit, Michigan, 1986. Recipient of American Jurisprudence Award for academic excellence.

Continuing education required to maintain CPA license and CFP® certificate.

Passed all parts of CPA examination in first sitting, 1979. Received CPA certificate in 1981 and Certified Financial Planning certificate in 1983. Admitted to Michigan and Federal bars in 1986.

Michigan Bar Association.

American Bar Association, sections on public utility law and taxation.

Partial list of utility cases participated in:

79-228-EL-FAC	Cincinnati Gas & Electric Company (Ohio PUC)
79-231-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
79-535-EL-AIR	East Ohio Gas Company (Ohio PUC)
80-235-EL-FAC	Ohio Edison Company (Ohio PUC)
80-240-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
U-1933	Tucson Electric Power Company (Arizona Corp. Commission)
U-6794	Michigan Consolidated Gas Co. --16 Refunds (Michigan PSC)
81-0035TP	Southern Bell Telephone Company (Florida PSC)
81-0095TP	General Telephone Company of Florida (Florida PSC)
81-308-EL-EFC	Dayton Power & Light Co.- Fuel Adjustment Clause (Ohio PUC)
810136-EU	Gulf Power Company (Florida PSC)
GR-81-342	Northern States Power Co. -- E-002/Minnesota (Minnesota PUC)
Tr-81-208	Southwestern Bell Telephone Company (Missouri PSC))
U-6949	Detroit Edison Company (Michigan PSC)
8400	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
18328	Alabama Gas Corporation (Alabama PSC)
18416	Alabama Power Company (Alabama PSC)
820100-EU	Florida Power Corporation (Florida PSC)
8624	Kentucky Utilities (Kentucky PSC)
8648	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
U-7236	Detroit Edison - Burlington Northern Refund (Michigan PSC)
U6633-R	Detroit Edison - MRCS Program (Michigan PSC)
U-6797-R	Consumers Power Company -MRCS Program (Michigan PSC)
U-5510-R	Consumers Power Company - Energy conservation Finance Program (Michigan PSC)
82-240E	South Carolina Electric & Gas Company (South Carolina PSC)
7350	Generic Working Capital Hearing (Michigan PSC)
RH-1-83	Westcoast Transmission Co., (National Energy Board of Canada)
820294-TP	Southern Bell Telephone & Telegraph Co. (Florida PSC)
82-165-EL-EFC (Subfile A)	Toledo Edison Company(Ohio PUC)
82-168-EL-EFC	Cleveland Electric Illuminating Company (Ohio PUC)
830012-EU	Tampa Electric Company (Florida PSC)
U-7065	The Detroit Edison Company - Fermi II (Michigan PSC)
8738	Columbia Gas of Kentucky, Inc. (Kentucky PSC)
ER-83-206	Arkansas Power & Light Company (Missouri PSC)
U-4758	The Detroit Edison Company – Refunds (Michigan PSC)
8836	Kentucky American Water Company (Kentucky PSC)
8839	Western Kentucky Gas Company (Kentucky PSC)
83-07-15	Connecticut Light & Power Co. (Connecticut DPU)
81-0485-WS	Palm Coast Utility Corporation (Florida PSC)
U-7650	Consumers Power Co. (Michigan PSC)
83-662	Continental Telephone Company of California, (Nevada PSC)
U-6488-R	Detroit Edison Co., FAC & PIPAC Reconciliation (Michigan PSC)
U-15684	Louisiana Power & Light Company (Louisiana PSC)
7395 & U-7397	Campaign Ballot Proposals (Michigan PSC)
820013-WS	Seacoast Utilities (Florida PSC)
U-7660	Detroit Edison Company (Michigan PSC)
83-1039	CP National Corporation (Nevada PSC)
U-7802	Michigan Gas Utilities Company (Michigan PSC)
83-1226	Sierra Pacific Power Company (Nevada PSC)
830465-EI	Florida Power & Light Company (Florida PSC)
U-7777	Michigan Consolidated Gas Company (Michigan PSC)
U-7779	Consumers Power Company (Michigan PSC)

U-7480-R	Michigan Consolidated Gas Company (Michigan PSC)
U-7488-R	Consumers Power Company – Gas (Michigan PSC)
U-7484-R	Michigan Gas Utilities Company (Michigan PSC)
U-7550-R	Detroit Edison Company (Michigan PSC)
U-7477-R	Indiana & Michigan Electric Company (Michigan PSC)
18978	Continental Telephone Co. of the South Alabama (Alabama PSC)
R-842583	Duquesne Light Company (Pennsylvania PUC)
R-842740	Pennsylvania Power Company (Pennsylvania PUC)
850050-EI	Tampa Electric Company (Florida PSC)
16091	Louisiana Power & Light Company (Louisiana PSC)
19297	Continental Telephone Co. of the South Alabama (Alabama PSC)
76-18788AA &76-18793AA	Detroit Edison - Refund - Appeal of U-4807 (Ingham County, Michigan Circuit Court)
85-53476AA & 85-534785AA	Detroit Edison Refund - Appeal of U-4758 (Ingham County, Michigan Circuit Court)
U-8091/U-8239	Consumers Power Company - Gas Refunds (Michigan PSC)
TR-85-179	United Telephone Company of Missouri (Missouri PSC)
85-212	Central Maine Power Company (Maine PSC)
ER-85646001 & ER-85647001	New England Power Company (FERC)
850782-EI & 850783-EI	Florida Power & Light Company (Florida PSC)
R-860378	Duquesne Light Company (Pennsylvania PUC)
R-850267	Pennsylvania Power Company (Pennsylvania PUC)
851007-WU & 840419-SU	Florida Cities Water Company (Florida PSC)
G-002/GR-86-160	Northern States Power Company (Minnesota PSC)
7195 (Interim)	Gulf States Utilities Company (Texas PUC)
87-01-03	Connecticut Natural Gas Company (Connecticut PUC))
87-01-02	Southern New England Telephone Company (Connecticut Department of Public Utility Control)
3673-	Georgia Power Company (Georgia PSC)
29484	Long Island Lighting Co. (New York Dept. of Public Service)
U-8924	Consumers Power Company – Gas (Michigan PSC)
Docket No. 1	Austin Electric Utility (City of Austin, Texas)
Docket E-2, Sub 527	Carolina Power & Light Company (North Carolina PUC)
U-87-47	Anchorage Water and Wastewater Utility (Alaska PUC)
870853	Pennsylvania Gas and Water Company (Pennsylvania PUC)
880069	Southern Bell Telephone Company (Florida PSC)
U-1954-88-102 & E-1032-88-102	Citizens Utilities Rural Company, Inc. & Citizens Utilities Company, Kingman Telephone Division (Arizona CC)
89-0033	Illinois Bell Telephone Company (Illinois CC)
U-89-2688-T	Puget Sound Power & Light Company (Washington UTC))
R-891364	Philadelphia Electric Company (Pennsylvania PUC)
F.C. 889	Potomac Electric Power Company (District of Columbia PSC)
Case No. 88/546	Niagara Mohawk Power Corporation, et al Plaintiffs, v. Gulf+Western, Inc. et al, defendants (Supreme Court County of Onondaga, State of New York)
87-11628	Duquesne Light Company, et al, plaintiffs, against Gulf+ Western, Inc. et al, defendants (Court of the Common Pleas of Allegheny County, Pennsylvania Civil Division)
890319-EI	Florida Power & Light Company (Florida PSC)
891345-EI	Gulf Power Company (Florida PSC)
ER 8811 0912J	Jersey Central Power & Light Company (BPU)
6531	Hawaiian Electric Company (Hawaii PUCs)

R-901595	Equitable Gas Company (Pennsylvania Consumer Counsel)
90-10	Artesian Water Company (Delaware PSC)
89-12-05	Southern New England Telephone Company (Connecticut PUC)
900329-WS	Southern States Utilities, Inc. (Florida PSC)
90-12-018	Southern California Edison Company (California PUC)
90-E-1185	Long Island Lighting Company (New York DPS)
R-911966	Pennsylvania Gas & Water Company (Pennsylvania PUC)
I.90-07-037, Phase II	(Investigation of OPEBs) Department of the Navy and all Other Federal Executive Agencies (California PUC)
U-1551-90-322	Southwest Gas Corporation (Arizona CC)
U-1656-91-134	Sun City Water Company (Arizona RUCO)
U-2013-91-133	Havasu Water Company (Arizona RUCO)
91-174	Central Maine Power Company (Department of the Navy and all Other Federal Executive Agencies)
U-1551-89-102 & U-1551-89-103	Southwest Gas Corporation - Rebuttal and PGA Audit (Arizona Corporation Commission)
Docket No. 6998	Hawaiian Electric Company (Hawaii PUC)
TC-91-040A and TC-91-040B	Intrastate Access Charge Methodology, Pool and Rates Local Exchange Carriers Association and South Dakota Independent Telephone Coalition
9911030-WS & 911-67-WS	General Development Utilities - Port Malabar and West Coast Divisions (Florida PSC)
U-91-091	Anchorage Telephone Utility (Alaska PUC)
922180	The Peoples Natural Gas Company (Pennsylvania PUC)
7233 and 7243	Hawaiian Nonpension Postretirement Benefits (Hawaiian PUC)
R-00922314 & M-920313C006	Metropolitan Edison Company (Pennsylvania PUC)
R00922428	Pennsylvania American Water Company (Pennsylvania PUC)
E-1032-92-083 & U-1656-92-183	Citizens Utilities Company, Agua Fria Water Division (Arizona Corporation Commission)
92-09-19	Southern New England Telephone Company (Connecticut PUC)
E-1032-92-073	Citizens Utilities Company (Electric Division), (Arizona CC)
UE-92-1262	Puget Sound Power and Light Company (Washington UTC))
92-345	Central Maine Power Company (Maine PUC)
R-932667	Pennsylvania Gas & Water Company (Pennsylvania PUC)
U-93-60	Matanuska Telephone Association, Inc. (Alaska PUC)
U-93-50	Anchorage Telephone Utility (Alaska PUC)
U-93-64	PTI Communications (Alaska PUC)
7700	Hawaiian Electric Company, Inc. (Hawaii PUC)
E-1032-93-111 & U-1032-93-193	Citizens Utilities Company - Gas Division (Arizona Corporation Commission)
R-00932670	Pennsylvania American Water Company (Pennsylvania PUC)
U-1514-93-169/ E-1032-93-169	Sale of Assets CC&N from Contel of the West, Inc. to Citizens Utilities Company (Arizona Corporation Commission)
7766	Hawaiian Electric Company, Inc. (Hawaii PUC)
93-2006- GA-AIR	The East Ohio Gas Company (Ohio PUC)
94-E-0334	Consolidated Edison Company (New York DPS)
94-0270	Inter-State Water Company (Illinois Commerce Commission)
94-0097	Citizens Utilities Company, Kauai Electric Division (Hawaii PUC)
PU-314-94-688	Application for Transfer of Local Exchanges (North Dakota PSC)
94-12-005-Phase I	Pacific Gas & Electric Company (California PUC)
R-953297	UGI Utilities, Inc. - Gas Division (Pennsylvania PUC)

95-03-01	Southern New England Telephone Company (Connecticut PUC)
95-0342	Consumer Illinois Water, Kankakee Water District (Illinois CC)
94-996-EL-AIR	Ohio Power Company (Ohio PUC)
95-1000-E	South Carolina Electric & Gas Company (South Carolina PSC)
Non-Docketed	Citizens Utility Company - Arizona Telephone Operations Staff Investigation (Arizona Corporation Commission)
E-1032-95-473	Citizens Utility Co. - Northern Arizona Gas Division (Arizona CC)
E-1032-95-433	Citizens Utility Co. - Arizona Electric Division (Arizona CC)
	Collaborative Ratemaking Process Columbia Gas of Pennsylvania (Pennsylvania PUC)
GR-96-285	Missouri Gas Energy (Missouri PSC)
94-10-45	Southern New England Telephone Company (Connecticut PUC)
A.96-08-001 et al.	California Utilities' Applications to Identify Sunk Costs of Non-Nuclear Generation Assets, & Transition Costs for Electric Utility Restructuring, & Consolidated Proceedings (California PUC)
96-324	Bell Atlantic - Delaware, Inc. (Delaware PSC)
96-08-070, et al.	Pacific Gas & Electric Co., Southern California Edison Co. and San Diego Gas & Electric Company (California PUC)
97-05-12	Connecticut Light & Power (Connecticut PUC)
R-00973953	Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code (Pennsylvania PUC)
97-65	Application of Delmarva Power &Light Co. for Application of a Cost Accounting Manual and a Code of Conduct (Delaware PSC)
16705	Entergy Gulf States, Inc. (Cities Steering Committee)
E-1072-97-067	Southwestern Telephone Co. (Arizona Corporation Commission)
Non-Docketed	Delaware - Estimate Impact of Universal Services Issues Staff Investigation (Delaware PSC)
PU-314-97-12	US West Communications, Inc. Cost Studies (North Dakota PSC)
97-0351	Consumer Illinois Water Company (Illinois CC)
97-8001	Investigation of Issues to be Considered as a Result of Restructuring of Electric Industry (Nevada PSC)
U-0000-94-165	Generic Docket to Consider Competition in the Provision of Retail Electric Service (Arizona Corporation Commission)
98-05-006-Phase I	San Diego Gas & Electric Co., Section 386 costs (California PUC)
9355-U	Georgia Power Company Rate Case (Georgia PUC)
97-12-020 - Phase I	Pacific Gas & Electric Company (California PUC)
U-98-56, U-98-60, U-98-65, U-98-67	Investigation of 1998 Intrastate Access charge filings (Alaska PUC)
U-99-66, U-99-65, U-99-56, U-99-52	Investigation of 1999 Intrastate Access Charge filing (Alaska PUC)
Phase II of 97-SCCC-149-GIT	Southwestern Bell Telephone Company Cost Studies (Kansas CC)
PU-314-97-465	US West Universal Service Cost Model (North Dakota PSC)
Non-docketed	Bell Atlantic - Delaware, Inc., Review of New Telecomm. Assistance and Tariff Filings (Delaware PSC)
Contract Dispute	City of Zeeland, MI - Water Contract with the City of Holland, MI (Before an arbitration panel)
Non-docketed Project	City of Danville, IL - Valuation of Water System (Danville, IL)
Non-docketed Project	Village of University Park, IL - Valuation of Water and Sewer System (Village of University Park, Illinois)
E-1032-95-417	Citizens Utility Co., Maricopa Water/Wastewater Companies et al.(Arizona Corporation Commission)
T-1051B-99-0497	Proposed Merger of the Parent Corporation of Qwest Communications Corporation, LCI International Telecom Corp., and US West Communications, Inc. (Arizona CC)
T-01051B-99-0105	US West Communications, Inc. Rate Case (Arizona CC)

A00-07-043	Pacific Gas & Electric - 2001 Attrition (California PUC)
T-01051B-99-0499	US West/Quest Broadband Asset Transfer (Arizona CC)
99-419/420	US West, Inc. Toll and Access Rebalancing (North Dakota PSC)
PU314-99-119	US West, Inc. Residential Rate Increase and Cost Study Review (North Dakota PSC
98-0252	Ameritech - Illinois, Review of Alternative Regulation Plan (Illinois CUB)
00-108	Delmarva Billing System Investigation (Delaware PSC)
U-00-28	Matanuska Telephone Association (Alaska PUC)
Non-Docketed	Management Audit and Market Power Mitigation Analysis of the Merged Gas System Operation of Pacific Enterprises and Enova Corporation (California PUC)
00-11-038	Southern California Edison (California PUC)
00-11-056	Pacific Gas & Electric (California PUC)
00-10-028	The Utility Reform Network for Modification of Resolution E-3527 (California PUC)
98-479	Delmarva Power & Light Application for Approval of its Electric and Fuel Adjustments Costs (Delaware PSC)
99-457	Delaware Electric Cooperative Restructuring Filing (Delaware PSC)
99-582	Delmarva Power & Light dba Conectiv Power Delivery Analysis of Code of Conduct and Cost Accounting Manual (Delaware PSC)
99-03-04	United Illuminating Company Recovery of Stranded Costs (Connecticut OCC)
99-03-36	Connecticut Light & Power (Connecticut OCC)
Civil Action No. 98-1117	West Penn Power Company vs. PA PUC (Pennsylvania PSC)
Case No. 12604	Upper Peninsula Power Company (Michigan AG)
Case No. 12613	Wisconsin Public Service Commission (Michigan AG)
41651	Northern Indiana Public Service Co Overearnings investigation (Indiana UCC)
13605-U	Savannah Electric & Power Company – FCR (Georgia PSC)
14000-U	Georgia Power Company Rate Case/M&S Review (Georgia PSC)
13196-U	Savannah Electric & Power Company Natural Gas Procurement and Risk Management/Hedging Proposal, Docket No. 13196-U (Georgia PSC)
Non-Docketed	Georgia Power Company & Savannah Electric & Power FPR Company Fuel Procurement Audit (Georgia PSC)
Non-Docketed	Transition Costs of Nevada Vertically Integrated Utilities (US Department of Navy)
Application No. 99-01-016, Phase I	Post-Transition Ratemaking Mechanisms for the Electric Industry Restructuring (US Department of Navy)
99-02-05	Connecticut Light & Power (Connecticut OCC)
01-05-19-RE03	Yankee Gas Service Application for a Rate Increase, Phase I-2002-IERM (Connecticut OCC)
G-01551A-00-0309	Southwest Gas Corporation, Application to amend its rate Schedules (Arizona CC)
00-07-043	Pacific Gas & Electric Company Attrition & Application for a rate increase (California PUC)
97-12-020 Phase II	Pacific Gas & Electric Company Rate Case (California PUC)
01-10-10	United Illuminating Company (Connecticut OCC)
13711-U	Georgia Power FCR (Georgia PSC)
02-001	Verizon Delaware § 271(Delaware DPA)
02-BLVT-377-AUD	Blue Valley Telephone Company Audit/General Rate Investigation (Kansas CC)
02-S&TT-390-AUD	S&T Telephone Cooperative Audit/General Rate Investigation (Kansas CC)

01-SFLT-879-AUD	Sunflower Telephone Company Inc., Audit/General Rate Investigation (Kansas CC)
01-BSTT-878-AUD	Bluestem Telephone Company, Inc. Audit/General Rate Investigation (Kansas CC)
P404, 407, 520, 413 426, 427, 430, 421/ CI-00-712	Sherburne County Rural Telephone Company, dba as Connections, Etc. (Minnesota DOC)
U-01-85	ACS of Alaska, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-34	ACS of Anchorage, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-83	ACS of Fairbanks, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-87	ACS of the Northland, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-84	ACS of Fairbanks dba Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-82	ACS of Anchorage dba Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-86	ACS of Alaska dba Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
96-324, Phase II	Verizon Delaware, Inc. UNE Rate Filing (Delaware PSC)
03-WHST-503-AUD	Wheat State Telephone Company (Kansas CC)
04-GNBT-130-AUD	Golden Belt Telephone Association (Kansas CC)
Docket 6914	Shoreham Telephone Company, Inc. (Vermont BPU)
Docket No. E-01345A-06-009	Arizona Public Service Company (Arizona Corporation Commission)
Case No. 05-1278-E-PC-PW-42T	Appalachian Power Company and Wheeling Power Company both d/b/a American Electric Power (West Virginia PSC)
Docket No. 04-0113	Hawaiian Electric Company (Hawaii PUC)
Case No. U-14347	Consumers Energy Company (Michigan PSC)
Case No. 05-725-EL-UNC	Cincinnati Gas & Electric Company (PUC of Ohio)
Docket No. 21229-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 19142-U	Georgia Power Company (Georgia PSC)
Docket No. 03-07-01RE01	Connecticut Light & Power Company (CT DPUC)
Docket No. 19042-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 2004-178-E	South Carolina Electric & Gas Company (South Carolina PSC)
Docket No. 03-07-02	Connecticut Light & Power Company (CT DPUC)
Docket No. EX02060363, Phases I&II	Rockland Electric Company (NJ BPU)
Docket No. U-00-88	ENSTAR Natural Gas Company and Alaska Pipeline Company (Regulatory Commission of Alaska)
Phase 1-2002 IERM, Docket No. U-02-075	Interior Telephone Company, Inc. (Regulatory Commission of Alaska)
Docket No. 05-SCNT-1048-AUD	South Central Telephone Company (Kansas CC)
Docket No. 05-TRCT-607-KSF	Tri-County Telephone Company (Kansas CC)
Docket No. 05-KOKT-060-AUD	Kan Okla Telephone Company (Kansas CC)
Docket No. 2002-747	Northland Telephone Company of Maine (Maine PUC)
Docket No. 2003-34	Sidney Telephone Company (Maine PUC)
Docket No. 2003-35	Maine Telephone Company (Maine PUC)
Docket No. 2003-36	China Telephone Company (Maine PUC)
Docket No. 2003-37	Standish Telephone Company (Maine PUC)

Docket Nos. U-04-022, U-04-023	Anchorage Water and Wastewater Utility (Regulatory Commission of Alaska)
U-04-81	Protest by Aurora Gas, LLC against Beluga Pipe Line Company (Regulatory Commission of Alaska)
Case 05-116-U/06-055-U	Entergy Arkansas, Inc. EFC (Arkansas Public Service Commission)
Case 04-137-U	Southwest Power Pool RTO (Arkansas Public Service Commission)
Case No. 7109/7160	Vermont Gas Systems (Department of Public Service)
Case No. ER-2006-0315	Empire District Electric Company (Missouri PSC)
Case No. ER-2006-0314	Kansas City Power & Light Company (Missouri PSC)
Docket No. U-05-043,44	Golden Heart Utilities/College Park Utilities (Regulatory Commission of Alaska)
A-122250F5000	Equitable Resources, Inc. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
E-01345A-05-0816	Arizona Public Service Company (Arizona CC)
Docket No. 05-304	Delmarva Power & Light Company (Delaware PSC)
05-806-EL-UNC	Cincinnati Gas & Electric Company (Ohio PUC)
U-06-45	Anchorage Water Utility (Regulatory Commission of Alaska)
03-93-EL-ATA, 06-1068-EL-UNC	Duke Energy Ohio (Ohio PUC)
PUE-2006-00065	Appalachian Power Company (Virginia Corporation Commission)
G-04204A-06-0463 et. al	UNS Gas, Inc. (Arizona CC)
U-06-134	Chugach Electric Association, Inc. (Regulatory Commission of Alaska)
Docket No. 2006-0386	Hawaiian Electric Company, Inc (Hawaii PUC)
E-01933A-07-0402	Tucson Electric Power Company (Arizona CC)
G-01551A-07-0504	Southwest Gas Corporation (Arizona CC)
Docket No. 07-186	Chesapeake Utilities Corporation (Delaware PSC)
Docket No. UE-072300	Puget Sound Energy, Inc. (Washington UTC)
PUE-2008-00009	Virginia-American Water Company (Virginia SCC)
PUE-2008-00046	Appalachian Power Company (Virginia SCC)
E-01345A-08-0172	Arizona Public Service Company (Arizona CC)
A-2008-2063737	Babcock & Brown Infrastructure Fund North America, LP. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
08-1783-G-42T	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
08-1761-G-PC	Hope Gas, Inc., dba Dominion Hope, Dominion Resources, Inc., and Peoples Hope Gas Companies (West Virginia PSC)
Docket No. 2008-0083	Hawaiian Electric Company, Inc. (Hawaii PUC)
Docket No. 2008-0266	Young Brothers, Limited (Hawaii PUC)
G-04024A-08-0571	UNS Gas, Inc. (Arizona CC)
Docket No. 09-29	Tidewater Utilities, Inc. (Delaware PSC)
Docket No. UE-090704	Puget Sound Energy, Inc. (Washington UTC)
09-0878-G-42T	Mountaineer Gas Company (West Virginia PSC)
2009-UA-0014	Mississippi Power Company (Mississippi PSC)
Docket No. 09-0319	Illinois-American Water Company (Illinois CC)
Docket No. 09-414	Delmarva Power & Light Company (Delaware PSC)
R-2009-2132019	Aqua Pennsylvania, Inc. (Pennsylvania PUC)
Docket Nos. U-09-069, U-09-070	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
Docket Nos. U-04-023, U-04-024	Anchorage Water and Wastewater Utility - Remand (Regulatory Commission of Alaska)
W-01303A-09-0343 & SW-01303A-09-0343	Arizona-American Water Company (Arizona CC)

09-872-EL-FAC & 09-873-EL-FAC	Financial Audits of the FAC of the Columbus Southern Power Company and the Ohio Power Company - Audit I (Ohio PUC)
2010-00036	Kentucky-American Water Company (Kentucky PSC)
E-04100A-09-0496	Southwest Transmission Cooperative, IHnc. (Arizona CC)
E-01773A-09-0472	Arizona Electric Power Cooperative, Inc. (Arizona CC)
R-2010-2166208, R-2010-2166210, R-2010-2166212, & R-2010-2166214	Pennsylvania-American Water Company (Pennsylvania PUC)
PSC Docket No. 09-0602	Central Illinois Light Company D/B/A AmerenCILCO; Central Illinois Public Service Company D/B/A AmerenCIPS; Illinois Power Company D/B/A AmerenIP (Illinois CC)
10-0713-E-PC	Allegheny Power and FirstEnergy Corp. (West Virginia PSC)
Docket No. 31958	Georgia Power Company (Georgia PSC)
Docket No. 10-0467	Commonwealth Edison Company (Illinois CC)
PSC Docket No. 10-237	Delmarva Power & Light Company (Delaware PSC)
U-10-51	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
10-0699-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
10-0920-W-42T	West Virginia-American Water Company (West Virginia PSC)
A.10-07-007	California-American Water Company (California PUC)
A-2010-2210326	TWP Acquisition (Pennsylvania PUC)
09-1012-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 1 (Ohio PUC)
10-268-EL FAC et al.	Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit II (Ohio PUC)
Docket No. 2010-0080	Hawaiian Electric Company, Inc. (Hawaii PUC)
G-01551A-10-0458	Southwest Gas Corporation (Arizona CC)
10-KCPE-415-RTS	Kansas City Power & Light Company – Remand (Kansas CC)
PUE-2011-00037	Virginia Appalachian Power Company (Commonwealth of Virginia SCC)
R-2011-2232243	Pennsylvania-American Water (Pennsylvania PUC)
U-11-100	Power Purchase Agreement between Chugach Association, Inc. and Fire Island Wind, LLC (Regulatory Commission of Alaska)
A.10-12-005	San Diego Gas & Electric Company (California PUC)
PSC Docket No. 11-207	Artesian Water Company, Inc. (Delaware PSC)
Cause No. 44022	Indiana-American Water Company, Inc. (Indiana Utility Regulatory Commission)
PSC Docket No. 10-247	Management Audit of Tidewater Utilities, Inc. Affiliate Transactions (Delaware Public Service Commission)
G-04204A-11-0158	UNS Gas, Inc. (Arizona Corporation Commission)
E-01345A-11-0224	Arizona Public Service Company (Arizona CC)
UE-111048 & UE-111049	Puget Sound Energy, Inc. (Washington Utilities and Transportation Commission)
Docket No. 11-0721	Commonwealth Edison Company (Illinois CC)
11AL-947E	Public Service Company of Colorado (Colorado PSC)
U-11-77 & U-11-78	Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
Docket No. 11-0767	Illinois-American Water Company (Illinois CC)
PSC Docket No. 11-397	Tidewater Utilities, Inc. (Delaware PSC)
Cause No. 44075	Indiana Michigan Power Company (Indiana Utility Regulatory Commission)
Docket No. 12-0001	Ameren Illinois Company (Illinois CC)

11-5730-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 2 (Ohio PUC)
PSC Docket No. 11-528	Delmarva Power & Light Company (Delaware PSC)
11-281-EL-FAC et al.	Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit III (Ohio PUC)
Cause No. 43114-IGCC-4S1	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 12-0293	Ameren Illinois Company (Illinois CC)
Docket No. 12-0321	Commonwealth Edison Company (Illinois CC)
12-02019 & 12-04005	Southwest Gas Corporation (Public Utilities Commission of Nevada)
Docket No. 2012-218-E	South Carolina Electric & Gas (South Carolina PSC)
Docket No. E-72, Sub 479	Dominion North Carolina Power (North Carolina Utilities Commission)
12-0511 & 12-0512	North Shore Gas Company and The Peoples Gas Light and Coke Company (Illinois CC)
E-01933A-12-0291	Tucson Electric Power Company (Arizona CC)
Case No. 9311	Potomac Electric Power Company (Maryland PSC)
Cause No. 43114-IGCC-10	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 36498	Georgia Power Company (Georgia PSC)
Case No. 9316	Columbia Gas of Maryland, Inc. (Maryland PSC)
Docket No. 13-0192	Ameren Illinois Company (Illinois CC)
12-1649-W-42T	West Virginia-American Water Company (West Virginia PSC)
E-04204A-12-0504	UNS Electric, Inc. (Arizona CC)
PUE-2013-00020	Virginia and Electric Power Company (Virginia SCC)
R-2013-2355276	Pennsylvania-American Water Company (Pennsylvania PUC)
Formal Case No. 1103	Potomac Electric Power Company (District of Columbia PSC)
U-13-007	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
12-2881-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 3 (Ohio PUC)
Docket No. 36989	Georgia Power Company (Georgia PSC)
Cause No. 43114-IGCC-11	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
UM 1633	Investigation into Treatment of Pension Costs in Utility Rates (Oregon PUC)
13-1892-EL FAC	Financial Audit of the FAC and AER of the Ohio Power Company – Audit I (Ohio PUC)
E-04230A-14-0011 & E-01933A-14-0011	Reorganization of UNS Energy Corporation with Fortis, Inc. (Arizona CC)
14-255-EL RDR	Regulatory Compliance Audit of the 2013 DIR of Ohio Power Company (Ohio PUC)
U-14-001	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
U-14-002	Alaska Power Company (The Regulatory Commission of Alaska)
PUE-2014-00026	Virginia Appalachian Power Company (Commonwealth of Virginia SCC)
14-0117-EL-FAC	Financial, Management, and Performance Audit of the FAC and Purchased Power Rider for Dayton Power and Light – Audit 1 (Ohio PUC)
14-0702-E-42T	Monongahela Power Company and The Potomac Edison Company (West Virginia PSC)
Formal Case No. 1119	Merger of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC, and New Special Purpose Entity, LLC (District of Columbia PSC)
R-2014-2428742	West Penn Power Company (Pennsylvania PUC)
R-2014-2428743	Pennsylvania Electric Company (Pennsylvania PUC)
R-2014-2428744	Pennsylvania Power Company (Pennsylvania PUC)
R-2014-2428745	Metropolitan Edison Company (Pennsylvania PUC)

Cause No. 43114-IGCC-12/13	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
14-1152-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
WS-01303A-14-0010	EPCOR Water Arizona, Inc. (Arizona CC)
2014-000396	Kentucky Power Company (Kentucky PSC)
15-03-45	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
A.14-11-003	San Diego Gas & Electric Company (California PUC)
U-14-111	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
2015-UN-049	Atmos Energy Corporation (Mississippi PSC)
15-0003-G-42T	Mountaineer Gas Company (West Virginia PSC)
PUE-2015-00027	Virginia Electric and Power Company (Commonwealth of Virginia SCC)
Docket No. 2015-0022	Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company Limited, and NextEra Energy, Inc. (Hawaii PUC)
15-0676-W-42T	West Virginia-American Water Company (West Virginia PSC)
15-07-38	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
15-26	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Massachusetts DPU)
15-042-EL-FAC	Management/Performance and Financial Audit of the FAC and Purchased Power Rider for Dayton Power and Light (Ohio PUC)
U-15-016	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
2015-UN-0080	Mississippi Power Company (Mississippi PSC)
Docket No. 15-00042	B&W Pipeline, LLC (Tennessee Regulatory Authority)
WR-2015-0301/SR-2015-0302	Missouri American Water Company (Missouri PSC)
U-15-089, U-15-091,& U-15-092	Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
Docket No. 16-00001	Kingsport Power Company d/b/a AEP Appalachian Power (Tennessee Regulatory Authority)
PUE-2015-00097	Virginia-American Water Company (Commonwealth of Virginia SCC)
15-1854-EL-RDR	Management/Performance and Financial Audit of the Alternative Energy Recovery Rider of Duke Energy Ohio, Inc. (Ohio PUC)
P-15-014	PTE Pipeline LLC (Regulatory Commission of Alaska)
P-15-020	Swanson River Oil Pipeline, LLC (Regulatory Commission of Alaska)
U-15-127 through U-15-138	Dyon Utilities, LLC (Regulatory Commission of Alaska)
Docket No. 40161	Georgia Power Company – Integrated Resource Plan (Georgia PSC)
Formal Case No. 1137	Washington Gas Light Company (District of Columbia PSC)
160021-EI, et al.	Florida Power Company (Florida PSC)
R-2016-2537349	Metropolitan Edison Company (Pennsylvania PUC)
R-2016-2537352	Pennsylvania Electric Company (Pennsylvania PUC)
R-2016-2537355	Pennsylvania Power Company (Pennsylvania PUC)
R-2016-2537359	West Penn Power Company (Pennsylvania PUC)
16-0717-G-390P	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
15-1256-G-390P (Reopening)/16-0922-G-390P	Mountaineer Gas Company (West Virginia PSC)
16-0550-W-P	West Virginia-American Water Company (West Virginia PSC)
CEPR-AP-2015-0001	Puerto Rico Electric Power Authority (Puerto Rico Energy Commission)
E-01345A-16-0036	Arizona Public Service Company (Arizona CC)
Docket No. 4618	Providence Water Supply Board (Rhode Island PUC)
Docket No. 46238	Joint Report and Application of Oncor Electric Delivery Company LLC and NextEra Energy Inc. (Texas State Office of Administrative Hearings; Texas PUC)
U-16-066	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
Case No. 2016-00370	Kentucky Utilities Company (Kentucky PSC)

Case No. 2016-00371	Louisville Gas and Electric Company (Kentucky PSC)
P-2015-2508942	Metropolitan Edison Company (Pennsylvania PUC)
P-2015-2508936	Pennsylvania Electric Company (Pennsylvania PUC)
P-2015-2508931	Pennsylvania Power Company (Pennsylvania PUC)
P-2015-2508948	West Penn Power Company (Pennsylvania PUC)
E-04204A-15-0142	UNS Electric, Inc. (Arizona CC)
E-01933A-15-0322	Tucson Electric Power Company (Arizona CC)
UE-170033 & UG-170034	Puget Sound Energy, Inc. (Washington UTC)
Case No. U-18239	Consumers Energy Company (Michigan PSC)
Case No. U-18248	DTE Electric Company (Michigan PSC)
Case No. 9449	Merger of AltaGas Ltd. and WGL Holdings (Maryland PSC)
Formal Case No. 1142	Merger of AltaGas Ltd. and WGL Holdings (District of Columbia PSC)
Case No. 2017-00179	Kentucky Power Company (Kentucky PSC)
Docket No. 29849	Georgia Power Plant Vogtle Units 3 and 4, VCM 17 (Georgia PSC)
Docket No. 2017-AD-112	Mississippi Power Company (Mississippi PSC)
Docket No. D2017.9.79	Montana-Dakota Utilities Co. (Montana PSC)
Docket No. D2017.9.80	Energy West Montana, Inc. and Cut Bank Gas Company (Montana PSC)
SW-01428A-17-0058 et al	Liberty Utilities (Litchfield Park Water & Sewer) Corp. (Arizona CC)
U-18-021 & U-18-033	Chugach Electric Association, Inc. (Regulatory Commission of Alaska)
Docket No. 4800	Suez Water Rhode Island Inc. (Rhode Island PUC)
General Order No. 236.1	In the Matter of the Effects on Utilities of the 2017 Tax Cuts and Jobs Act (West Virginia PSC)
20180047-EI	Duke Energy Florida, LLC. (Florida PSC)
20180046-EI	Florida Power & Light Company (Florida PSC)
20180048-EI	Florida Public Utilities Company – Electric (Florida PSC)
20180052-GU	Florida Public Utilities Company – Indiantown (Florida PSC)
20180054-GU	Florida Division of Chesapeake Utilities Corporation (Florida PSC)
20180051-GU	Florida Public Utilities Company – Gas Division (Florida PSC)
20180053-GU	Florida Public Utilities Company - Fort Meade (Florida PSC)
Cause No. 45032 S4	Indiana American Water Company, Inc. Phase 2 (Indiana Utility Regulatory Commission)
Docket No. D2018.1.6	Montana-Dakota Utilities Co. (Montana PSC)
Docket No. D2018.4.24	NorthWestern Energy (Montana PSC)
Docket No. D2018.4.22	Montana-Dakota Utilities Co. (Montana PSC)
18-0573-W-42T & 18-0576-S-42T	West Virginia-American Water Company (West Virginia PSC)
18-0646-E-42T & 18-0645 E-D	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
18-0049-GA-ALT, 18-0298-GA-AIR, & 18-0299-GA-ALT	Vectren Energy Delivery of Ohio, Inc. (Ohio PUC)
R-2018-3003558, R-2018-3003561	Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc. (Pennsylvania PUC)
Cause No. 45142	Indiana-American Water Company, Inc. (Indiana Utility Regulatory Commission)
U-18-043	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
T-03214-17-0305	Citizens Telecommunications Company of The White Mountains, Inc. d/b/a Frontier Communications of The White Mountains (Arizona CC)
Docket No. D2018.9.60	Montana-Dakota Utilities Co. (Montana PSC)
Docket No. 4890	Narragansett Bay Commission (Rhode Island PUC)
PUR-2018-00131	Columbia Gas of Virginia (Virginia SCC)
EL18-152-000	Louisiana PSC v. System Energy Resources, Inc. and Entergy Services, Inc. (FERC)

PUR-2018-00175	Virginia-American Water Company (Virginia SCC)
A-2018-3006061, A-2018-3006062 and A-2018-3006063	Aqua America, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC, Peoples Gas Company LLC (Pennsylvania PUC)
Docket No. D2018.2.12	NorthWestern Energy (Montana PSC)
Docket No. 42310	Georgia Power Company – Integrated Resource Plan (Georgia PSC)
U-18-102	Municipality of Anchorage d/b/a Municipal Light & Power Department (Regulatory Commission of Alaska)
PUC Docket No. 49494	AEP Texas, Inc. (Texas PUC)
Application 18-12-009	Pacific Gas and Electric Company (California PUC)
19-0316-G-42T	Mountaineer Gas Company (West Virginia PSC)
U-19-020	Chugach Electric Association, Inc. and Municipality of Anchorage d/b/a Municipal Light & Power Department (Regulatory Commission of Alaska)
19-0051-EL-RDR	Management/Performance and Financial Audit of the Alternative Energy Recovery Rider of Duke Energy Ohio, Inc. (Ohio PUC)
A-2018-3006061, A-2018-3006062, and A-2018-3006063	Joint Application of Aqua America, Inc., Aqua Pennsylvania, Inc. Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC, and Peoples Gas Company LLC (Pennsylvania PUC)
ER-18-1182-001	System Energy Resources, Inc. (FERC)
E-01933A-19-0028	Tuscon Electric Power Company (Arizona CC)
G-01551A-19-0055	Southwest Gas Corporation (Arizona CC)
2018-UN-205	Entergy Mississippi, LLC (Mississippi PSC)
W-03039A-17-0295, W-03039A-19-0092, and WS-01303A-19-0092	Brooke Water, LLC and EPCOR Water Arizona (Arizona CC)
Docket No. 4975	Block Island Utility District d/b/a Block Island Power Company (Rhode Island PUC)
A-2019-3014248	Pennsylvania-American Water Company and Wastewater System Assets of Kane Borough (Pennsylvania PUC)
Docket No. 4994	Providence Water Supply Board (Rhode Island PUC)
19-0791-GA-ALT	Plant in Service and Capital Spending Prudence Audit of Duke Energy Ohio (Ohio PUC)
U-19-070/U-19-071/ U-19-087/U-19-088	Golden Heart Utilities, Inc. and College Utilities Corporation (Regulatory Commission of Alaska)
Docket No. 42516	Georgia Power Company (Georgia PSC)
20200070-EI	Gulf Power Company (Florida PSC)
20200071-EI	Florida Power & Light Company (Florida PSC)
20200092-EI	Florida Power & Light Company and Gulf Power Company (Florida PSC)
20-GREC-01	Fitchburg Gas and Electric Light Company d/b/a Unitil (Massachusetts DPU)
20-GREC-03	Boston Gas Company and Colonial Gas Company d/b/a National Grid (Massachusetts DPU)
20-GREC-04	Liberty Utilities (New England Natural Gas Company) Corp d/b/a Liberty Utilities (Massachusetts DPU)
PUR-2020-00015	Appalachian Power Company (Virginia SCC)
20-0414-G-390P	Hope Gas, Inc. dba Dominion Energy West Virginia (West Virginia PSC)
Cause No. 45032-S16	Hamilton Southeastern Utilities, Inc. (Indiana URC)

2019.12.101	NorthWestern Energy (Montana PSC)
A-2019-3015173	Aqua Pennsylvania Wastewater Inc. and Wastewater System Assets of the Delaware County Regional Water Quality Control Authority (Pennsylvania PUC)
R-2020-3019369 and R-2020-3019371	Pennsylvania American Water Company (Pennsylvania PUC)
2020.06.076	Montana-Dakota Utilities Co. (Montana PSC)
P-20-005	Cook Inlet Pipeline LLC (Regulatory Commission of Alaska)
2020.05.055	Montana-Dakota Utilities Co. (Montana PSC)
2020.05.066	NorthWestern Energy (Montana PSC)
PUR-2020-00169	Virginia Electric and Power Company (Virginia SCC)
20-0746-G-42T	Hope Gas, Inc., d/b/a Dominion Energy West Virginia (West Virginia PSC)
20-553-EL-RDR	Management/Performance and Financial Audit of the Alternative Energy Rider of the Dayton Power and Light Company (Ohio PUC)
E-01345A-19-0236	Arizona Public Service Company (Arizona CC)
U-20-012	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
Docket No. 20-01-31	The Southern New England Telephone Company d/b/a Frontier Communications of Connecticut (SNET) (Connecticut PURA)
P-2020-3021191	Peoples Natural Gas Company LLC (Pennsylvania PUC)
A-2021-3026523, A-2021-3026515, and A-2021-3026522	Joint Application of Veolia Environnement S.A., Veolia North America, Inc., SUEZ S.A., SUEZ Water Pennsylvania Inc. and SUEZ Water Bethel Inc. (Pennsylvania PUC)
A-2021-3026794 and A-2021-3026796	Joint Application of Peoples Natural Gas Company LLC and Peoples Gas Company (Pennsylvania PUC)
A-2021-3026774 and A-2021-3026775	Joint Application of Aqua Pennsylvania Inc., and Aqua Pennsylvania Wastewater Inc. (Pennsylvania PUC)
A-2021-3024267	Aqua Pennsylvania Wastewater Inc. (Pennsylvania PUC)
R-2021-3027385 and R-2021-3027386	Aqua Pennsylvania, Inc, and Aqua Pennsylvania Wastewater, Inc. (Pennsylvania PUC)
21-0595-WW-AIR	Aqua Ohio, Inc. (Ohio PUC)
21-0596-ST-AIR	Aqua Ohio Wastewater, Inc. (Ohio PUC)
21-0369-W-42T	West Virginia-American Water Company (West Virginia PSC)
U-21-058	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
E-01345A-21-0056	Fuel and Purchased Power Audit of Arizona Public Service Company (Arizona CC)
SW-20445A-20-0214 et al	Global Water Resources, Inc. (Arizona CC)
PUR-2021-00058	Virginia Electric and Power Company (Virginia SCC)
U-21-070/U-21-071	Golden Heart Utilities, Inc. and College Utilities Corporation (Regulatory Commission of Alaska)
U-22-001	Railbelt Reliability Council for Certification of an Electric Reliability Organization (Regulatory Commission of Alaska)
Docket No. 44160	Georgia Power Company Integrated Resource Plan (Georgia PSC)
22-620-GA-RDR	Plant in Service and Capital Spending Prudence Audit of Vectren Energy Delivery of Ohio, Inc. d/b/a CenterPoint Energy Ohio (Ohio PUC)
PUR-2021-00255	Virginia-American Water Company (Virginia SCC)
RP19-3-003	El Paso Natural Gas Company, LLC (FERC)
22-0304-E-P	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)

R-2022-3031672 and R-2022-3031673	Pennsylvania-American Water Company (Pennsylvania PUC)
22-0294-G-PC	Hope Gas, Inc., dba Dominion Energy West Virginia and Hope Gas Holdings (West Virginia PSC)
G-01551A-21-0368	Southwest Gas Corporation (Arizona CC)
2022.06.064	NorthWestern Energy (Montana PSC)
U-21-088, U-21-089, U-22-006, U-2-007, U-22-008, U-22-009	Sand Point Generating, LLC, North Slope Generating, LLC, TDX Manley Generating, LLC, TDX North Slope Generating, LLC, Sand Point Generating, LLC, TDX ADAK Generating, LLC. (Regulatory Commission of Alaska)
20220067-GU	Florida Public Utilities Company, Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities Company – Fort Meade, and Florida Public Utilities Company – Indiantown Division (Florida PSC)
PUR-2020-00015	Appalachian Power Company – Remand (Virginia SCC)
U-22-029	Golden Valley Electric Association, Inc. (Regulatory Commission of Alaska)
22-0393-E-ENEC	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
E-01773A-21-0298	Arizona Electric Power Cooperative, Inc. (Arizona CC)
Docket No. 44280	Georgia Power Company (Georgia PSC)
FTC-01/2021-BL&P-RRA-20211004	Barbados Light & Power Company Limited (Barbados Fair Trading Commission)
U-22-002 and U-22-003	Municipality of Anchorage d/b/a Anchorage Water and Wastewater Utility (Regulatory Commission of Alaska)
A-2019-3015173	Aqua Pennsylvania Wastewater Inc. and Wastewater System Assets of the Delaware County Regional Water Quality Control Authority - Remand (Pennsylvania PUC)
2022.07.078	NorthWestern Energy (Montana PSC)
A.22-05-016	San Diego Gas & Electric Company (California PUC)
2022-UN-86/2022-UN-087	Great River Utility Operating Company, LLC (Mississippi PSC)
E-01933A-22-0107	Tucson Electric Power Company (Arizona CC)
A-2022-3035298, A-2022-3035299, A-2022-3035490, A-2022-3035492	Manwalamink Water Company, Manwalamink Sewer Company, NextEra Water Pennsylvania, LLC (Pennsylvania PUC)
PUR-2022-00052	Virginia Natural Gas, Inc. (Virginia SCC)
U-22-078	Alaska Electric Light & Power Company (Regulatory Commission of Alaska)
U-22-081	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
22-47-WW	Narragansett Bay Commission (Rhode Island PUC)
E-01345A-22-0144	Arizona Public Service Company (Arizona CC)
E-04204A-22-0251	UNS Electric, Inc. (Arizona CC)
PUR-2023-00002	Appalachian Power Company (Virginia SCC)
22-1094-WW-AIR	Aqua Ohio, Inc. (Ohio PUC)
22-1096-ST-AIR	Aqua Ohio Wastewater, Inc. (Ohio PUC)
A-2022-3037047, et al.	Pennsylvania-American Water Company, Butler Area Sewer Authority (Pennsylvania PUC)
PUR-2023-00067 and PUR-2023-00112	Virginia Electric and Power Company d/b/a Dominion Energy Virginia (Virginia SCC)
Docket No. 54634	Southwestern Public Service Company (Texas PUC)

23-0089-EL-RDR	Duke Energy Ohio, Inc. (Ohio PUC)
23-0280-G-42T	Mountaineer Gas Company (West Virginia PSC)
2022-0208	Kauai Island Utility Cooperative (Hawaii PUC)
PUR-2023-00101	Virginia Electric and Power Company d/b/a Dominion Energy Virginia (Virginia SCC)
23-0383-W-42T and 23-0384-S-42T	West Virginia-American Water Company (West Virginia PSC)
23-0460-E-42T	Monongahela Power Company and The Potomac Edison Company (West Virginia PSC)
R-2023-3043189& R-2023-3043190	Pennsylvania-American Water Company (Pennsylvania PUC)
U-23-047/U-23-048	Chugach Electric Association (Regulatory Commission of Alaska)
U-23-054	Alaska Power Company (Regulatory Commission of Alaska)
U-23-065 through U-23-073	Alaska Waste (Regulatory Commission of Alaska)
T-03214A-23-0250	Citizens Telecommunications of the White Mountains, Inc., dba Frontier Communications of the White Mountains (Arizona CC)
PUR-2023-00194	Virginia-American Water Company (Virginia SCC)
G-01551A-23-0341	Southwest Gas Corporation (Arizona CC)
PUR-2024-00024	Appalachian Power Company (Virginia SCC)
R-2024-3047822 & R-2024-3047824	Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc. (Pennsylvania PUC)
U-24-005/U-24-006	Municipality of Anchorage d/b/a Anchorage Water and Wastewater Utility (Regulatory Commission of Alaska)
24-14-EL	Pascoag Utility District (Rhode Island PUC)
2022-0140	Hawaii Water Service Company, Inc. (Hawaii PUC)
24-0185-EL-RDR	AEP Ohio Company, d/b/a AEP-Ohio (Ohio PUC)
20240068-WS	Sunshine Water Services Company (Florida PSC)
W-02074A-23-0337, W-02465A-23-0338, WS-02060A-23-0339, WS-02676A-23-0340, WS-02676A-24-0029, W-02074A-24-0030, W-02465A-24-0031, and WS-02060A-24-0033	Liberty Utilities (Arizona CC)
2024.08.088	NorthWestern Energy, Energy West Montana, Inc., and Cut Bank Gas Company (Montana PSC)
2024.05.053	NorthWestern Energy (Montana PSC)
G-04204A-24-0237	UNS Gas, Inc. (Arizona CC)
25-0594-WW-AIR	Aqua Ohio, Inc. (Ohio PUC)
25-0593-ST-AIR	Aqua Ohio Wastewater, Inc. (Ohio PUC)
E-01933A-25-0103	Tucson Electric Power Company (Arizona CC)
2025.10.078	NorthWestern Corporation, Black Hills Corporation, and NorthWestern Energy Group, Inc. (Montana PSC)

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.
Docket Nos. A-2025-3058927, A-2025-3059828, and A-2025-3058929
Attachment RCS-2
Copies of Non-Confidential Material Referenced in the Direct Testimony of Ralph C. Smith

Document	Subject	Confidential	No. of Pages	Page No.
OCA-JA-I-2	Costs of proposed transaction	No	2	2 - 3
OCA-JA-I-6	Reports filed with the Securities and Exchange Commission regarding the proposed transaction (voluminous attachments not included)	No	5	4 - 8
OCA-JA-I-7	Presentations made by management of Joint Applicants to securities analysts regarding proposed transaction, including December 2025 Investor Presentation.	No	38	9 - 46
OCA-JA-I-10	Avoidance of harm to existing customers	No	2	47 - 48
OCA-JA-I-14	Synergies	No	2	49 - 50
OCA-JA-I-16	Cost Savings	No	2	51 - 52
OCA-JA-I-17	Cost Savings	No	2	53 - 54
OCA-JA-I-18	Definitions	No	3	55 - 57
OCA-JA-I-19	Solicitation Costs	No	2	58 - 59
OCA-JA-I-20	Acquisition Adjustment	No	2	60 - 61
OCA-JA-I-21	Goodwill and accounting entries	No	3	62 - 64
OCA-JA-I-24	Benefits to customers	No	4	65 - 68
OCA-JA-I-27	Goodwill	No	3	69 - 71
OCA-JA-I-28	Goodwill impairment	No	2	72 - 73
OCA-JA-I-35	Transition Costs	No	2	74 - 75
OCA-JA-I-36	Estimated Transaction Costs	No	2	76 - 77
OCA-JA-I-39	Existing work force and offices (voluminous attachment not included)	No	5	78 - 82
OCA-JA-I-42	Number of employees at each owned and leased facility and work site located in Pennsylvania	No	6	83 - 88
OCA-JA-I-44	Accumulated Deferred Income Taxes	No	9	89 - 97
OCA-JA-I-48	Tax elections	No	2	98 - 99
OCA-JA-I-55	Charitable contributions (with selected attachments)	No	15	100 - 114
OCA-JA-I-60	Board of directors	No	4	115 - 118
OCA-JA-I-65	Ring fencing	No	2	119 - 120
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OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-2 Costs of proposed transaction.

a. Provide itemized estimates of costs, by year, associated with executing the proposed transaction.

b. Provide itemized estimates of costs, by year, associated with integrating the services and processes of American Water Works Company ("AWWC") with Essential Utilities' ("EU") current services.

c. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

a. The currently estimated transaction costs contained in Joint Proxy Statement are $150 million. See Joint Proxy Statement, available at https://www.sec.gov/Archives/edgar/data/1410636/000119312525337598/d15683d424b3.htm#tx15683_98 https://ir.amwater.com/financials/annual-reports-and-proxy-statements/default.aspx. Transaction costs are primarily comprised of investment banking fees, legal fees, accounting and audit fees, and other related advisory costs. The estimated costs are not available by year. As explained in the Joint Petition and Exhibits, Joint Applicants will not seek rate recovery of transaction costs incurred in connection with the Merger.
b. The Joint Applicants have only recently started having integration discussions and therefore, have not estimated integration costs.
c. A copy of the Joint Proxy Statement is available at https://www.sec.gov/Archives/edgar/data/1410636/000119312525337598/d15683d424b3.htm#tx15683_98 https://ir.amwater.com/financials/annual-reports-and-proxy-statements/default.aspx

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
THE JOINT APPLICANTS - SET 1
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set 1

OCA-JA-1-2 Costs of proposed transaction.

a. Provide itemized estimates of costs, by year, associated with executing the proposed transaction.

b. Provide itemized estimates of costs, by year, associated with integrating the services and processes of American Water Works Company ("AWWC") with Essential Utilities' ("EU") current services.

c. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-6 Provide all reports filed with the Securities and Exchange Commission ("SEC") regarding the proposed transaction. If no reports have been filed, please explain if and when the Joint Parties anticipate making such a filing with the SEC.

Response:

Please see OCA-JA-1-06_Attachment_AW for a list, date, short description, and link to each of the reports filed with the SEC by American Water regarding the proposed transaction. Please see Essential's response to OCA-JA-I-6 for their responsive information.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

Summary of SEC Filings for American Water Works Company, Inc. Directly Related to Proposed Merger with Essential Utilities, Inc.

As of: January 15, 2026

Filing Form	EDGAR Link to Filing (CTRL-click to access link)	Description of Form	Filed Effective Date	Description of Filing
424B3	Documents	Prospectus [Rule 424(b)(3)]	2025-12-31	Definitive Joint Proxy Statement/Final Prospectus dated December 31, 2025
EFFECT	Documents	Notice of Effectiveness	2025-12-30	SEC Notice of Effectiveness of Registration Statement on Form S-4
S-4/A	Documents	Registration of securities, business combinations	2025-12-29	Amendment No. 1 to Registration Statement on Form S-4
CORRESP	<Provided separately>	Correspondence	2025-12-29	Request to Accelerate Effectiveness of Registration Statement on Form S-4
425	Documents	Prospectuses and communications, business combinations	2025-12-23	John Griffith E-mail Communication to Employees Sent December 22, 2025
S-4	Documents	Registration of securities, business combinations	2025-12-17	Registration Statement on Form S-4
425	Documents	Prospectuses and communications, business combinations	2025-11-20	John Griffith E-mail Communication to Employees Sent November 20, 2025
425	Documents	Prospectuses and communications, business combinations	2025-11-20	Information posted to American Water intranet site on November 20, 2025
425	Documents	Prospectuses and communications, business combinations	2025-11-07	Information posted to American Water intranet site on November 7, 2025
425	Documents	Prospectuses and communications, business combinations	2025-11-03	Town Hall Meeting transcript made available to American Water employees on November 3, 2025
425	Documents	Prospectuses and communications, business combinations	2025-10-29	John Griffith E-mail Communication to Employees Sent October 29, 2025

Filing Form	EDGAR Link to Filing (CTRL-click to access link)	Description of Form	Filed Effective Date	Description of Filing
425	Documents	Prospectuses and communications, business combinations	2025-10-28	Transcript and Presentation for Employee Town Hall Meeting held on October 28, 2025
425	Documents	Prospectuses and communications, business combinations	2025-10-27	Transcript of Joint Conference Call Held on October 27, 2025.
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – American Water Social Media
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – American Water Social Media
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – American Water Website
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – American Water Stakeholders
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – American Water Investors
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – American Water Intranet
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – Video Transcript
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – Video Transcript
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – American Water's Suppliers, Business Partners and Contractors
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – American Water's Regulators, Elected Officials and Community Leaders
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – American Water's Customers
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – American Water's Employees
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – American Water's Employees

Filing Form	EDGAR Link to Filing (CTRL-click to access link)	Description of Form	Filed Effective Date	Description of Filing
425	Documents	Prospectuses and communications, business combinations	2025-10-27	First Day Communications – American Water's Employees
425	Documents	Prospectuses and communications, business combinations	2025-10-27	Announcement of Merger Agreement
8-K	Documents	Current report	2025-10-27	Announcement of Merger Agreement

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Joint Applicants Response to OCA Set 1

OCA-JA-1-6 Provide all reports filed with the Securities and Exchange Commission ("SEC") regarding the proposed transaction. If no reports have been filed, please explain if and when the Joint Parties anticipate making such a filing with the SEC.

Response:

Please see OCA-JA-1-6_Attachment 1_EU through OCA-JA-1-6_Attachment 43_EU.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-7 Provide all presentations made by management of the Joint Applicants, collectively and individually, to securities analysts regarding the proposed transaction.

Response:

American Water – Essential Utilities Merger Conference Call

https://s26.q4cdn.com/750150140/files/doc_events/2025/10/FINAL-AWK-WTRG-Investor-Presentation.pdf

2025 Third Quarter Earnings & 2026 Outlook Investor Presentation

https://s26.q4cdn.com/750150140/files/doc_financials/2025/q3/Q3-2025-Earnings-Presentation-Final-10-29-25.pdf

Please see Essential's response to OCA-JA-I-07 for their responsive information.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
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Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set 1

OCA-JA-1-7 Provide all presentations made by management of the Joint Applicants, collectively and individually, to securities analysts regarding the proposed transaction.

Response:

Please see OCA-JA-1-7_Attachment 1_EU and OCA-JA-1-7_Attachment 2_EU. Please also see the response to OCA-JA-1-6.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026



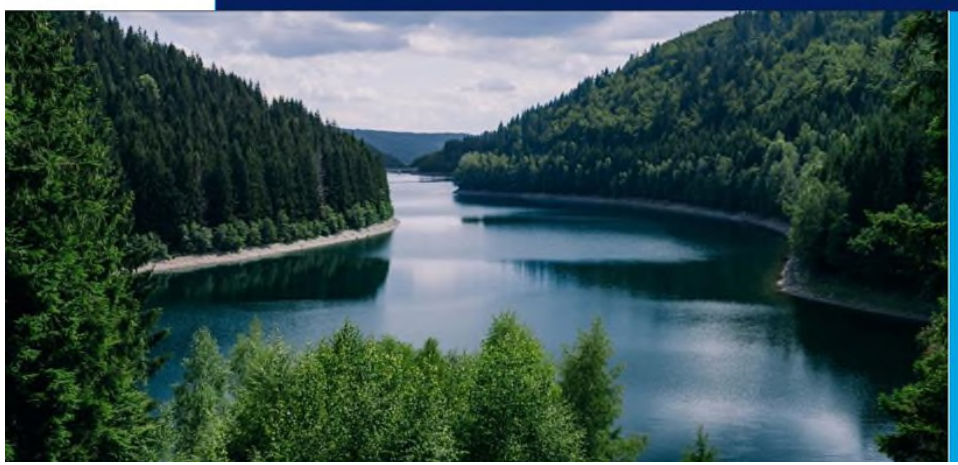
NYSE
LISTED

WTRG

Essential™

Investor Presentation

December | 2025



Forward Looking Statement

This presentation contains in addition to historical information, forward looking statements based on assumptions made by management regarding future circumstances over which the company may have little or no control, that involve risks, uncertainties and other factors that may cause actual results to be materially different from any future results expressed or implied by such forward-looking statements. These factors include, among others, the following: general economic and business conditions; weather conditions affecting customers' usage or the company's cost of operations; costs arising from changes in regulations; regulatory treatment of rate increase requests; availability and cost of capital; the success of growth initiatives, including pending acquisitions; the ability to generate earnings from capital investment; and other factors discussed in our Form 10-K or 10-Q, which are on file with the SEC. We undertake no obligation to publicly update or revise any forward-looking statement.

Non-GAAP Reconciliation

For reconciliation of non-GAAP financial measures, see the Investor Relations section of the company's Web site at www.essential.co

Attachment RCS-2
Page 12 of 120

Essential Utilities and American Water Merger

Merger Unlocks Compelling Growth and Value Potential for Both Companies

Results in a Leading U.S. Water & Wastewater Utility

Solidifies position as a premier public water & wastewater utility with an expanded footprint across 17 states and on 18 military installations, 4.7M water & wastewater connections, and increased ability to help solve water & wastewater challenges across the United States

Strengthens Platform for Superior Customer Experience

Leverages operational and financial expertise and efficiencies from complementary platforms to drive high quality, affordable service



Presents Inorganic & Organic Growth Opportunities

Retains American Water's 7% - 9% long-term EPS and dividend per share growth rate targets, driven by both strategic acquisitions and core business expansion

Enhances Financial Strength, Expands Low Risk Foundation

Highly stable and supportive cash flows and strengthened balance sheet form foundation for continued infrastructure investments

Attachment RCS-2
Page 13 of 120

Delivering Top Quartile Total Shareholder Return

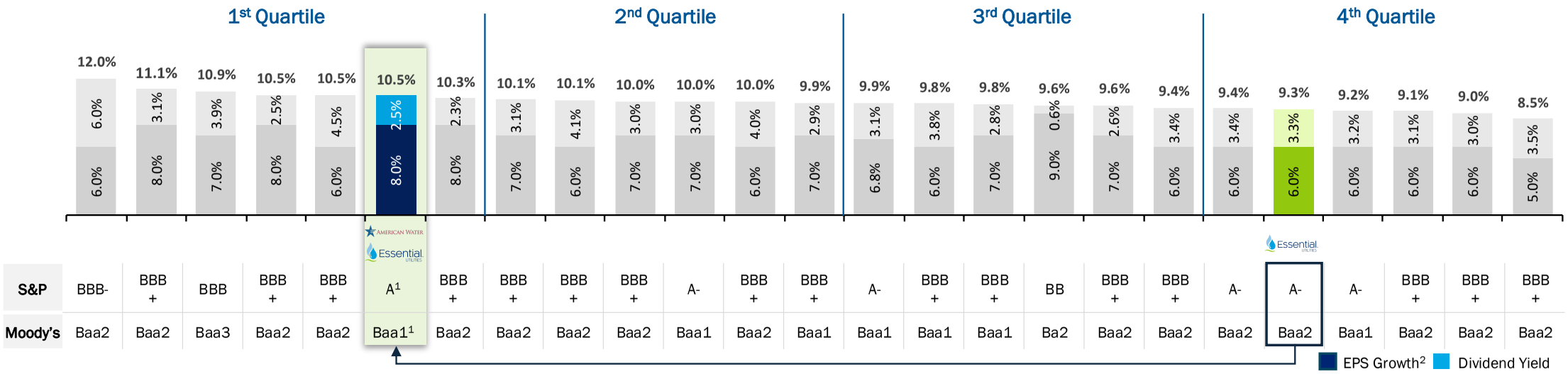
Pro Forma EPS and Dividend Outlook

- Transaction EPS accretive in first year after transaction close
- Expect to maintain American Water's 7% - 9% long-term EPS and DPS growth targets
- Expect to adopt American Water's current dividend policy and 55% - 60% payout target, supporting reinvestment in accretive rate base growth

Highly Durable, Low Risk Capital Investment Plan

- Decades of pipe replacement needed in aging water systems
  - o March 2025 ASCE Infrastructure Report Card graded U.S. Drinking Water and Wastewater systems as a C– and D+, respectively
- Significant water quality and resiliency investments needed, including PFAS and lead remediation
- Regionalization of extremely fragmented water and wastewater systems in the U.S. offers unique opportunity to grow
- Customer affordability remains a core focus, underpinning growth

Total Return Comparison vs. Large Cap Regulated Utility Peers



AMERICAN WATER + Essential UTILITIES

Source: Public disclosure, S&P Capital IQ as of 10/29/2025
1. Reflects current American Water credit ratings
2. Based on midpoint of management guidance

Attachment RCS-2
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Our Unique Position

We Are a Purpose-led Organization Focused on Delivering for our Customers

EXECUTING AGAINST OUR STRATEGY

Uniquely integrated multi-utility company meeting the needs of customers today

Provides high quality and reliable service to our customers and communities

Invests to create resilience and a sustainable future

DELIVERING OUR MISSION

To sustain life and improve economic prosperity by safely and reliably delivering Earth's most essential resources to our customers and communities



Attachment RCS-2
Page 16 of 120



Our Competitive Advantages

Attractive Company Positioning

- Positioned in constructive regulatory environments with six states in which Essential operates **receiving favorable rankings**[1]
- Located in states with high population growth, including three states within **the top ten and two within the top five**[2] in the country
- Gas utility strategically located near **plentiful gas sources** and in constructive regulatory jurisdictions
- **Industry leader** in PFAS mitigation
- Fair Market Value enacted in all our states, facilitating **municipal water and wastewater acquisitions**
- Attractive rate-based growth potential that drives EPS **growth of 5 - 7%** through 2027

Source: S&P Capital IQ Pro, Census Bureau.
(1) Ranking based in S&P Capital IQ Pro RRA Ranking and includes states with rankings of Average / 2 or above.
(2) Ranked by numeric population growth from July 1, 2023 to July 1, 2024.

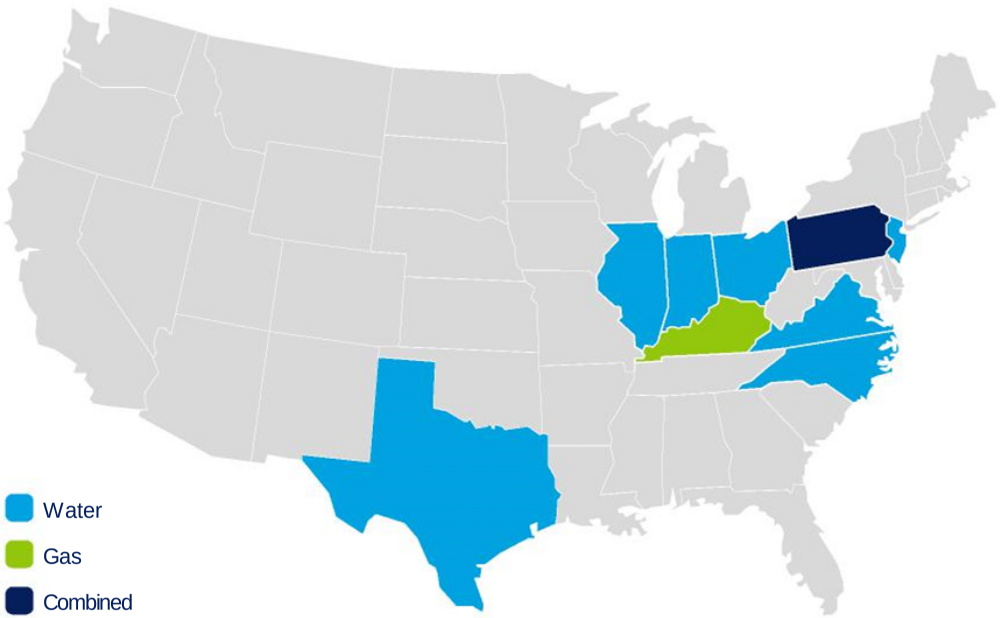
Essential.

Attachment RCS-2
Page 17 of 120

Robust Scale Delivering Significant Opportunity

Leveraging Size and Operational Excellence to Drive Efficiency and Economies of Scale

Combined Company Footprint



~1.9M connections serving more than **5.5M** people across **9 states**

One of the Largest Water Infrastructure Footprints

14,450+	200+	1,000+	24	~3,250
miles of water main	wastewater treatment plants	water storage tanks	surface water filtration plants	wells

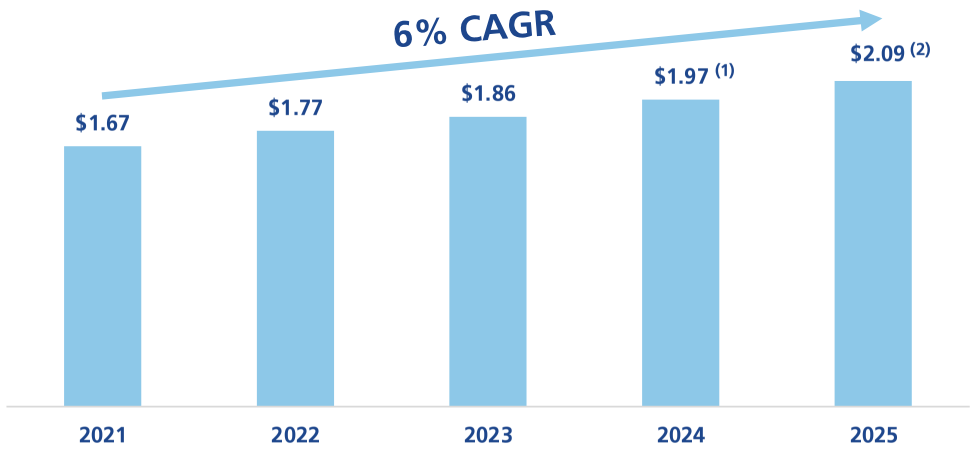
Significant Gas Infrastructure Footprint[1]

15,000+	10.5 Bn	~27%	14	5 Bcf
miles of distribution pipe	Capacity of natural gas storage	locally produced gas	operations centers	working storage capacity

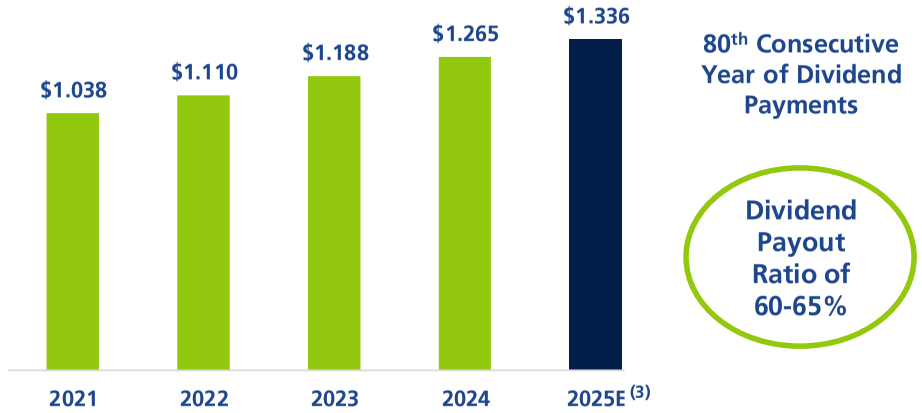
Attachment RCS-2
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Consistently Delivering Growth

Diluted Income per Common Share



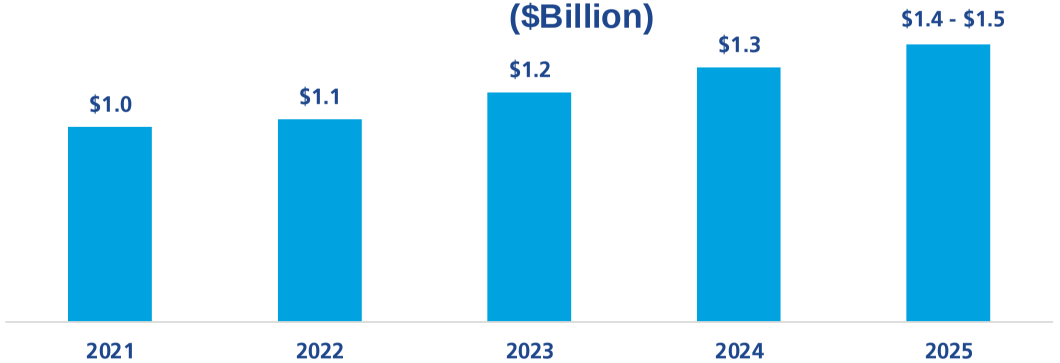
Dividends Paid per Share



80th Consecutive Year of Dividend Payments

Dividend Payout Ratio of 60-65%

Capital Expenditures ($Billion)



2025-2029 Infrastructure Investments of ~$7.8B

(1) 2024 GAAP Diluted Earnings per Share of $2.17. See reconciliation in Appendix.
(2) Midpoint of $2.07 - $2.11 FY2025 guidance
(3) Reflective of the quarterly dividend increase to $0.3426 and assuming no further changes to the dividend in 2025

Essential.

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AQUA℠

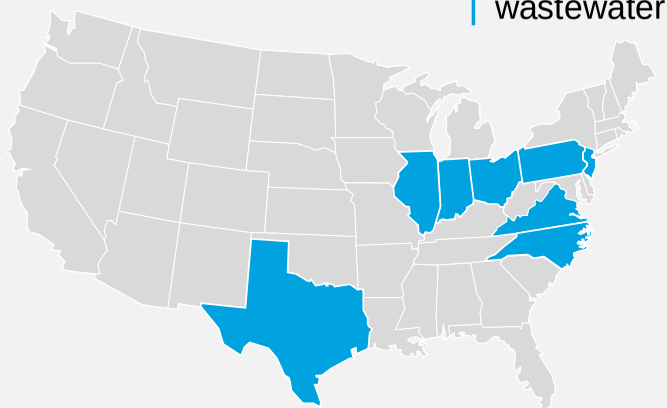
An Essential Utilities Company

Targeting **~6%** Rate Base CAGR[1]

CONSTRUCTIVE REGULATORY JURISDICTIONS

Serving more than **1.1M customers**

>99% of earnings regulated water and wastewater utility



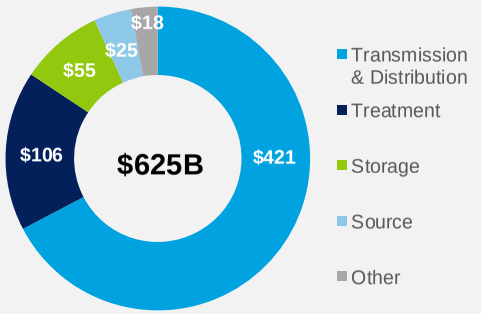
Over **$7.3 billion** of rate base as of 6/30/25

Treating over **87 billion gallons** of water each year

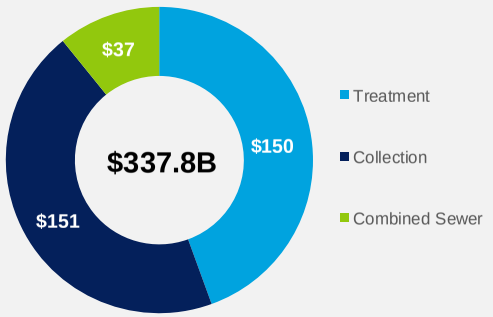
WITH CLEAR PATH TO GENERATE ADDITIONAL VALUE

EPA Estimate of U.S. Infrastructure Investment Needs

WATER[2]



WASTEWATER[4]



HIGHLY FRAGMENTED

Approximately 50,000 water[3] and over 18,000 wastewater systems[4]

VALUE ADD OPPORTUNITY

U.S. water infrastructure graded "C-" and wastewater infrastructure graded "D+"[5]

SIGNIFICANT RUNWAY

>85% of public water systems are government owned[3]

(1) Through 2029.
(2) 2023 EPA Needs Survey based on data collected in calendar year 2021.
(3) Efc.web.unc.edu Public vs Private: A National Overview of Water Systems
(4) EPA Clean Watersheds Needs Survey (CWNS) 2024
(5) Per the American Society of Civil Engineers.

Attachment RCS-2
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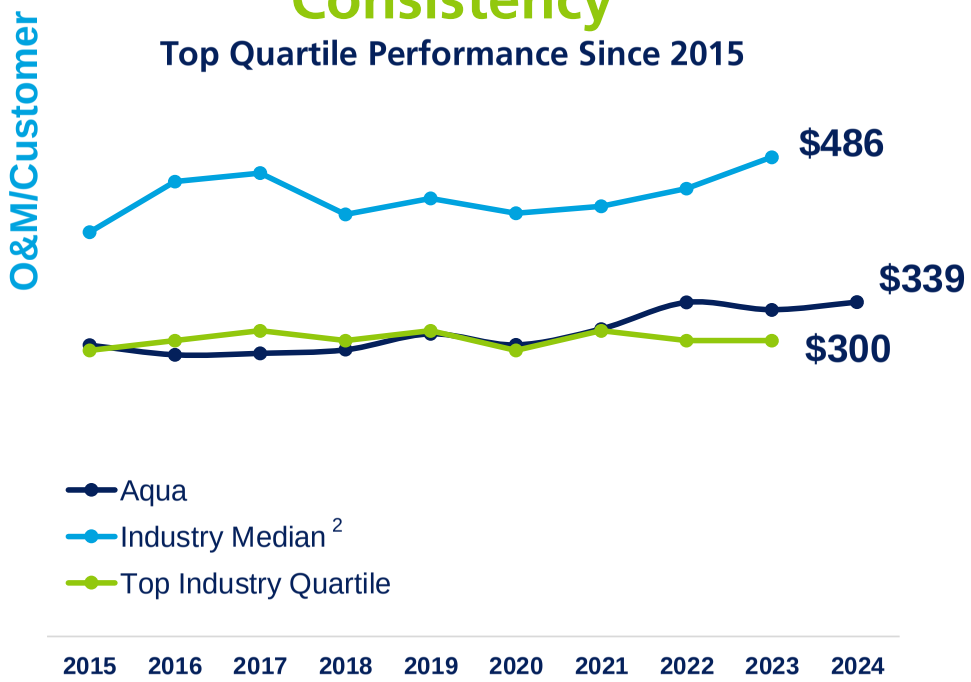
Focusing on Operational Excellence

Aqua continues to outperform industry benchmarks for operational performance

Efficient O&M per Customer

Consistency

Top Quartile Performance Since 2015



Safe and Reliable Service

Outperformance

Percent of Systems with Violations[1]

Year	Aqua	National	Outperformance
2024	1.4%	12.6%	9x
2023	0.9%	7.0%	8x
2022	1.4%	6.7%	5x
2021	1.1%	6.3%	6x

Excellence

OSHA Severity Rate Compared to Industry

Year	Aqua	Industry[2] Median	Quartile Performance
2023	2.7	18.5	Top
2022	3.2	27.9	Top
2021	2.2	21.2	Top

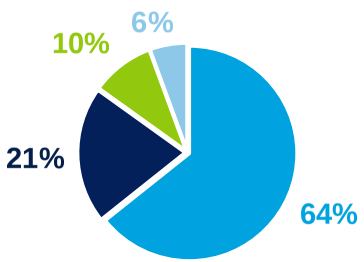
(1) Measured as a percentage of community water systems with health-based and aesthetic violations. U.S. averages compiled from the EPA's ECHO Database
(2) Industry presented as AWWA Benchmarking data for O&M and Employee Health & Safety Severity Rate

Leadership in PFAS

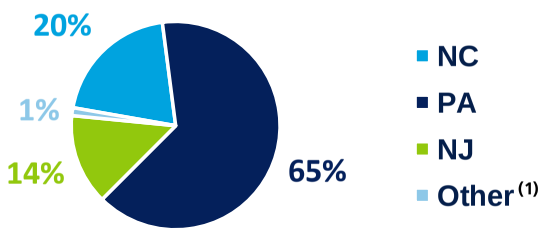
Significant expertise continues to develop across the business

- Recognized leader in PFAS mitigation
- State of the Art Laboratory certified for PFAS testing since 2017
- Proactively began testing >3000 water sources in 2018
- Identified >300 Sites requiring remediation
- ~$450M of PFAS capital required
- Developed a proprietary modular PFAS treatment system for wells
- Mitigated 52 sites with 48 currently under construction for a total spend to date of ~$40M

Sites by State



Investment by State



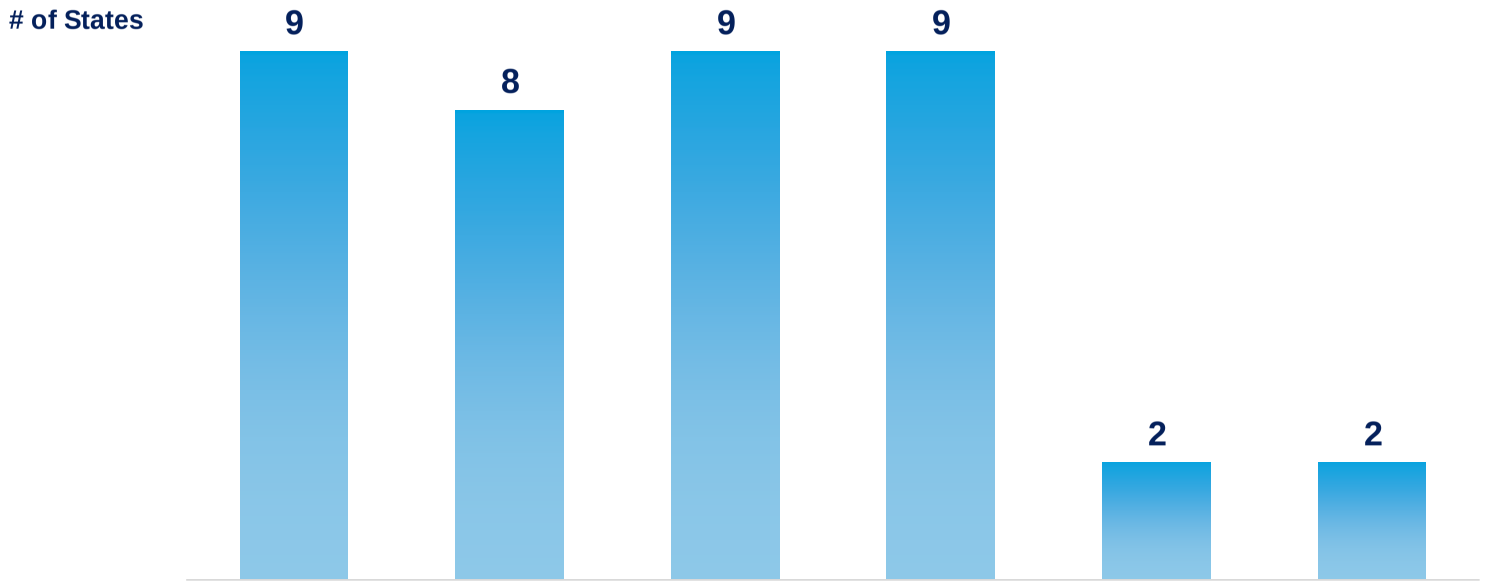
(1) "Other" includes OH, VA, and TX





Operating in States with Constructive Regulatory Mechanisms

Using these regulatory mechanisms, Essential is able to reduce regulatory lag and facilitate growth through acquisitions



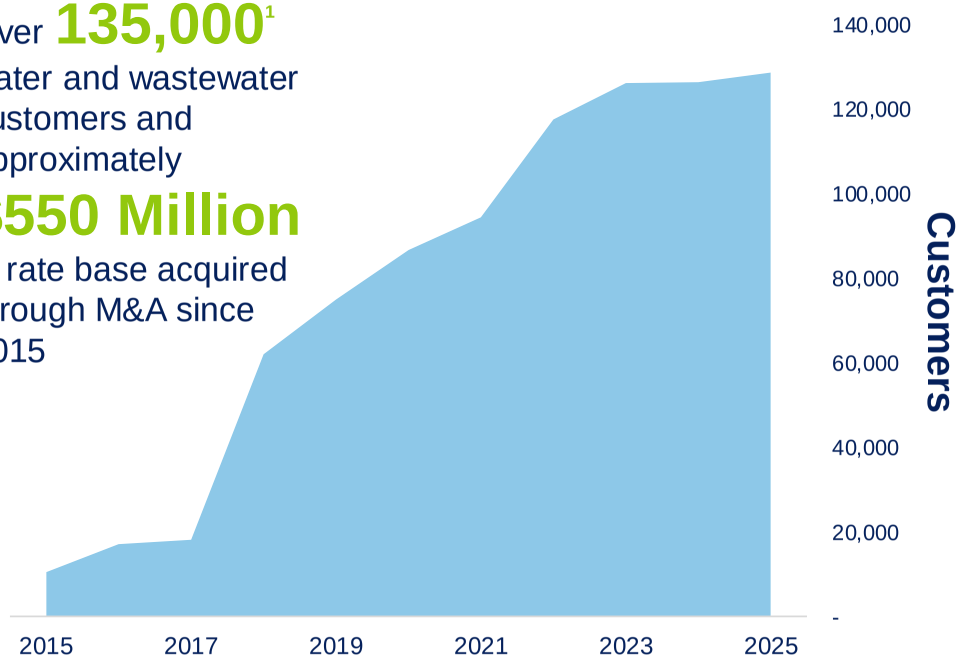
Regulatory Mechanisms	Consolidated Tariff	Future or Fully Projected Test Year	Infrastructure Surcharge Mechanisms	FMV Regulation	Weather Normalization Adjustment	Purchased Gas Riders
Percentage of Coverage	100%	89%	100%	100%	100%	100%
States Represented	IL, IN, KY, NC, NJ, OH, PA, TX, VA	IL, IN, KY, NC, OH, PA, TX, VA	IL, IN, KY, NC, NJ, OH, PA, TX, VA	IL, IN, KY, NC, NJ, OH, PA, TX, VA	KY, PA	KY, PA

Attachment RCS-2
Page 23 of 120

Continued Water and Wastewater Acquisition Success

Cumulative Additions of Customers Through Acquisitions Since 2015

Over **135,000**[1] water and wastewater customers and approximately **$550 Million** in rate base acquired through M&A since 2015



Transactions Closed in 2025

PA

BEAVER FALLS

- Wastewater
- 7,000 customers(1)
- $37.8M purchase price

PA

GREENVILLE

- Wastewater
- 2,300 customers
- $18.0M purchase price

OH

MIDVALE

- Water
- 900 customers
- $3.0M purchase price

Pending Transactions

PA

DELCORA

- Wastewater
- 198,000 customers(1)
- $276.5M purchase price

PA

GREENVILLE

- Water
- 3,000 customers
- $18.0M purchase price

TX

DRIL-QUIP(2)

- Water/Wastewater
- 380 customers
- $1.1M purchase price

TX

INTEGRA(2)

- Wastewater
- 1,100 customers
- $4.4M purchase price

Over 200,000[1] Total Customers

~$301M Total Purchase Price

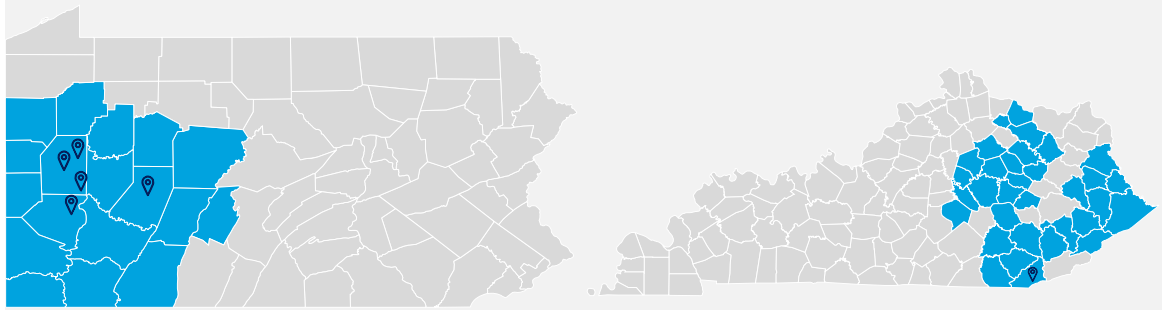
(1) Essential's estimate of the number of equivalent dwelling units.
(2) Dril-Quip and Integra are privately owned utilities.

PEOPLES™

An Essential Utilities Company

Targeting **~11%** Rate Base CAGR[1]

LOCATED IN CONSTRUCTIVE REGULATORY JURISDICTIONS



Largest natural gas distribution company in PA with **over $4 billion** of rate base as of year-end 2024

Serving more than **745,000 customers**

>96% of earnings from regulated gas distribution

Operations located near plentiful, **low-cost natural gas sources**

WITH CLEAR PATH TO GENERATE ADDITIONAL VALUE

AFFORDABLE AND ABUNDANT

Gas is **3.3x more affordable than electricity** with more than 100 years of supply in the U.S.[2]

CONSISTENT INVESTMENT

America's natural gas utilities **invest $33 billion each year** on enhancing the safety of distribution and transmission systems.[2]

DRIVING A SUSTAINABLE FUTURE

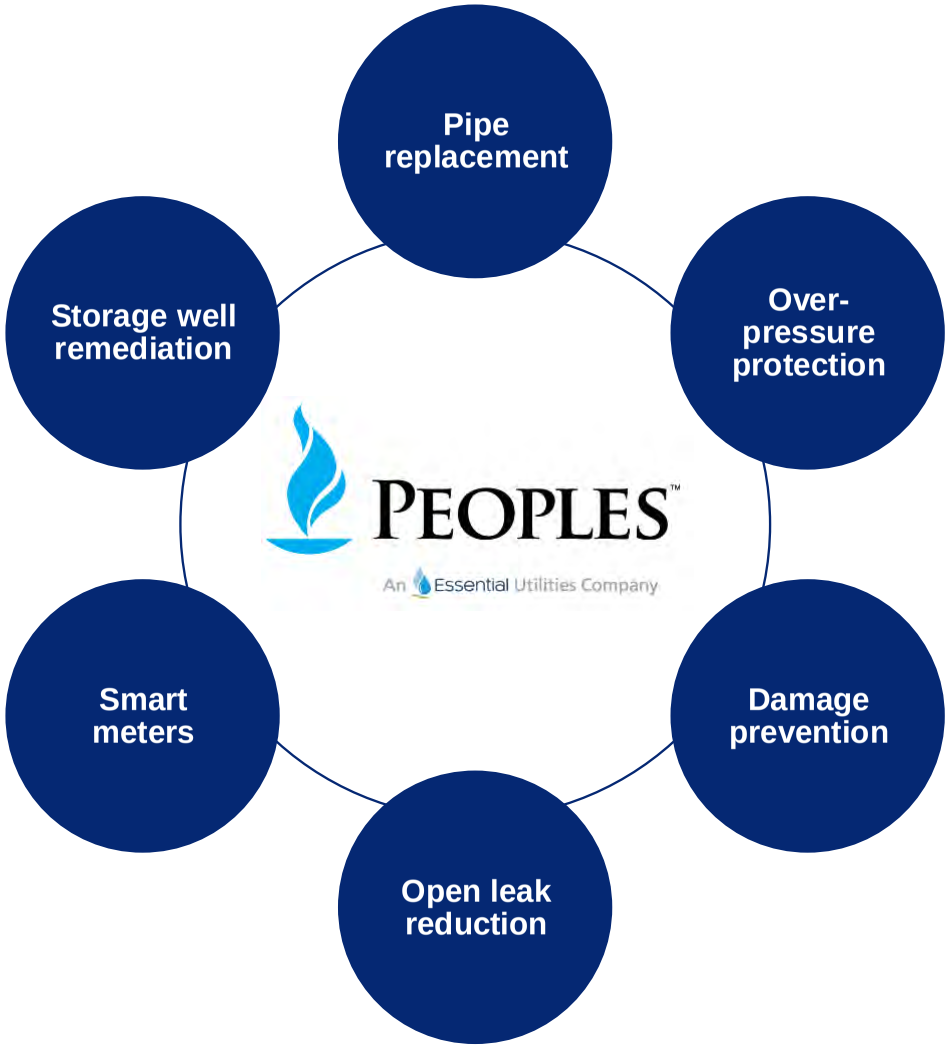
Emissions from natural gas distribution have declined 70% since 1990 and are expected to play **a critical role in helping the U.S. reach net-zero emissions** into the future.[2]

(1) Through 2029.
(2) Per the American Gas Associations 2024 Playbook.

Attachment RCS-2
Page 25 of 120

Focused on being the safest, most reliable gas utility in the U.S.

Risk Reduction Building Blocks



Attachment RCS-2
Page 26 of 120

Multi-utility Portfolio Delivers Measurable Results

INVESTING IN OUR SYSTEMS

Since 2020, Essential Utilities has invested over

$5.4B

in infrastructure

CONSISTENT IMPROVEMENTS

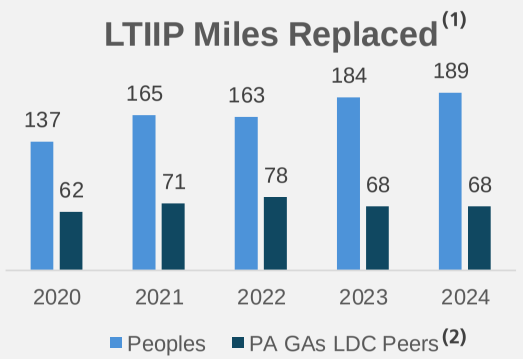
WATER IMPROVEMENTS

3-year rolling average of annual miles of water main replacement

>120

GAS IMPROVEMENTS

LEADING MILE REPLACEMENT PROGRAM IN PA



DRIVING BEST IN CLASS COMPLIANCE & ENVIRONMENTAL BENEFITS

7.8x
Water compliance compared to U.S. average[3]

Over 80%
Reduction in outstanding gas leaks since 2019[4]

25% Reduction
Cumulative achievement of Scope 1 and 2 GHGs from 2019[5]

Source: Pennsylvania Public Utilities Commission (PA PUC), Annual Asset Optimization Plan reports.
(1) LTIIP stands for Long-Term Infrastructure Improvement Plans.
(2) Represents the average of similar size Gas LDCs in Pennsylvania.
(3) Measured as a percentage of community water systems with health-based violations with U.S. averaged compiled from the EPA's ECHO Database. Figure inclusive of 2023 calendar year.
(4) As of 12/31/2024.
(5) As of 12/31/2023

Attachment RCS-2
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Consistently Elevating the Customer Experience

Delivering Exceptional Service[1]

99.8% of days in drinking **Water** compliance[2]

96.7% of days in **Wastewater** compliance[3]

96.8% of **Gas** emergencies responded to within 60 minutes or less

Recognized Leadership



#1 in **customer satisfaction** within midsize water utilities in the Midwest region in 2024[4]

PAPUC

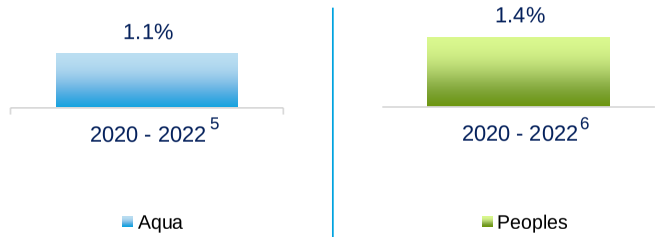
#1 in the **overall quality** of service in gas operations in 2023

AGA

Recipient of 2020 & 2022 **AGA** and **EAPA Safety Achievement Awards**

Keeping Customer Affordability Top of Mind

Percentage of monthly income spent on a monthly water bill and on a monthly gas bill for Essential PA customers



Supplemented by **Helping Hands**, an affordability program focused on assisting low-income customers

Average gas bill **over 30%** lower today than 15 years ago[7]

Source: Federal Reserve Bank of St. Louis, J.D. Power, PA PUC, American Gas Association (AGA).
(1) Data pertains to 2024.
(2) Represents the number of days each year that a system meets all health-related drinking water standards.
(3) Represents the number of days each year that a utility meets the effluent quality standards in effect for the facility.
(4) J.D. Power 2023 U.S. Water Utility Residential Customer Satisfaction Study.
(5) Calculated using 2020-2022 annual median household income for PA. Aqua's bill includes DSIC for 2020 and 2021 and represents only water.
(6) Calculated using 2020-2022 annual median household income for PA. Peoples' bill includes commodity gas expense.
(7) Compares average gas bill from 2008, based on average between January, April, July, and October, and gas bill from 2023, based on average between January and October.



Results & Outlook

Operating Revenues

Q3 2025 vs. Q3 2024

Change in Operating Revenues (millions)



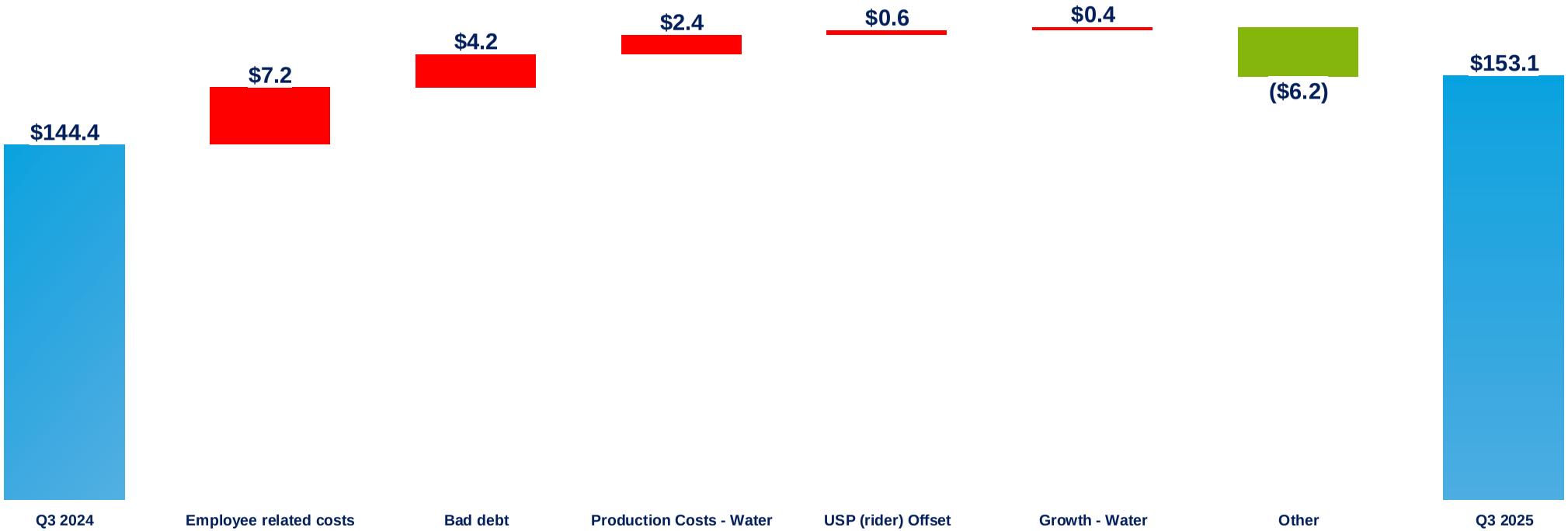
Figures may not total precisely due to rounding

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Operations & Maintenance Expenses

Q3 2025 vs. Q3 2024

Change in Operations & Maintenance Expense (millions)



Figures may not total precisely due to rounding

Attachment RCS-2
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Earnings per Common Share

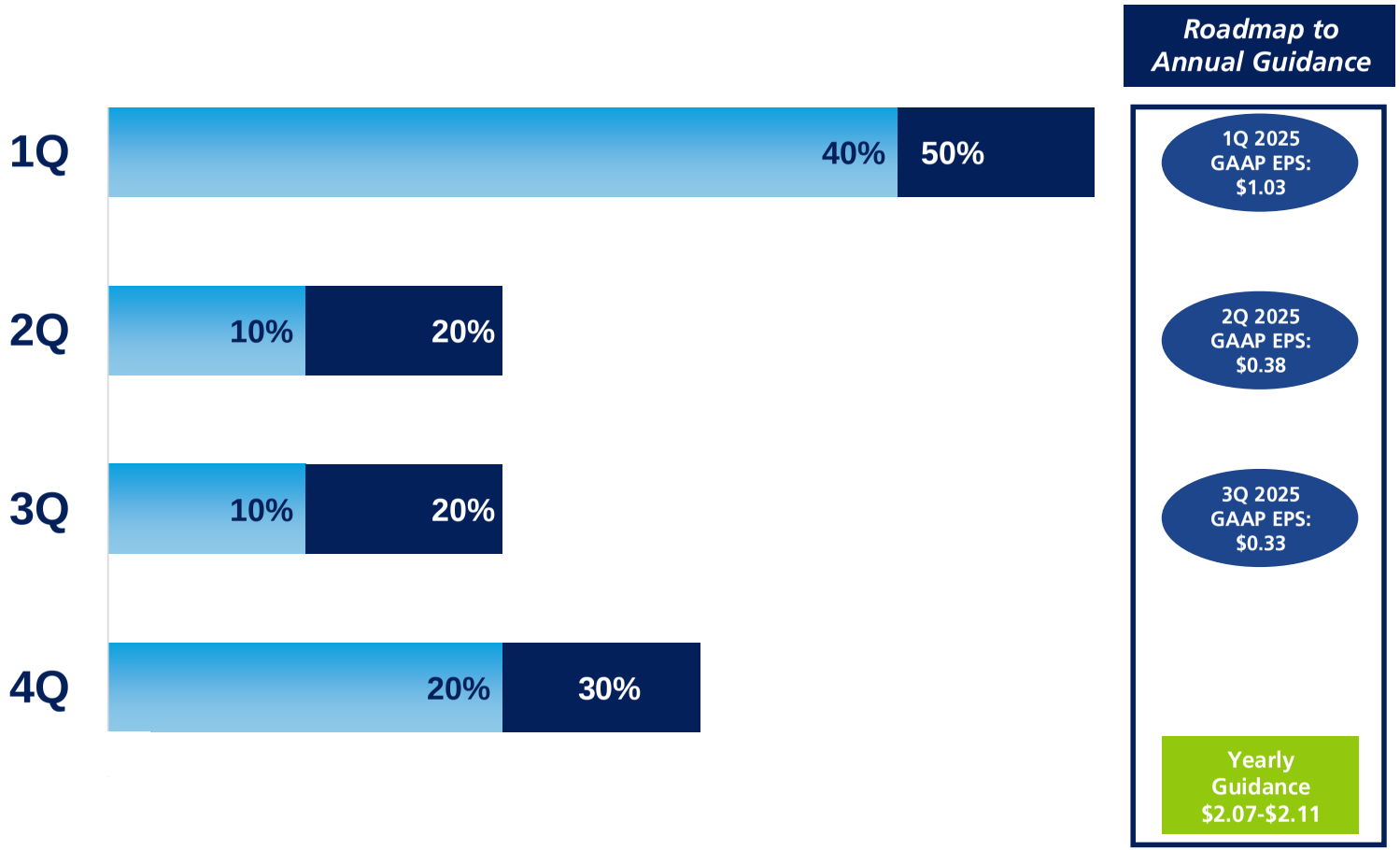
Q3 2025 vs. Q3 2024



Figures may not total precisely due to rounding

Attachment RCS-2
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Approximate Earnings Per Share by Quarter



For 2025, expect to achieve GAAP earnings per share above the guidance range of $2.07-$2.11 due to non-recurring benefits.

Regulatory Activity

As of November 4, 2025

2025 COMPLETED REGULATORY RECOVERIES

Water segment base rate cases and/or surcharges in NC, NJ, OH, and PA with annualized revenue increase of $92.6 million

Gas segment base rate cases and/or surcharges in KY and PA with annualized revenue increase of $8.9 million

PENDING REGULATORY RECOVERIES

Water segment base rate cases and/or surcharges in NC, OH, TX, and VA with requested annualized revenue increase of $96.5 million

Gas segment surcharge in KY with requested annualized revenue increase of $2.9 million

Attachment RCS-2
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Guidance Outlook[1]

Corporate Growth Targets

- 2025 normalized net income per diluted common share target of **$2.07- $2.11**
- Through 2027, EPS will grow at a CAGR of **5 – 7%**
- Regulated utility rate base growth of **8%** through 2029
- **$1.4 to $1.5B** infrastructure investment for 2025
- 2025-2029 Infrastructure investments of **~$7.8B**
- In 2025 we expect to raise ~**$350M** in equity

Dividends & Capital Structure

Dividend Payout Ratio	Debt to Capital Ratio	FFO to Net Debt Ratio
60 - 65%	**50 - 55%**	**12 - 14%**

Aqua Targets

- Segment rate base **CAGR of approximately 6%** through 2029
- Segment customer base **annual growth rate of between 2 and 3%** over the long-term

Peoples Targets

- Segment rate base **CAGR of approximately 11%** through 2029
- Segment customer base **expected to be stable** through 2027

1) Guidance includes signed municipal water and wastewater acquisitions for which the company has entered into signed purchase agreements as of the time the 2025 guidance was announced but does not include DELCORA or other potential municipal acquisitions from the company's list of acquisition opportunities. The guidance is also based on the company's expectation that it will continue to issue equity and debt on an as needed basis to support acquisitions and capital investment plans.

Attachment RCS-2
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Executing Our Strategy Drives Attractive Positioning

NYSE LISTED

WTRG

Essential

99% of earnings from regulated operations

Over 30 consecutive years of dividend growth

Only publicly traded water, wastewater, and natural gas provider **in the U.S.**

5 – 7% EPS CAGR 2025-2027[1]

8% rate base CAGR 2025-2029[1]

1) Guidance includes signed municipal water and wastewater acquisitions for which the company has entered into signed purchase agreements as of the time the 2025 guidance was announced, but does not include DELCORA or other potential municipal acquisitions from the company's list of acquisition opportunities. The guidance is also based on the company's expectation that it will continue to issue equity and debt on an as-needed basis to support acquisitions and capital investment plans.

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For More Information Contact:



Brian Dingerdissen

Vice President,
Investor Relations, FP&A and Treasury

(610) 645-1191
BJDingerdissen@Essential.co



Ed Vallejo

Director,
Investor Relations

(267) 370-9717
EdVallejo@Essential.co

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Appendix

YTD Financial Highlights

As of September 30th, 2025

($ in millions, except per share data)	YTD 2024	YTD 2025	Change
Operating Revenues	$1,481.7	$1,775.5	19.8% Increase
Purchased Gas	$182.5	$263.9	44.6% Increase
Operations and Maintenance Expense	$423.8	$439.4	3.7% Increase
Operating Income	$531.0	$693.9	30.7% Increase
Net Income	$410.6	$483.7	17.8% Increase
Net Income per Share	$1.50	$1.73	15.3% Increase

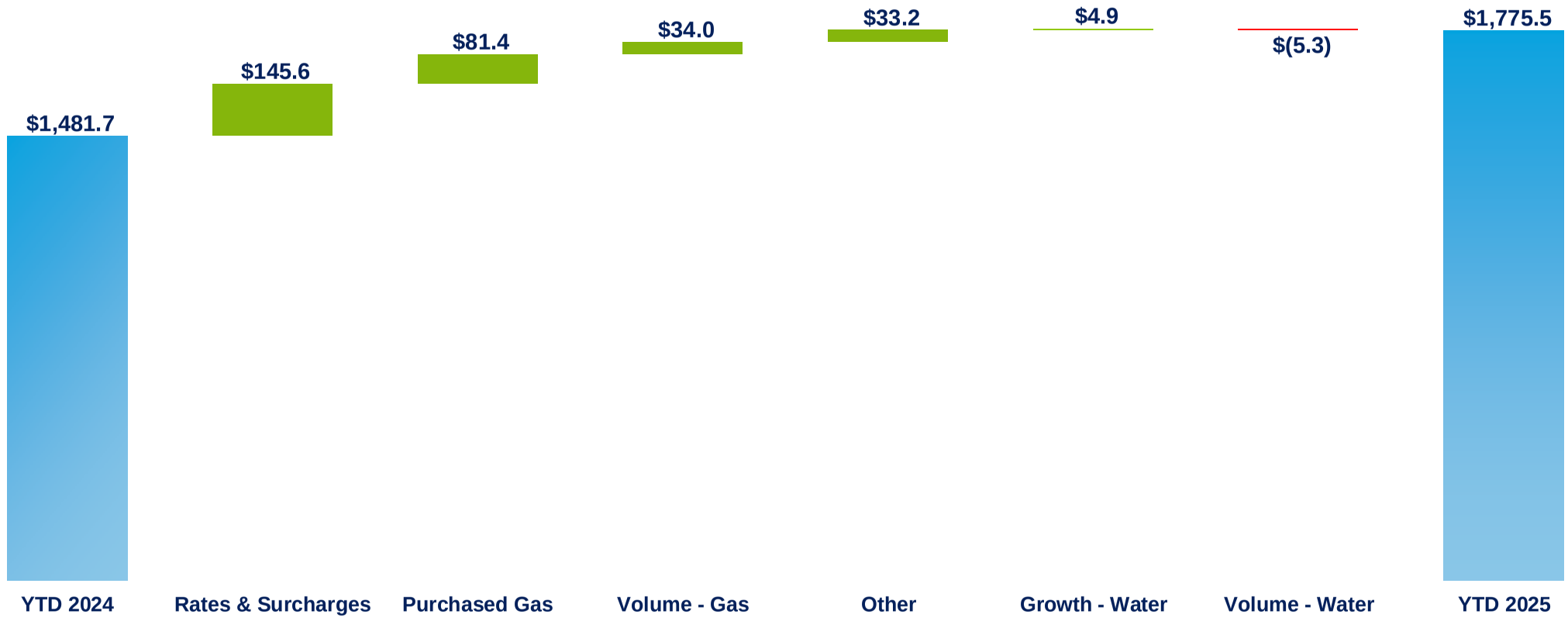
Attachment RCS-2
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Operating Revenues

YTD 2025 vs. YTD 2024

As of September 30th, 2025

Change in Operating Revenues (millions)



Figures may not total precisely due to rounding

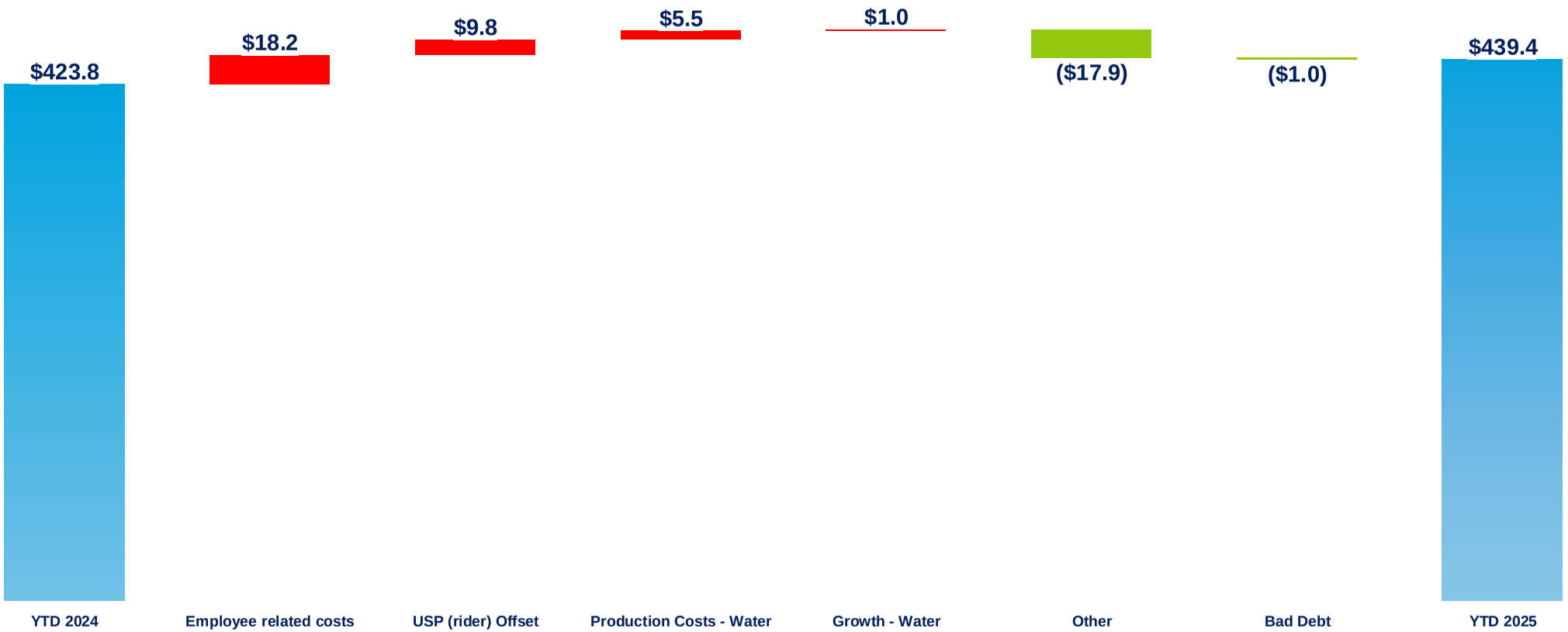
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Operations & Maintenance Expenses

YTD 2025 vs. YTD 2024

As of September 30th, 2025

Change in Operations & Maintenance Expense (millions)



Figures may not total precisely due to rounding

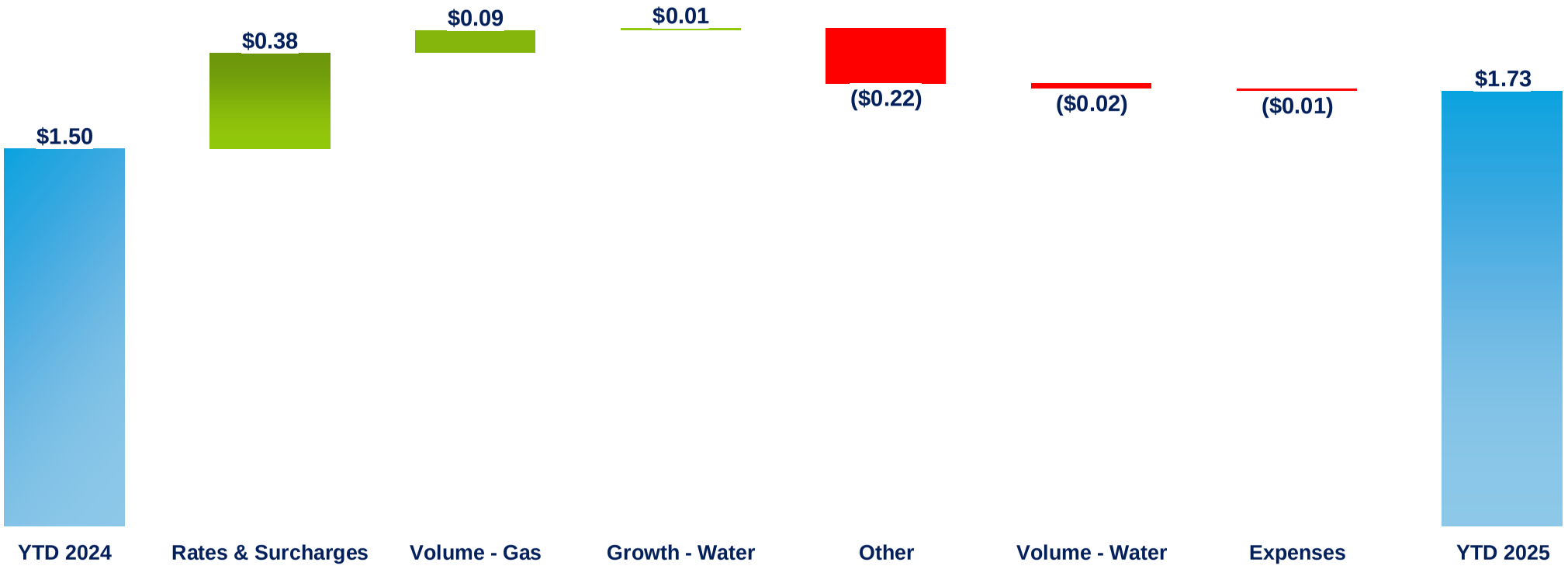
Attachment RCS-2
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Earnings per Common Share

YTD 2025 vs. YTD 2024

As of September 30th, 2025

Change in Earnings Per Share



Figures may not total precisely due to rounding

Attachment RCS-2
Page 42 of 120

2025 Regulatory Activity Completed

As of November 4, 2025

State	Docket Number	Segment	Type	Annualized Revenue Increase ($ 000's)
Ohio	N/A	Wastewater	Rate Case	550
	N/A	Water	Rate Case	889
	N/A	Water	Rate Case	801
	24-910-WW-SIC	Water	Surcharge	3,237
	24-911-ST-SIC	Wastewater	Surcharge	45
New Jersey	WR24010057	Water	Surcharge	2,468
North Carolina	W-218, Sub 573	Water	Rate Case - Year 3	2,242
	W-218, Sub 573	Wastewater	Rate Case - Year 3	1,153
	W-218, Sub 573	Water	Rate Case - Year 3	471
	W-218, Sub 573	Water	Rate Case - Year 3	108
	W-218, Sub 573	Wastewater	Rate Case - Year 3	157
Pennsylvania	R-2024-3047822	Water	Rate Case	58,400
	R-2024-3047824	Wastewater	Rate Case	14,600
	M-2024-3052594	Water	Surcharge	7,235
	M-2024-3052599	Wastewater	Surcharge	291
	M-2025-3053185	Gas	Surcharge	638
Kentucky	2024-00332	Gas	Surcharge	486
	2025-00086	Gas	Surcharge	56
	2024-00346	Gas	Rate Case	7,700
			Total	101,526

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Regulatory Activity Pending

As of November 4, 2025

State	Docket Number	Segment	Type		Requested Annualized Revenue Increase ($ 000's)
Texas	58124	Water	Rate Case		29,148
Ohio	25-0594-WW-AIR	Water	Rate Case		14,653
North Carolina	W-218, Sub 629	Water	Rate Case	*	44,763
Virginia	CASE NO. PUR-2025-00071	Water	Rate Case		7,927
Kentucky	2025-00333	Gas	Surcharge		2,884
			Total		99,374

*Revenue increase over multi-year rate plan through December 2028

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State by State Comparison of Services

As of September 30, 2025

	Water and Wastewater				Gas Distribution	
State	Rate Base (millions)	Water Connections (thousands)	Wastewater Connections (thousands)	Total Customers (thousands)	Rate Base (millions)	Total Customers (thousands)
PA	$4,746	459.4	68.0	527.4	$4,295	701.2
IL	$594	69.9	24.9	94.8		
OH	$537	155.0	11.2	166.2		
TX	$666	76.6	25.8	102.4		
NC	$416	87.9	23.6	111.5		
NJ	$316	56.4	7.0	63.4		
KY					$179	39.0
VA	$139	27.7	8.5	36.2		
IN	$125	1.5	31.7	33.2		
TOTAL	$7,539	934.4	200.7	1,135.1	$4,474	740.3

Attachment RCS-2
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GAAP to Non-GAAP Reconciliation

Year Ended December 31, 2024

(in millions, except per share data)	FY 2024
Net income (GAAP financial measure)	**$595.3**
Adjustments:	
Gain on sales of assets and related transaction activities	(94.0)
Adjustments for estimated effects of unfavorable weather	18.7
Income tax effect of non-GAAP adjustments	20.9
Adjusted income (Non-GAAP financial measure)	**$540.9**
Net income per common share (GAAP financial measure):	
Basic	$2.17
Diluted	$2.17
Adjusted income per common share (Non-GAAP financial measure):	
Basic	$1.97
Diluted	$1.97
Average common shares outstanding:	
Basic	273.9
Diluted	274.4

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Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-10 Avoidance of harm to existing customers.

a. Provide all analyses conducted by or for the Parties that establishes that the proposed acquisition will result in no short-term or long-term harm to (1) existing customers of AWWC, or (2) existing customers of EU.

b. Provide all benefit-cost analyses conducted by or for the Parties that establishes that the proposed acquisition will result in net benefits to (1) existing customers of AWWC, or (2) existing customers of EU.

c. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

A-C. As detailed in the Joint Applicants' direct testimony, Joint Applicants expects the merger to result in benefits to its customers, including the customers of Aqua PA and Peoples, after the merger. The merger integration process is expected to lead to cost efficiencies in various functional areas. While there will be some costs to achieve Merger-related synergies, customers will realize benefits from those synergies as they are recognized in future rate cases in the form of costs that are lower than they would have been absent the Merger.

American Water has not conducted or had conducted for it the requested analyses. Please see Essential response to OCA-JA-I-10 for their response.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
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Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set 1

OCA-JA-1-10 Avoidance of harm to existing customers.

a. Provide all analyses conducted by or for the Parties that establishes that the proposed acquisition will result in no short -term or long -term harm to (1) existing customers of AWWC , or (2) existing customers of EU .

b. Provide all benefit -cost analyses conducted by or for the Parties that establishes that the proposed acquisition will result in net benefits to (1) existing customers of AWWC , or (2) existing customers of EU.

c. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

Essential does not have any documents responsive to this question.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
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Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-14 Synergies.

a. Have the Joint Applicants projected or had projected on their behalf, any potential synergies resulting from the proposed merger?

b. Identify and provide all workpapers and supporting documents that were used to produce all quantifications shown in this document including but not limited to the preliminary synergy benefits and costs to achieve. If not, explain why not.

Response:

a.-b. American Water has not projected potential synergies resulting from the Merger. Certain assumptions regarding potential synergies (or efficiencies) were made by Bank of America, based on similar historical merger proceedings, when providing a financial analysis of the transaction. Please OCA-JA-I-5_Attachment_HIGHLY CONFIDENTIAL.

Please see Essential response to OCA-JA-I-14 for their response.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
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Joint Applicants Response to OCA Set I

OCA-JA-I-14 Synergies.

a. Have the Joint Applicants projected or had projected on their behalf, any potential synergies resulting from the proposed merger?

b. Identify and provide all workpapers and supporting documents that were used to produce all quantifications shown in this document including but not limited to the preliminary synergy benefits and costs to achieve. If not, explain why not.

Response:

Please see the Direct Testimony of Colleen Arnold and Daniel J. Schuller. Essential does not have any further documents responsive to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
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Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-16 Cost Savings. Do the Joint Applicants intend to eventually consolidate any of the existing Pennsylvania utility operations as a result of the merger? If so, please provide a detailed description of any such plans as well as projected cost savings.

Response:

The Joint Applicants have not made a determination regarding the consolidation of any existing Pennsylvania utility operations at this time and consolidation is not part of the transaction for which the Joint Applicants seek approval in this proceeding. If the Joint Applicants decide to merge any utility operations in the future, the respective utilities will, as required by law, seek approval from the Pennsylvania Public Utility Commission to do so through a new and separate application in the future.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
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Joint Applicants Response to OCA Set I

OCA-JA-I-16 Cost Savings. Do the Joint Applicants intend to eventually consolidate any of the existing Pennsylvania utility operations as a result of the merger? If so, please provide a detailed description of any such plans as well as projected cost savings.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
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Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-17 Cost Savings. Do the Joint Applicants intend to eventually consolidate any of the administrative functions currently being performed by or for any of the existing utility operations as a result of the merger? If so, please provide a detailed description of any such plans as well as projected cost savings.

Response:

The Joint Applicants expect some consolidation of administrative functions but have only recently started having integration discussions. Therefore, no integration plans regarding administrative functions have yet been developed. Please also see response to OCA-JA-I-56 for information regarding the integration committee established by American Water and Essential Utilities.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer
Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
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Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set I

OCA-JA-I-17 Cost Savings. Do the Joint Applicants intend to eventually consolidate any of the administrative functions currently being performed by or for any of the existing utility operations as a result of the merger? If so, please provide a detailed description of any such plans as well as projected cost savings.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
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AW Response to OCA Set 1

OCA-JA-I-18 Definitions. Please define, and if applicable, distinguish the following terms:

a. costs to achieve

b. transaction costs

c. transition costs

d. solicitation costs

e. merger integration costs

f. goodwill

g. acquisition premium

h. golden parachute payments

i. retention bonuses

Response:

American Water does not maintain definitions for each of these terms, unless specifically defined within an agreement or other such document. Unless otherwise noted, definitions below reflect American Water's general understanding of each of the requested terms.

a. ***Costs to achieve:*** Expenses incurred to realize anticipated benefits from a transaction or strategic initiative, such as cost savings or synergies. These are typically one-time costs, like consulting fees, IT system changes, or restructuring expenses.
b. ***Transaction costs:*** Direct costs associated with executing a transaction, such as legal fees, investment banking fees, due diligence expenses, and regulatory filing costs.
c. ***Transition costs:*** Transition costs include costs to achieve (see above) and merger integration costs (see below).
d. ***Solicitation costs:*** Costs incurred to solicit proxies from shareholders in connection with obtaining shareholder approval associated with a transaction, which may consist of costs incurred in connection with (i) preparing, printing and filing of proxy statements/prospectuses and other shareholder materials, (ii) mailing and delivery of such shareholder materials (including postage, freight and shipping), (iii) tabulation of votes in connection with the meeting of shareholders, (iv) holding the shareholder meeting, and

(v) fees paid to, and reimbursed costs and expenses of, proxy solicitors engaged with respect to the shareholder meeting. In this case, solicitation costs are considered transaction costs.

e. ***Merger integration costs:*** Costs of combining two businesses into a single entity post-merger. These include IT integration, process alignment, and workforce restructuring.
f. ***Goodwill:*** In utility acquisitions, an intangible asset that may result from a business combination when there is a difference between the purchase price and the fair value of the identified assets.
g. ***Acquisition Premium:*** American Water understands the term "acquisition premium" to refer to a "Utility Plant Acquisition Adjustment" as defined in Account 114 of the NARUC Uniform System of Accounts.
h. ***Golden parachute payments:*** The term "golden parachute payment" refers to a "parachute payment", as defined by Section 280G(b)(2)(A) of the Internal Revenue Code of 1986, as amended, and related Treasury Regulations, all as in effect on the date hereof.
i. ***Retention bonuses:*** Payments offered to certain employees to incentivize them to remain with the company during or after a merger, acquisition, or restructuring period.

Date: February 2, 2026

Revised Response

f. ***Goodwill:*** In utility acquisitions, an intangible asset that may result from a business combination. Goodwill would equal the purchase price less fair value of identifiable assets acquired and liabilities assumed.

Revised Response Date: April 17, 2026

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer
Cheryl Norton, Executive Vice President and Chief Operating Officer

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Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set I

OCA-JA-I-18 Definitions. Please define, and if applicable, distinguish the following terms:

a. costs to achieve

b. transaction costs

c. transition costs

d. solicitation costs

e. merger integration costs

f. goodwill

g. acquisition premium

h. golden parachute payments

i. retention bonuses

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
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AW Response to OCA Set 1

OCA-JA-I-19 Solicitation Costs.

a. How will the Joint Applicants account for solicitation costs related to obtaining shareholder approval of the merger? Show journal entries and amounts recorded to date.

b. Do the Joint Applicants agree that all such solicitation costs are the responsibility of shareholders and that none of the solicitation costs shall be charged to new Jersey ratepayers in any future rate proceeding? If not, explain fully why not.

Response:

American Water assumes that the reference to New Jersey was intended to refer to Pennsylvania customers.

a. Solicitation costs are considered transaction costs and AWWC is not seeking recovery of transaction costs. These costs are not currently available, when incurred they will be recorded on the books of AWWC.
b. Please see response in subsection a.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

Revised Response:

American Water assumes that the reference to New Jersey was intended to refer to Pennsylvania customers.

a. Solicitation costs are considered transaction costs and AWWC is not seeking recovery of transaction costs. These costs will not be recorded on the books of any Pennsylvania subsidiary. As of March 17, 2026, non-legal solicitation costs totaled approximately $3.6 million. Legal costs associated with the solicitation have not been separately tracked and, therefore, are not included in this amount.
b. Please see response in subsection a.

Revised Response Date: April 17, 2026

OFFICE OF CONSUMER ADVOCATES
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THE JOINT APPLICANTS - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set I

OCA-JA-I-19 Solicitation Costs.

a. How will the Joint Applicants account for solicitation costs related to obtaining shareholder approval of the merger? Show journal entries and amounts recorded to date.

b. Do the Joint Applicants agree that all such solicitation costs are the responsibility of shareholders and that none of the solicitation costs shall be charged to new Jersey ratepayers in any future rate proceeding? If not, explain fully why not.

Response:

a. Proxy solicitation costs for EU will be charged to expense as incurred. Journal entries would be debit to expense, credit to cash. As noted in the S-4, EU is paying its solicitor a base fee of $17,500. EU has currently booked expenses of $99,046 for shareholder approval. EU will continue to book solicitation costs as they are incurred as noted above.

b. Solicitation costs are the responsibility of shareholders, and none of the solicitation costs will be charged to Pennsylvania ratepayers.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
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Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-20 Acquisition Adjustment.

Do the Joint Applicants anticipate that any amounts of Acquisition Adjustment would be recorded as a result of the proposed transaction? If not, explain fully why not. If so, identify the amounts and show in detail how they would be accounted for. Include with your response, all proposed journal entries and estimated amounts for each entity's books that would be affected.

Response:

No. As stated on page 1 of Exhibit C to the Joint Application, Joint Applicants' Merger Commitments, Aqua PA and Peoples will not seek recovery in rates of any acquisition adjustment or goodwill associated with the Merger, and the goodwill associated with the Merger will not be recorded on Aqua PA's or Peoples' books.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

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Joint Applicants Response to OCA Set I

OCA-JA-I-20 Acquisition Adjustment. Do the Joint Applicants anticipate that any amounts of Acquisition Adjustment would be recorded as a result of the proposed transaction? If not, explain fully why not. If so, identify the amounts and show in detail how they would be accounted for. Include with your response, all proposed journal entries and estimated amounts for each entity's books that would be affected.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

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AW Response to OCA Set 1

OCA-JA-I-21 Goodwill and accounting entries.

a. Will the proposed transaction result in recording any amounts of Goodwill on the books of any of the companies?

b. Will the proposed transaction result in recording any amounts of Acquisition Adjustment on the books of any of the companies?

c. Provide all proposed accounting entries related to the proposed transaction, including but not limited to those demonstrating the proposed recording of utility plant, accumulated depreciation, any acquisition premium, and goodwill.

d. Confirm that AWWC does not envision seeking recovery from Pennsylvania ratepayers of any acquisition premium or goodwill resulting from the proposed transaction in rates.

e. If AWWC's response to (d) above is anything other than non-qualified confirmation, please explain AWWC's statement that it reserves the right to seek recovery of the acquisition premium and goodwill amounts related to the transaction provided customer benefits can be demonstrated to justify such recovery.

Response:

a. In accordance with GAAP, American Water and Essential believe that the merger will be accounted for as an acquisition of Essential's common stock by American Water and will follow the acquisition method of accounting for business combinations, including with respect to acquisition premiums, (i.e., goodwill). In accordance with ASC 805. Under ASC 805, all assets acquired and liabilities would be recorded at their acquisition date fair value and, accordingly, the total purchase price allocated to the tangible and intangible assets acquired and liabilities assumed based on their respective fair values using the fair value concepts defined in ASC 820. Any difference between the purchase price for Essential and the fair value of the identifiable net assets acquired will be recorded as goodwill. The transaction will be recorded on the books of AWWC and will not be recorded on Aqua PA or People's books.

b. See response a.

c. The accounting treatment of the merger is detailed in the Joint Proxy Statement filed with the Securities and Exchange Commission on December 31, 2025[1]. See pages 26, 112 – 117. Also see pages 146 – 155 which contains the unaudited pro forma condensed combined financial information which was prepared using the acquisition method of accounting in accordance with GAAP.

d. AWWC does not intend to seek recovery from customers, any acquisition premium or goodwill resulting from this transaction.

e. See response to part d; confirming that American Water does not intend to seek recovery from customers for any acquisition premium or goodwill resulting from this transaction.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

[1] https://www.sec.gov/Archives/edgar/data/1410636/000119312525337598/d15683d424b3.htm

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Joint Applicants Response to OCA Set I

OCA-JA-I-21 Goodwill and accounting entries.

a. Will the proposed transaction result in recording any amounts of Goodwill on the books of any of the companies?

b. Will the proposed transaction result in recording any amounts of Acquisition Adjustment on the books of any of the companies?

c. Provide all proposed accounting entries related to the proposed transaction, including but not limited to those demonstrating the proposed recording of utility plant, accumulated depreciation, any acquisition premium, and goodwill .

d. Confirm that AWWC does not envision seeking recovery from Pennsylvania ratepayers of any acquisition premium or goodwill resulting from the proposed transaction in rates.

e. If AWWC's response to (d) above is anything other than non-qualified confirmation, please explain AWWC's statement that it reserves the right to seek recovery of the acquisition premium and goodwill amounts related to the transaction provided customer benefits can be demonstrated to justify such recovery.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

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AW Response to OCA Set 1

OCA-JA-I-24 Benefits to customers.

a. Please identify and quantify, by year, all benefits to existing customers of AWWC from the proposed transaction.

b. Please identify and quantify, by year, all benefits to existing customers of EU from the proposed transaction.

c. Please identify and quantify, by year, all benefits to existing AWWC water and sewer utility customers from the proposed transaction.

d. Please identify and quantify, by year, all benefits to existing EU water and sewer utility customers from the proposed transaction.

e. Please identify and quantify, by year, all benefits to existing EU gas distribution utility customers from the proposed transaction.

f. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

a.-e. The Merger is expected to yield both qualitative and quantitative benefits over time. The Joint Applicants have only recently started having integration discussions and therefore have not yet quantified potential benefits associated with the Merger. Nevertheless, as explained in the Joint Application and Joint Application Statements Nos. 1-5, there are many benefits to customers associated with the Merger. In addition to the commitments in Exhibit C to the Joint Application, benefits of the Merger include, but are not limited to the following:

- The size and breadth of American Water, combined with Essential, will enable the entire American Water enterprise (which will include Essential after the Merger) to maximize its purchasing power and obtain discounts on necessary goods and services including, but not limited to, water treatment chemicals, pipe valves and fittings, meters, engineering services, consulting services, professional services, and employee benefits.
- The expanded set of resources and greater scale achieved through the Merger will support continued investment in critical infrastructure and the combined company's ability to

meet the evolving needs of customers. For example, for American Water, on average, each dollar of O&M expense avoided or saved permits American Water to invest approximately $8 in infrastructure without impacting rates.

- A "deeper bench" of highly trained professionals who possess significant operational experience in various specialized areas and are skilled at, and dedicated to, providing necessary, cost-effective, value-added service that supports the provision of clean, safe, reliable, and affordable service will drive and further enhance knowledge sharing, standardization of processes and practices, training, and operational efficiencies among American Water's subsidiaries after the Merger, including Aqua PA and Peoples.
- Access to American Water's Central Laboratory, which supports research and water compliance efforts through sophisticated testing and analysis as further discussed in Ms. Norton's direct testimony (Joint Applicants Statement No. 1), page 10.
- Access to Aqua PA's local certified laboratory which is geographically close to American Water's existing operations in Pennsylvania.
- Access to a robust research and development ("R&D") program that enhances our services, helps ensure compliance, and shapes a more sustainable future as further described in Joint Applicants Statement No. 1, pages 11-12. One example of working with research institutions and partners to develop and pilot new technology advances included a long-term study launched in 2019 focused on removal strategies for replacement PFAS compounds, such as short-chain PFAS. This work culminated in a 2025 publication by the Water Research Foundation titled "Investigation of Treatment Alternatives for Short-Chain PFASs." The R&D team also leads efforts to understand and mitigate aesthetic water quality issues, such as taste and odor ("T&O") compounds. We develop and apply advanced analytical methods—including updates to Standard Method 6040D—and conduct research on compounds like Geosmin and MIB. Through publications and collaboration with industry partners, we share best practices and findings that improve understanding of T&O occurrence and removal. These efforts support American Water's ability to identify solutions for the treatment of PFAS and address other water quality issues and help ensure our customers continue to receive clean, safe, reliable and affordable service.
- An environmental compliance model that drives consistent compliance controls across the entire American Water footprint and provides consistent support to state operations to support compliance controls and regulatory compliance with the Safe Drinking Water Act and the Clean Water Act, as further discussed in Joint Applicants Statement No. 1, page 12. Not only does this help ensure environmental compliance and quality service to our customers, but it does so as effectively and efficiently as possible.
- A robust GIS department with internal expertise can be leveraged to support Aqua PA and Peoples upon completion of the Merger as further described in Joint Applicants Statement No. 1, pages 12-13, and potentially reduce or even eliminate the need for external contractors with similar expertise.
- A robust centralized engineering team that supports efficient capital planning, deployment, and governance over the capital investment program as further described in Joint Applicants Statement No. 1, pages 13-14. This internal expertise can also be

leveraged to support Aqua PA and Peoples upon completion of the Merger and potentially reduce the need for external contractors with similar expertise.

- A robust safety program as further described in Joint Applicants Statement No. 1, pages 14-16 that is based on its care for its customers, employees, contractors, the communities in which American Water operates, and the environment.
- The Merger will broaden career paths, provide employees with more opportunities to grow, collaborate and contribute to a larger, more dynamic organization, and create long-term opportunities for career growth, both inside and outside of Pennsylvania. Examples include opportunities within our center-led departments, such as engineering. American Water also has a centralized operations training team tasked with cultivating and sustaining a highly skilled and adaptable workforce of water and wastewater professionals to help ensure the sustained provision of safe, compliant, and reliable services to our customers, and enable employee growth.
- As discussed in Mr. Bowler's direct testimony (Joint Applicants Statement No. 2), pages 7-8, the Merger is expected to provide the operating companies with lower cost financing, subject to market conditions.
- As discussed in Joint Applicants Statement No. 2, pages 8-9, the Merger will result in greater cash flow stability as a direct result of the increased scale, scope and diversification of the combined company. Since cash flow is a primary factor influencing the cost and availability of debt financing, improvement in cash flows can result in reduced interest expense to the utility subsidiaries in Pennsylvania as new debt is issued or existing debt is refinanced.
- As discussed in Joint Applicants Statement No. 2, pages 9-10, continued access to equity capital markets that will support the continued investment in infrastructure upon reasonable terms over the long-term and a potentially lower overall cost of debt.
- Joint Applicants anticipate that the business combination will improve efficiency, and the integration process is expected to lead to cost efficiencies in various functional areas. While there will be some costs to achieve Merger-related synergies, customers will realize benefits from those synergies as they are recognized in future rate cases in the form of costs that are lower than they would have been absent the Merger.

f. N/A

Responsible Witness:

Cheryl Norton, Executive Vice President and Chief Operating Officer
David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

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Joint Applicants Response to OCA Set I

OCA-JA-I-24 Benefits to customers.

a. Please identify and quantify, by year, all benefits to existing customers of AWWC from the proposed transaction.

b. Please identify and quantify, by year, all benefits to existing customers of EU from the proposed transaction.

c. Please identify and quantify, by year, all benefits to existing AWWC water and sewer utility customers from the proposed transaction.

d. Please identify and quantify, by year, all benefits to existing EU water and sewer utility customers from the proposed transaction.

e. Please identify and quantify, by year, all benefits to existing EU gas distribution utility customers from the proposed transaction.

f. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

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AW Response to OCA Set 1

OCA-JA-I-27 Goodwill.

a. What amount of Goodwill did AWWC have on its books as of each date: (1) December 31, 2024, (2) September 30, 2025, and (3) December 31, 2025?

b. What amount of Goodwill did EU have on its books as of each date (1) December 31, 2024, (2) September 30, 2025, and (3) December 31, 2025?

Response:

a. AWWC Goodwill for December 31, 2024 and September 30, 2025 is shown below. Financial statements for December 31, 2025 have not yet been finalized

Goodwill	
December 31, 2024	$1,151m
September 31, 2025	$1,144m

b. Please see Essential response to OCA-JA-I-27

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

Revised Response:

a. AWWC Goodwill for December 31, 2024 and December 31, 2025 is shown below. Subsequent to filing this response, American Water determined that the amounts provided for 2024 and 2025 were reversed. This is corrected in the chart below. Additionally, year-end 2025 information is available and reflected below.

Goodwill	
December 31, 2024	$1,144m
December 31, 2025	$1,156m

b. Please see Essential response to OCA-JA-I-27

Revised Response Date: April 17, 2026

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Joint Applicants Response to OCA Set I

OCA-JA-I-27 Goodwill.

a. What amount of Goodwill d id AWWC have on its books as of each date: (1) December 31, 2024, (2) September 30, 2025, and (3) December 31, 2025?

b. What amount of Goodwill did EU have on its books as of each date (1) December 31, 2024, (2) September 30, 2025, and (3) December 31, 2025?

Response:

a. Please see American Water's response to this request.

b. Essential had goodwill of:

i. December 31, 2024: $2,340,713,000

ii. September 30, 2025: $2,348,559,000

iii. December 31, 2025: $2,348,559,000

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

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AW Response to OCA Set 1

OCA-JA-I-28 How does AWWC test for impairment of Goodwill? Explain fully and provide details of all AWWC goodwill impairment testing for 2024 and 2025 to date, as well as any goodwill impairments recorded in each year.

Response:

Please refer to Goodwill under Note 2: Significant Accounting Principles in the 2024 10k, page 107, for a description of Goodwill impairment testing. The results of the 2024 Goodwill impairment testing can also be found in the 10K under Note 8: Goodwill, on page 125. The same information will be available for 2025, once the 2025 10k is filed.

The 10k is publicly available as part of American Water's Annual Report at this link: https://ir.amwater.com/financials/annual-reports-and-proxy-statements/default.aspx

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

Supplemental Response:

Please refer to Goodwill under Note 2: Significant Accounting Principles in the 2025 10k, page 118, for a description of Goodwill impairment testing. The results of the 2025 Goodwill impairment testing can also be found in the 10K under Note 8: Goodwill, on page 136.

The 2025 10k is publicly available as part of American Water's Annual Report at this link: https://ir.amwater.com/financials/annual-reports-and-proxy-statements/default.aspx

Date of Supplemental Response: April 17, 2026

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Joint Applicants Response to OCA Set I

OCA-JA-I-28 How does AWWC test for impairment of Goodwill? Explain fully and provide details of all AWWC goodwill impairment testing for 2024 and 2025 to date, as well as any goodwill impairments recorded in each year.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

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AW Response to OCA Set 1

OCA-JA-I-35

Please show in detail how all Transition Costs anticipated to result from the proposed transaction will be recorded on the books of each entity. Include anticipated journal entries, journal entry descriptions and amounts.

Response:

Please see response to OCA-JA-1-34. Transition costs are not a separate line item that will appear on American Water's books. Transition costs will be captured within appropriate line items on financial statements. Accordingly, separate journal entries for transition costs are not anticipated.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

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Joint Applicants Response to OCA Set I

OCA-JA-I-35 Please show in detail how all Transition Costs anticipated to result from the proposed transaction will be recorded on the books of each entity. Include anticipated journal entries, journal entry descriptions and amounts.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

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AW Response to OCA Set 1

OCA-JA-I-36

Please identify the total estimated amount of transaction costs for each entity by category that are anticipated through completion of the transaction.

Response:

Please see AW's response to OCA-JA-I-2.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

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Joint Applicants Response to OCA Set I

OCA-JA-I-36 Please identify the total estimated amount of transaction costs for each entity by category that are anticipated through completion of the transaction.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
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AW Response to OCA Set 1

OCA-JA-I-39 Existing work force and offices

a. Please identify all EU and AWWC and subsidiary employees and officers including (but not limited to) management, pipeline safety and Information Technology employees that have been identified as key employees.

b. Of the positions listed in the response to part a, which EU and AWWC and subsidiary employees in those positions would remain if the proposed transaction is consummated?

c. Of the positions listed in the response to part a, which key EU and AWWC and subsidiary executives and employees in those positions would leave if the proposed transaction is consummated?

d. Of the positions listed in the response to part a, which EU and AWWC and subsidiary employees in those positions (if any) have written employment contracts? For each EU and AWWC and subsidiary executive position with a written employment agreement, please identify and provide the employment contract.

e. Of the positions listed in the response to part a, for which EU and AWWC and subsidiary employees in those positions has or would AWWC pay retention bonuses and in what amounts or ranges for each such position.

Response:

a. The Joint Applicants do not use the term “key employees” and therefore, have not identified key employees. With respect to management, as indicated in the Merger announcement dated October 27, 2025, there are certain members of the executive team that have been identified:

> Upon closing of the transaction, Mr. Griffith will serve as President and Chief Executive Officer of the combined company, and Mr. Franklin will serve as Executive Vice Chair of the board of directors of the combined company. Mr. Franklin will also serve as executive sponsor of the integration task force. David Bowler, American Water

Executive Vice President and CFO, will serve as Executive Vice President and Chief Financial Officer, and all existing executive team members of American Water who report to the CEO will continue to do so post-close. Additionally, Daniel Schuller, Essential Executive Vice President and CFO, will serve as Executive Vice President and Chief Strategy Officer; Colleen Arnold, President of Essential Aqua Water, will serve as President, Regulated Operations; and Michael Huwar, President of Peoples Natural Gas, will remain President and continue to lead the natural gas business.

With respect to pipeline safety, Peoples is and will remain committed to pipeline safety. To keep the network safe, the natural gas pipeline industry complies with a comprehensive regulatory program directed by the United States Department of Transportation's Pipeline Hazardous Material Safety Administration Division. These regulations provide minimum safety standards for the design, construction, maintenance, and testing of natural gas pipeline systems. In addition, the mandated Pipeline Integrity Management programs for transportation and distribution pipelines require operators to continually assess pipeline integrity and perform risk analysis, especially in highly populated areas. Peoples utilizes preventive and mitigative measures to reduce the risk of pipeline leaks or failures, and to ensure the safe delivery of natural gas to homes and businesses in our service area.

With respect to information technology, American Water recognizes the essentiality of our water and wastewater services and acknowledges the severity of cyber threats. American Water has always endorsed a "safety and security approach" to water and wastewater operations, and this persistence extends to cyber threats as well. American Water has taken several steps to help maintain the security of our systems and work with local, state, and federal government agencies to prepare for cyber threats. Additionally, American Water has a dedicated team of certified professionals who help maintain the cybersecurity of our informational and operational technology systems, safeguard the physical security of our staff, facilities and assets, and provide emergency response and business continuity activities. We recognize cyber threats' sophistication and focus on understanding and minimizing impact if a breach occurs by constantly testing our cyber response protocols. American Water is also the first U.S. water and wastewater company and the third utility to earn the Support Anti-Terrorism by Fostering Effective Technologies (SAFETY) Act designation. It serves as one of the highest levels of accreditation offered by the Department of Homeland Security that promotes the development and deployment of effective anti-terrorism products, systems and services.

b. See response to subpart a. As part of the integration planning process, the Joint Applicants will evaluate all positions to determine the appropriate organizational structure for the combined company.

c. Except as noted in the Essential response to OCA-JA-I-71, the Joint Applicants do not know which employees plan to leave or remain with the combined company if the Merger is completed.
d. There are no written employment contracts except for Christopher Franklin. Please see Essential Utilities response to OCA-JA-I-39 for a copy of the employment contract.
e. See response to OCA-JA-I-70.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

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Joint Applicants Response to OCA Set I

OCA-JA-I-39 Existing work force and offices

a. Please identify all EU and AWWC and subsidiary employees and officers including (but not limited to) management, pipeline safety and Information Technology employees that have been identified as key employees .

b. Of the positions listed in the response to part a, which EU and AWWC and subsidiary employees in those positions would remain if the proposed transaction is consummated?

c. Of the positions listed in the response to part a, which key EU and AWWC and subsidiary executives and employees in those positions would leave if the proposed transaction is consummated?

d. Of the positions listed in the response to part a, which EU and AWWC and subsidiary employees in those positions (if any) have written employment contracts? For each EU and AWWC and subsidiary executive position with a written employment agreement, please identify and provide the employment contract.

e. Of the positions listed in the response to part a, for which EU and AWWC and subsidiary employees in those positions has or would AWWC pay retention bonuses and in what amounts or ranges for each such position.

Response:

a. Essential does not have a document responsive to this request.

b. Please see American Water's response to this request.

c. Please see the response to part a.

d. Please OCA-JA-I-39_Attachment 1_EU.

e. Please see the response to OCA-JA-I-70.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

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AW Response to OCA Set 1

OCA-JA-1-42

Please identify, and provide the source material showing, how many persons EU and AWWC and their subsidiaries employs at each owned and leased facility and work site located in Pennsylvania: (1) in total and separately for each entity, (2) in full-time equivalent ("FTE") positions separately for each entity at each work location; (3) through contractors and subcontractors separately for each entity at each work location.

Response:

For Essential employees at a worksite located in Pennsylvania, please see Essential response to OCA-JA-I-42.

As of January 2026,

(1) Total AWWC employees at a worksite located in Pennsylvania: 1,349,
Pennsylvania-American Water Company ("PAWC") employees at a worksite located in Pennsylvania: 1,235,
American Water Service Company, Inc. ("Servco") employees at a worksite located in Pennsylvania: 114.
(2) Total full-time equivalent positions at a worksite located in Pennsylvania: 1,347.5,
PAWC full-time equivalent positions at a worksite located in Pennsylvania: 1,233.5,
Servco full-time equivalent positions at a worksite located in Pennsylvania: 114.
(3) The total number of contractors currently employed at American Water is 2,469. The number of contractors separated by work location is not available.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

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Joint Applicants Response to OCA Set I

OCA-JA-I-42 Please identify, and provide the source material showing, how many persons EU and AWWC and their subsidiaries employs at each owned and leased facility and work site located in Pennsylvania : (1) in total and separately for each entity , (2) in full-time equivalent ("FTE") positions separately for each entity at each work location; (3) through contractors and subcontractors separately for each entity at each work location.

Response:

Please see OCA-JA-I-42_Attachment 1_EU.

Responsible Witness(es):

Colleen Arnold

Michael Huwar

Date: 02/02/2026

Total employee FTE count

Pennsylvania	Total Employee FTE Count
Aqua	712
Essential	211
PNG	1429
Grand Total	**2352**

Total Employee FTEs count by location

Pennsylvania	Total Employee FTE Count by location
Aqua	**712**
PA Beaver Falls	5
PA Bristol	6
PA Bryn Mawr	221
PA Crawford	1
PA Crum Creek	16
PA DuBois	9
PA Emlenton	2
PA Fern Hill	5
PA Great Valley	50
PA Greenville	5
PA Honesdale	15
PA Ingrams Mill	7
PA Iron Works	1
PA Kennett Square (New Garde	8
PA Limerick	8
PA Marienville	1
PA Media Plant	6
PA Neshaminy	15
PA NORTH SHORE - 375	4
PA Pickering Creek	37
PA Pittsburgh	3
PA Ridley	8
PA Roaring Creek Local Office	22
PA Roaring Creek Plant	6
PA Royersford	2
PA Sayre	7
PA Sharon Local Office	17
PA Sharon Plant	11
PA Shenandoah Local Office	1
PA Shenandoah Plant	4
PA Springfield	117
PA White Haven	23
PA Willow Grove	69
Essential	**211**
PA AQUA REMOTE	4
PA Bryn Mawr	148
PA NORTH SHORE - 375	54
PA PEOPLES REMOTE	3
PA Springfield	2

PNG	1429
PA ALTOONA	48
PA APOLLO	4
PA BUTLER DISTRICT	43
PA BUTLER WAREHOUSE	1
PA DICE STATION	4
PA GIBSONIA	111
PA GINGERHILL	51
PA GIRTY STATION	7
PA GREENSBURG	104
PA GROVE CITY	20
PA HOPEWELL	43
PA INDIANA DISTRICT	34
PA JEFFERSON DISTRICT	11
PA JOHNSTOWN	60
PA KINTER COMPRESSOR ST	4
PA KISKI	85
PA MCKEESPORT	64
PA MCKEESPORT TRAINING (	5
PA MONONGAHELA	33
PA NORTH SHORE - 375	347
PA PEOPLES REMOTE	4
PA VALLEY	47
PA VALLEY STATION	12
PA WAYNESBURG SHOP	26
PA WILKINSBURG	166
PA WILKINSBURG B	95
Grand Total	**2352**

Total Contingent Worker count by location

Pennsylvania	Total Contingent Worker Count by location
Aqua	**9**
PA Bryn Mawr	8
PA NORTH SHORE - 375	1
Essential	**9**
PA Bryn Mawr	8
PA NORTH SHORE - 375	1
PNG	**5**
PA NORTH SHORE - 375	5
Grand Total	**23**

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-44 Accumulated Deferred Income Taxes.

a. What amounts of state and federal ADIT assets and liabilities does EU and each of its Pennsylvania subsidiaries have as of each date: (1) 12/31/2024 and (2) 12/31/2025?

b. What amounts of ADIT assets and liabilities does AWWC and each of its Pennsylvania subsidiaries have as of each date: (1) 12/31/2024 and (2) 12/31/2025?

c. What specific book-tax timing differences caused each of the ADIT assets and liabilities listed in parts a through b above for each entity?

d. Will any of the ADIT assets and liabilities listed in response to parts a through b above, be extinguished or reduced as a result of the proposed transaction? If so, identify which ones and explain fully.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

a. Please see Essential response to OCA-JA-I-44.
b. AWWC's ADIT assets and liabilities are for 12/31/2024 are presented on page 112 of the 2024 Form 10-K. Below are the ADIT balances for PAWC at 12/31/2024. ADIT balances for 12/31/2025 are not yet available.

	12/31/2024
25310000 Deferred FIT Liability – Property	(1,064,170,222)
25310100 Deferred FIT Liability - FAS109 Increment	250,918,703
25311000 Deferred FIT Liability – Non Property	43,576,520
25311100 Deferred FIT Liability - FAS109 Gross Up	105,835,690
Total: Federal Deferred income taxes long-term	(663,839,311)
25320000 Deferred SIT Liability - Property	(205,840,858)
25320100 Deferred SIT Liability - FAS109 Increment	14,404,801
25321000 Deferred SIT Liability – Non Property	30,218,482
Total: State Deferred income taxes long-term	(161,217,575)
Total: Deferred income taxes	(825,056,885)

c. Please see OCA-JA-1-44_Attachment_AW for the specific book-tax timing differences for part b.
d. It is not expected that any of the ADIT assets and liabilities will be extinguished or reduced as a result of the proposed transaction.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

Supplemental Response:

a. See above.
b. AWWC's ADIT assets and liabilities are for 12/31/2025 are presented on page 123 of the 2025 Form 10-K. Below are the ADIT balances for PAWC at 12/31/2025.

	12/31/2025
25310000 Deferred FIT Liability – Property	(1,043,244,100)
25310100 Deferred FIT Liability - FAS109 Increment	238,225,384
25311000 Deferred FIT Liability – Non Property	14,603,293
25311100 Deferred FIT Liability - FAS109 Gross Up	100,099,988
Total: Federal Deferred income taxes long-term	(690,315,434)
25320000 Deferred SIT Liability - Property	(220,341,719)
25320100 Deferred SIT Liability - FAS109 Increment	18,808,091
25321000 Deferred SIT Liability – Non Property	12,854,317
Total: State Deferred income taxes long-term	(188,679,311)
Total: Deferred income taxes	(878,994,746)

c. Please see OCA-JA-1-44_Supplemental_Attachment_AW for the specific book-tax timing differences for part b.

Date of Supplemental Response: April 17, 2026

TOTAL Deferred Taxes Balance Report

1024-Pennsylvania American Water Co

M Item		Deferred Taxes 12/31/2024	Deferred Taxes 12/31/2025
25310000 Fed DIT BS - Property			
	CAMT Credit Fed	-	57,436,424
	Provision Excess - Flow Through Adjustment	(10,658)	(10,658)
	Provision Excess - Additional Amortization 1	(1,904,391)	(1,904,391)
	Provision Excess - Additional Amortization 2	2,717,044	2,717,044
	Provision Excess - AFUDC Adjustment	22,622	22,622
	Provision Excess - Flowthrough Transition	(13,020,071)	(12,165,168)
	Provision Excess - SAP VS AMORT sheet	710,263	710,263
	Provision Excess - State Rate Change 2023 Deferral	3,386,796	3,386,796
	Provision Excess - State Rate Change 2024 Deferral	1,976,500	1,976,500
	Provision Excess - State Rate Change 2025 Deferral	2,249,665	2,209,770
	Provision Excess - State Rate Change 2026 Deferral	-	2,428,134
	Provision Excess - TCJA Adjustment to Balance	(519,507)	898,646
	Provision Excess - TCJA - Unprotected Non Plant	906,221	836,512
	Provision Excess - TCJA NOL - Unprotected	3,450,333	3,203,881
	Provision Excess - TCJA Protected NOL - Simulated ARAM	3,410,014	3,366,787
	Provision Excess - TCJA Unprotected - Plant O/S PT	5,190,528	4,772,299
	Provision Excess Legacy Adjustment to balance	(46,963)	(46,963)
	PT - Fed Basis Diffs Norm	(482,700,256)	(522,579,019)
	PT - Fed Method Life Norm	(543,180,401)	(550,818,249)
	PT - RSG - AFUDC	3,178,060	3,178,062
	PT - RSG - Fed	(85,572,660)	(79,109,436)
	PT - St Basis Diffs Norm	35,586,637	36,246,043
	RSGM - Legacy Excess- Prior Flow Through 1	-	-
Total For 25310000 Fed DIT BS - Property:		(1,064,170,223)	(1,043,244,101)
25310100 Fed Reg DTA/DTL			
	CWIP AFUDC Equity FT	(189,539)	(59,300)
	GAAP Adjustments Schedule Rate	40,507,948	42,400,087
	GAAP Adjustments Schedule Rate - Reversal	(62,063,558)	(61,897,737)
	Investment Tax Credit - 10%	554,902	512,538
	Investment Tax Credit - 3%	42,719	42,951
	Investment Tax Credit - 4\%	38,815	39,026
	Plant - FT Historical Adjustment	-	326,374
	Plant - Other FT Adjustment	-	(655,322)
	Plant - Post In Serv AFUDC and Depreciation	(53)	(105)
	Plant - Purch Premium Recoverable through Rates	58	117
	Provision Excess - Flow Through Adjustment	10,658	10,658
	Provision Excess - Additional Amortization 1	1,904,391	1,904,391
	Provision Excess - Additional Amortization 2	(2,717,044)	(2,717,044)
	Provision Excess - AFUDC Adjustment	(22,622)	(22,622)
	Provision Excess - Flowthrough Transition	13,020,071	12,165,168
	Provision Excess - SAP VS AMORT sheet	(710,263)	(710,263)
	Provision Excess - State Rate Change 2023 Deferral	(3,386,796)	(3,386,796)
	Provision Excess - State Rate Change 2024 Deferral	(1,976,500)	(1,976,500)
	Provision Excess - State Rate Change 2025 Deferral	(2,249,665)	(2,209,770)
	Provision Excess - State Rate Change 2026 Deferral	-	(2,428,134)
	Provision Excess - TCJA Adjustment to Balance	519,507	(898,646)
	Provision Excess - TCJA - Unprotected Non Plant	(906,221)	(836,512)
	Provision Excess - TCJA NOL - Unprotected	(3,450,333)	(3,203,881)
	Provision Excess - TCJA Protected NOL - Simulated ARAM	(3,410,014)	(3,366,787)
	Provision Excess - TCJA Unprotected - Plant O/S PT	(5,190,528)	(4,772,299)

	Provision Excess Legacy Adjustment to balance	46,963	46,963
	PT - Fed AFUDC Equity	(4,177,084)	(5,830,620)
	PT - Fed Basis Diff FT	(1,136,856)	(820,177)
	PT - Fed Basis Diffs Norm	17,721,011	17,738,109
	PT - Fed Method Life FT	(7,026,921)	(6,713,704)
	PT - Fed Method Life Norm	166,562,081	163,997,134
	PT - RSG - AFUDC	(3,178,060)	(3,178,062)
	PT - RSG - Fed	85,572,660	79,109,436
	PT - St Basis Diff FT	117,796	1,622,621
	PT - St Basis Diffs Norm	(1)	(1)
	PT - St Method Life FT	24,224,823	23,557,380
	PT - State AFUDC Equity	1,866,359	436,713
	RSGM - Legacy Excess- Prior Flow Through 1	-	-
Total For 25310100 Fed Reg DTA/DTL :		250,918,703	238,225,385
25311000 Fed DIT BS - Non Property			
T122	Amortization of Debt Discount	(1,289,305)	(915,244)
T001	Bad Debt	4,043,079	5,132,445
	CIAC Non-Taxable Plant Reclass	(59,736,227)	(60,060,845)
	CIAC Non-Taxable V2	59,736,227	60,060,845
T163	Closing Cost Regulatory Asset	(2,804,107)	(3,101,930)
T119	Cost of Service Study	(15,482)	(10,377)
T116	Covid Reg Liability	80,520	(80,707)
	Covid-19 Emergency Financial Impacts	174,065	175,011
	CWIP AFUDC Debt	(76,486)	(22,577)
	CWIP Tax Interest Capitalized	-	239,293
T125	Deferred Customer Service Center Costs	234,711	235,986
T127	Deferred Financial Services Costs	493,545	496,227
T120	Deferred Revenue	85,953	66,595
T100	Depreciation	-	-
	ESPP APIC	(2,962)	(2,978)
T130	FAS 123 (r) ESPP	2,710	4,348
T129	FAS 123 (r) Restricted Stock Units	343,493	430,490
T128	FAS 123 (r) Stock Options	(321,323)	(418,196)
	Fin48 CAMT Credit Offset	-	(13,514,176)
	Fin48 FBOS	5,255,574	2,194,387
	Fin48 Federal Gross	39,163,739	22,864,453
	Fin48 Federal NOL	1	1
T131	Incentive	1,375,841	1,499,683
T111	Litigation Reserve	63,956	54,396
T110	Miscellaneous Deferred Credits	1,316,457	1,087,897
T133	OPEB	(7,975,346)	(9,546,757)
T151	Operating Lease	1,061	(145)
T114	Other LT Liab	686,584	1,941,069
T109	Pavement Repairs	63,686	45,295
T132	Pension	(7,045,506)	(7,721,058)
	Plant - CIAC WIP Taxable	0	0
	Plant - Non Taxable CAC V2	7,475,187	7,595,151
	Plant - Post In Serv AFUDC and Depreciation	(9,626)	(9,626)
	Plant - Post In Serv AFUDC and Depreciation V2	7,302	8,851
	Plant - PP-PT VS SAP V2	(0)	(0)
	Plant - Purch Premium Recoverable through Rates	10,700	10,700
	Plant - Purch Premium Recoverable through Rates V2	(36,929)	(37,130)
	Plant - Tax able CAC V2	4,672,492	4,697,883
	PT - Fed Basis Diffs NU	(210,958)	(210,958)
	PT - Fed Method Life NU	161,425	168,124
	PT - St Basis Diffs NU	16,856	15,801
	PT - St Method Life NU	(16,803)	(16,168)

	R&D Credit Carryforward	186,576	-
T415	R&D Expense	48,892	-
T121	Rate Case Expense	(380,827)	(353,254)
	Repairs	-	-
	Restricted Stock APIC	(377)	(379)
T410	Self-Insurance	3,787,168	3,946,132
	State Fin48 Gross - NEW	(6,652,626)	(2,777,707)
	State Income Tax Deduction	119,659	-
	State Only - Bonus Depreciation	725,885	513,165
	Taxable Advances (CAC)	(12,165)	133,487
	TBBS Difference	(146)	-
T002	Vacation Pay	(169,625)	(214,208)
	Total For 25311000 Fed DIT BS - Non Property:	43,576,520	14,603,294
25311100 Reg DTA/DTL GU BS			
	CWIP AFUDC Equity FT	(100,668)	(30,261)
	GAAP Adjustments Schedule Rate	(51,121,463)	(53,319,893)
	GAAP Adjustments Schedule Rate - Reversal	87,727,841	85,762,032
	Investment Tax Credit - 10%	294,721	261,552
	Investment Tax Credit - 3%	22,689	21,918
	Investment Tax Credit - 4\%	20,615	19,915
	Plant - FT Historical Adjustment	-	120,206
	Plant - Other FT Adjustment	-	(241,361)
	Plant - Post In Serv AFUDC and Depreciation	74	146
	Plant - Purch Premium Recoverable through Rates	(83)	(162)
	Provision Excess - Flow Through Adjustment	4,005	3,925
	Provision Excess - Additional Amortization 1	715,565	701,405
	Provision Excess - Additional Amortization 2	(1,020,915)	(1,000,712)
	Provision Excess - AFUDC Adjustment	(8,500)	(8,332)
	Provision Excess - Flowthrough Transition	4,892,224	4,480,543
	Provision Excess - SAP VS AMORT sheet	(266,878)	(261,596)
	Provision Excess - State Rate Change 2023 Deferral	4,787,291	4,692,555
	Provision Excess - State Rate Change 2024 Deferral	2,793,814	2,738,527
	Provision Excess - State Rate Change 2025 Deferral	3,179,938	3,061,733
	Provision Excess - State Rate Change 2026 Deferral	-	3,364,286
	Provision Excess - TCJA Adjustment to Balance	195,202	(330,980)
	Provision Excess - TCJA - Unprotected Non Plant	(340,508)	(308,095)
	Provision Excess - TCJA NOL - Unprotected	(1,296,445)	(1,180,019)
	Provision Excess - TCJA Protected NOL - Simulated ARAM	(1,281,295)	(1,240,018)
	Provision Excess - TCJA Unprotected - Plant O/S PT	(1,950,314)	(1,757,681)
	Provision Excess Legacy Adjustment to balance	17,646	17,297
	PT - Fed AFUDC Equity	(1,569,518)	(2,147,470)
	PT - Fed Basis Diff FT	(427,168)	(302,079)
	PT - Fed Basis Diffs Norm	6,658,578	6,533,108
	PT - Fed Method Life FT	(2,640,329)	(2,472,719)
	PT - Fed Method Life Norm	62,584,835	60,401,643
	PT - RSG - AFUDC	(1,194,139)	(1,170,509)
	PT - RSG - Fed	32,153,481	29,136,728
	PT - RSG - PA	52,207	47,438
	PT - St Basis Diff FT	(166,507)	(2,248,213)
	PT - St Basis Diffs Norm	(1)	0
	PT - St Method Life FT	(34,242,178)	(32,639,784)
	PT - State AFUDC Equity	(2,638,128)	(605,086)
	RSGM - Legacy Excess- Prior Flow Through 1	-	-
	Total For 25311100 Reg DTA/DTL GU BS:	105,835,689	100,099,988
25320000 St DIT BS - Property			
	Provision Excess - State Rate Change 2023 Deferral	(16,127,600)	(16,127,600)
	Provision Excess - State Rate Change 2024 Deferral	(9,411,904)	(9,411,904)

	Provision Excess - State Rate Change 2025 Deferral	(10,712,691)	(10,522,715)
	Provision Excess - State Rate Change 2026 Deferral	-	(11,562,544)
	PT - RSG - PA	(128,489)	(116,752)
	PT - St Basis Diffs Norm	(169,460,174)	(172,600,205)
Total For 25320000 St DIT BS - Property:		(205,840,858)	(220,341,719)
25320100 St Reg DTA/DTL			
	CWIP AFUDC Equity FT	(78,378)	(22,863)
	GAAP Adjustments Schedule Rate	(192,896,749)	(201,906,489)
	GAAP Adjustments Schedule Rate - Reversal	295,540,753	294,751,127
	Investment Tax Credit - 10%	229,461	197,606
	Investment Tax Credit - 3%	17,665	16,559
	Investment Tax Credit - 4\%	16,051	15,046
	Plant - CIAC WIP Non Taxable	0	0
	Plant - CIAC WIP Taxable	(0)	(0)
	Plant - Post In Serv AFUDC and Depreciation	250	501
	Plant - Purch Premium Recoverable through Rates	(278)	(557)
	Provision Excess - State Rate Change 2023 Deferral	16,127,600	16,127,600
	Provision Excess - State Rate Change 2024 Deferral	9,411,904	9,411,904
	Provision Excess - State Rate Change 2025 Deferral	10,712,691	10,522,715
	Provision Excess - State Rate Change 2026 Deferral	-	11,562,544
	PT - RSG - PA	128,489	116,752
	PT - St Basis Diff FT	(560,934)	(7,726,768)
	PT - St Basis Diffs Norm	(1)	1
	PT - St Method Life FT	(115,356,300)	(112,177,998)
	PT - State AFUDC Equity	(8,887,423)	(2,079,588)
Total For 25320100 St Reg DTA/DTL:		14,404,801	18,808,091
25321000 St DIT BS - Non Property			
T122	Amortization of Debt Discount	(533,148)	(352,867)
T001	Bad Debt	1,671,879	1,978,783
	CIAC Non-Taxable Plant Reclass	(24,701,893)	(23,156,093)
	CIAC Non-Taxable V2	24,701,893	23,156,093
T163	Closing Cost Regulatory Asset	(1,159,543)	(1,195,930)
T119	Cost of Service Study	(6,402)	(4,001)
T116	Covid Reg Liability	33,296	(31,116)
	Covid-19 Emergency Financial Impacts	71,979	67,475
	CWIP AFUDC Debt	(31,628)	(8,704)
	CWIP Tax Interest Capitalized	-	92,258
T125	Deferred Customer Service Center Costs	97,057	90,983
T127	Deferred Financial Services Costs	204,089	191,317
T120	Deferred Revenue	35,543	25,675
T100	Depreciation	-	-
	ESPP APIC	(1,225)	(1,148)
T130	FAS 123 (r) ESPP	1,121	1,676
T129	FAS 123 (r) Restricted Stock Units	142,040	165,973
T128	FAS 123 (r) Stock Options	(132,872)	(161,233)
T131	Incentive	568,933	578,193
T111	Litigation Reserve	26,447	20,972
T110	Miscellaneous Deferred Credits	544,376	419,432
T133	OPEB	(3,297,934)	(3,680,694)
T151	Operating Lease	439	(56)
T114	Other LT Liab	283,914	748,367
T109	Pavement Repairs	26,335	17,463
T132	Pension	(2,913,431)	(2,976,807)
	Plant - CIAC WIP Non Taxable	(0)	(0)
	Plant - CIAC WIP Taxable	0	0
	Plant - Non Taxable CAC V2	3,091,110	2,928,264
	Plant - Post In Serv AFUDC and Depreciation	(4,253)	(4,253)

	Plant - Post In Serv AFUDC and Depreciation V2	3,020	3,413
	Plant - PP-PT VS SAP V2	(0)	(0)
	Plant - Purch Premium Recoverable through Rates	4,727	4,727
	Plant - Purch Premium Recoverable through Rates V2	(15,271)	(14,315)
	Plant - Tax able CAC V2	1,932,151	1,811,240
	PT - St Basis Diffs NU	(80,264)	(75,242)
	PT - St Method Life NU	80,016	76,991
T415	R&D Expense	20,218	-
T121	Rate Case Expense	(157,478)	(136,195)
	Repairs	-	-
	Restricted Stock APIC	(156)	(146)
T410	Self-Insurance	1,566,055	1,521,407
	State Fin48 Gross - NEW	31,679,171	13,227,174
	State Only - Bonus Depreciation	(3,456,596)	(2,443,642)
	Taxable Advances (CAC)	(5,031)	51,465
	TBBS Difference	(60)	-
T002	Vacation Pay	(70,143)	(82,587)
	Total For 25321000 St DIT BS - Non Property:	30,218,478	12,854,313
Total For 1024-Pennsylvania American Water Co:		(825,056,889)	(878,994,750)

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
THE JOINT APPLICANTS - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set I

OCA-JA-I-44 Accumulated Deferred Income Taxes.

a. What amounts of state and federal ADIT assets and liabilities does EU and each of its Pennsylvania subsidiaries have as of each date: (1) 12/31/ 2024 and (2) 12/31/2025?

b. What amounts of ADIT assets and liabilities does AWWC and each of its Pennsylvania subsidiaries have as of each date: (1) 12/31/ 2024 and (2) 12 /31/2025?

c. What specific book- tax timing differences caused each of the ADIT assets and liabilities listed in parts a through b above for each entity?

d. Will any of the ADIT assets and liabilities listed in response to parts a through b above, be extinguished or reduced as a result of the proposed transaction? If so, identify which ones and explain fully.

Response:

a. Please see the table below of state and federal ADIT assets and liabilities of each Pennsylvania subsidiaries and EU Consolidation for years ending 12/31/2024 and 12/31/2025.

b. Please see American Water's response to this request.

c. Please see the table below of state and federal ADIT assets and liabilities for years ending 12/31/2024 and 12/31/2025 with main book-tax timing difference drivers.

d. It is not expected the ADIT assets and liabilities will be extinguished or reduced as a result of the proposed transaction.

CO #	Co Name	ADIT 12/31/2024	ADIT 12/31/2025	Main book-tax timing difference of ADIT
	EU Consolidation	(600,953,906)	(636,916,520)	Plant/NOL/normal accrual timing items
5500	Aqua Pennsylvania	(379,887,919)	(353,344,021)	Plant items/normal accrual timing items
5510	APA-Honesdale	(148,905)	-	Plant items/normal accrual timing items
5550	APA WW	(10,054,942)	(12,729,922)	Plant items/normal accrual timing items
5582	Aqua Resources Inc	(822,732)	(853,923)	Normal accrual timing items
5583	Aqua WW Mngmnt	66,378	76,001	Normal accrual timing items
9100	Essential Utilities	113,249,730	57,071,730	NOL/normal accrual timing items
9200	Essential Utilities Services	1,644,905	1,065,130	Normal accrual timing items
9210	Aqua Services	4,594,234	5,517,543	Normal accrual timing items
1000	Peoples Natural Gas Company	25,259,924	25,259,924	Plant items/normal accrual timing items
1400	Peoples Homeworks	(152,877)	(152,877)	Normal accrual timing items
1500	PNG Gathering	203,265	358,890	Normal accrual timing items
2000	LDC Funding	4,680,470	4,765,120	NOL
2200	PNG Companies	6,412,074	14,750,678	NOL/normal accrual timing items
3100	Peoples Gas	(41,034,990)	(39,821,914)	Plant items/normal accrual timing items

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-48 Tax elections.

a. Did the Joint Applicants consider whether there will be an Internal Revenue Code 338(h)(10) election in conjunction with this transaction? If so, please provide copies of all documents reviewed in conjunction with the analysis of this issue. If not, please explain why not.

b. Will there be any Internal Revenue Code §338(h)(10) election in conjunction with this transaction?

c. If so, please identify the estimated impacts of the §338(h)(10) election on the Accumulated Deferred Income Tax balances, of each company, AWWC and EU, showing the estimated (1) before and (2) after amounts of ADIT recorded on each utility's books.

d. Will there be any other federal income tax elections associated with the proposed transaction that could affect any regulated utility ADIT balances? If so, identify each such tax election and explain how it would affect regulated utility ADIT balances.

Response:

a. Because the merger is for 100% of EU stock the 338(h)(10) election is not available.
b. See response to part a.
c. See response to part a.
d. There are no other federal income tax elections to be associated with the proposed transaction.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
THE JOINT APPLICANTS - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set I

OCA-JA-I-48 Tax elections.

a. Did the Joint Applicants consider whether there will be an Internal Revenue Code 338(h)(10) election in conjunction with this transaction? If so, please provide copies of all documents reviewed in conjunction with the analysis of this issue. If not, please explain why not.

b. Will there be any Internal Revenue Code §338(h)(10) election in conjunction with this transaction?

c. If so, please identify the estimated impacts of the §338(h)(10) election on the Accumulated Deferred Income Tax balances, of each company, AWWC and EU, showing the estimated (1) before and (2) after amounts of ADIT recorded on each utility's books.

d. Will there be any other federal income tax elections associated with the proposed transaction that could affect any regulated utility ADIT balances? If so, identify each such tax election and explain how it would affect regulated utility ADIT balances.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET1
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-1-55 Charitable contributions.

a. Identify the total amount of charitable contributions by category for AWWC and its subsidiaries for each of the years 2023, 2024 and for 2025. Identify the amount (1) in total and (2) the amounts for charities located within and operating in the Pennsylvania utility service territory.

b. Identify the total amount of charitable contributions by category for EU and its subsidiaries for each of the years 2023, 2024 and 2025. Identify the amount (1) in total and (2) the amounts for charities located within and operating in each Pennsylvania utility service territory.

c. Do the Joint Applicants commit to assuring that their combined amount of charitable contributions in each of the five years, post-acquisition, will be at least as much as the sum of the above-identified per utility amounts for 2024 and 2025? If not, explain fully why not and provide the projected post-acquisition annual charitable contributions.

Response:

a. The total amount of charitable contributions from 2023-2025 are shown below. For more details on Pennsylvania charitable contributions, please refer to OCA-JA-1-55_Attachment_AW.

Charitable Contributions				
	2023	2024	2025	3 Year Total
AWWC & Subs	$2,613,976	$2,128,283	$3,703,237	$8,445,497
Pennsylvania	$793,855	$639,208	$734,648	$2,167,711

b. Please see Essential response to OCA-JA-I-55.

c. As indicated in Exhibit C to the Joint Application, “American Water will continue to make charitable contributions at levels consistent with those historically provided by Aqua PA and Peoples in their service areas for the next two years after completion of the Merger and, thereafter, at levels consistent with American Water’s contributions in the areas it serves.”

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

Pennsylvania-American Water Company
Charitable Contributions 2023-2025
OCA-JA-I-55_Attachment 1
A-2025-3058927 - Water - A-2025-3058928 - WW

Recipient	2023	2024	2025	3 Year Total
2025 Keystone Inaugural Commit	$0	$0	$10,000	$10,000
Abington Heights School Distri	200	-	-	200
African American Chamber Found	15,000	18,500	4,000	37,500
AKA Foundation of Central PA	4,000	3,000	3,000	10,000
Albright College	-	3,000	500	3,500
Allegheny League of Municipali	-	-	20,960	20,960
Alliance for Nonprofits Resour	-	1,000	1,000	2,000
ALLISON NO 2 VOLUNTEER FIRE DE	-	500	-	500
ALTAMONT FIRE CO	500	-	-	500
America250PA	-	-	2,500	2,500
American Cancer Society	500	2,000	500	3,000
American Heart Association Inc	2,500	-	-	2,500
American Water Works Serv Co.	-	(2,599)	-	(2,599)
Amity Fire Company	500	-	500	1,000
AMITY TOWNSHIP	2,500	-	-	2,500
Angel Flight East	-	-	1,500	1,500
Annville Free Library Associat	5,000	-	-	5,000
Another Shoulder LLC	-	500	-	500
Appalachian Audubon Society	500	500	500	1,500
Archbald Hose Company #1	500	-	-	500
Army Heritage Center Foundatio	-	3,500	-	3,500
Avella Volunteer Fire Departme	500	500	500	1,500
AVOCA HOSE CO NO 1	500	500	2,000	3,000
Baldwin Emergency Medical Serv	-	-	500	500
Bangor Fire Department	-	-	500	500
Beacon Clinic for Health and H	-	1,000	-	1,000
Berks County Conservation Dist	200	-	80	280
Berks Latino Workforce Develop	1,500	-	-	1,500
Berks Nature	1,000	-	-	1,000
Berwick Boulevard Association	1,000	1,000	-	2,000
Bethany House of Cumberland Co	-	400	-	400
Bethel Park Volunteer Fire Com	-	-	500	500
Better York	2,000	-	-	2,000
Big Brothers Big Sisters of th	350	500	500	1,350
Big Brothers Big Sisters of Yo	500	500	-	1,000
BIG RUN AREA VOL FIRE CO INC	-	-	500	500
Bigler Jackson Woodland Vol	-	600	-	600
Black Rock Volunteer Fire Dept	500	-	500	1,000
Blaine Hill Volunteer Fire Com	500	500	500	1,500
Blanktones Printing Ltd	-	1,550	-	1,550
Blue Ridge Hook & Ladder Fire	-	-	500	500
Blue Valley Rescue Squad Inc	-	500	500	1,000
Borough of Liberty	-	-	500	500
Borough of Port Vue	-	-	10,000	10,000
Borough of Steelton	7,500	-	2,000	9,500
BOWER HILL VOLNTR FIRE DEPT	-	-	500	500
Boys & Girls Clubs of Northeas	1,000	-	-	1,000
Bradford House Historical Assc	-	-	2,500	2,500

Brandywine Red Clay Alliance	3,000	500	3,700	7,200
Bread Basket of Northeastern	1,000	1,000	-	2,000
Breakthrough T1D	5,250	5,000	25,000	35,250
BRENTWOOD BOROUGH	1,000	1,000	20,000	22,000
Brentwood Volunteer Fire Co	-	-	2,000	2,000
Brookline Breeze	-	1,500	-	1,500
BROUGHTON VOLUNTEER FIRE DEPT	-	500	500	1,000
Browndale Fire Company No 1	-	-	500	500
Brownsville Fire Company 1	500	500	500	1,500
Buena Vista Volunteer Fire Co	-	-	500	500
Builders Guild of Western PA	-	5,000	5,000	10,000
Bullskin Township Volunteer Fi	500	500	500	1,500
Burgettstown Volunteer Fire Co	500	-	500	1,000
Bushkill Twp VFC	-	500	500	1,000
Butler AM Rotary Charities	3,000	3,000	5,000	11,000
BUTLER CITY OF	5,000	-	-	5,000
Butler County Chamber of Comme	9,500	15,000	17,500	42,000
Butler County Fire Chiefs Assc	-	-	1,000	1,000
Butler County Veterans In Need	-	1,000	1,000	2,000
Butler Township	-	14,500	15,000	29,500
BUTLER TOWNSHIP COMMISSIONERS	5,000	-	-	5,000
Butler Township Volunteer Fire	-	-	500	500
California Volunteer Fire Dept	-	-	500	500
Caln A's Travel Baseball	-	-	2,500	2,500
CALN TOWNSHIP	1,000	-	1,750	2,750
Camp Freedom Inc	5,000	5,000	-	10,000
CAMP HILL BOROUGH	5,000	-	-	5,000
CAMP HILL FIRE DEPARTMENT	500	1,500	500	2,500
Campbelltown Volunteer Fire Co	500	500	500	1,500
Candys Place	4,000	-	-	4,000
Canonsburg Volunteer Fire Dept	500	10,000	3,200	13,700
Canton Township Vol Fire Co	-	500	500	1,000
Capital Accrual Clearing	-	2,599	-	2,599
Capital Area Greenbelt Assoc	1,000	1,000	1,000	3,000
CARBONDALE CITY OF	-	-	500	500
Carlisle Cares	-	500	-	500
Carmichaels & Cumberland Twp V	-	-	500	500
Cashtown Community Fire Dept	500	600	500	1,600
Castle Shannon Volunteer FD	500	-	500	1,000
CCATO	215	-	-	215
CDC of Butler County	10,000	-	15,000	25,000
Cecil Township	-	10,000	-	10,000
Central Fire Department	-	1,000	-	1,000
Central PA Business & Educatio	-	940	-	940
Central PA Chamber of Commerce	1,895	975	400	3,270
Central Pennsylvania Conservan	2,000	-	-	2,000
Centre Square Fire Company	500	500	500	1,500
CHAMBER OF COMMERCE	-	-	-	-
Chartiers Twp Vol Fire Dept #1	500	-	-	500
Chesapeake Bay Foundation	24,000	-	-	24,000
Chester County Association of	-	-	1,500	1,500
Chester County Chamber Foundat	100,000	-	-	100,000
Chester County Chamber of	-	24,500	23,125	47,625
CHESTER COUNTY CONSERVATION	1,000	500	-	1,500
CHESTER COUNTY ECONOMIC DEV CN	2,500	2,500	-	5,000

Chester County Food Bank	5,000	5,000	5,000	15,000
Chester Hill Hose Company	1,000	-	-	1,000
Chinchilla Hose Company	500	-	-	500
CHOP Out Hunger	-	-	1,000	1,000
ChrisDon Inc	500	-	-	500
CHRISTIANA FIRE COMPANY NO 1	500	-	500	1,000
Citizen Hook and Ladder Co #1	-	-	500	500
Citizens Fire Co	-	500	-	500
CITIZENS HOSE CO #1 VFD	-	500	-	500
City of Butler	500	7,500	500	8,500
City of Duquesne	-	1,500	-	1,500
City of Duquesne Fire Departme	-	-	3,500	3,500
City of McKeesport	500	1,500	2,000	4,000
City of York	2,500	500	-	3,000
City of York Police	750	-	-	750
Clarendon Fire Department	500	500	-	1,000
CLARION AREA CHAMBER OF BUSINE	-	5,050	3,950	9,000
CLARION FIRE & HOSE COMPANY #1	500	500	500	1,500
Clarks Summit Fire Co #1	500	500	500	1,500
CLAYSVILLE VOLUNTEER FIRE DEPT	-	500	500	1,000
CMAA Central PA Chapter	400	625	500	1,525
Coatesville 2nd Century Allian	2,500	2,500	-	5,000
COATESVILLE CITY OF	6,000	4,500	2,000	12,500
Coatesville Public Library Ass	500	-	-	500
Coatesville Youth Initiative	8,558	-	-	8,558
Colonial Flag Foundation	1,500	750	-	2,250
COLUMBIA FIRE CO NO 1	500	600	500	1,600
COLUMBIA FIRE CO No. 1	500	-	-	500
Columbian Volunteer Fire Dept	-	-	500	500
Commission on Economic Opportu	3,000	3,500	-	6,500
Community Care Connections Inc	-	-	500	500
Community Fire Co of Forks Tow	500	-	-	500
CONNELLSVILLE CITY OF	3,700	1,500	-	5,200
Connellsville Township Fire De	500	500	500	1,500
Connoquenessing Volunteer	500	-	500	1,000
CONODOGUINET CREEK WATERSHED A	1,000	-	-	1,000
Contract Svc-Other - Natural Account	-	-	-	-
Coolbaugh Twp Volunteer Fire C	-	-	500	500
Cottage Hose Company No 2	-	500	-	500
County of Washington	-	-	2,500	2,500
Cover Me With Hope Outreach	2,000	-	-	2,000
CPWQA	340	-	-	340
Crafton Volunteer Fire Departm	500	-	-	500
Crystal Fire Company 1 of Jerm	500	500	500	1,500
Cumberland Area Economic	1,500	250	-	1,750
Cumberland Valley Trout Unlimi	2,000	-	-	2,000
CV Eagles Ice Hockey Booster C	-	-	500	500
Cyrene Lodge 169	-	1,000	-	1,000
Dauphin County	-	-	500	500
DIAMOND CITY PARTNERSHIP	-	1,000	-	1,000
DOLLAR ENERGY FUND INC	2,500	-	7,100	9,600
Dormont Volunteer Fire Dept	500	-	500	1,000
Downtown Inc	5,000	2,000	3,500	10,500
Downtown Mechanicsburg Partner	-	750	-	750
Dravosburg VFD	-	1,500	-	1,500

DreamWrights Center For Commun	5,000	5,000	-	10,000
Dress for Success Lackawanna	520	-	-	520
Dunbar Volunteer Fire Co	500	500	500	1,500
Dunkard Township	-	500	1,000	1,500
DUNMORE BOROUGH	-	500	500	1,000
Duquesne Annex Volunteer Fire	500	-	-	500
Eagle Hose Company #1	500	500	500	1,500
Eagle Hose Company No 1	-	-	500	500
East Butler Volunteer Fire Dep	500	500	500	1,500
EAST CARNEGIE VOLUNTEER FIRE D	-	-	500	500
EAST FALLOWFIELD TOWNSHIP	1,000	500	500	2,000
EAST NORRITON TOWNSHIP	-	-	500	500
East Side Hose Co 4	-	-	500	500
East Whiteland Township	-	-	-	-
Eastern PA Trans Equity Projec	-	2,500	-	2,500
Educational Equity Alliance	-	-	2,500	2,500
EDWARDSVILLE BOROUGH	-	-	500	500
Elizabeth Forward School Distr	400	600	-	1,000
Elizabeth Township	-	20,600	-	20,600
Elizabeth Township Fire Dept #	500	-	500	1,000
Elizabeth Volunteer Fire Compa	500	-	-	500
Ellwood City Volunteer Fire De	-	500	500	1,000
ELM HILL HOSE COMPANY #3	500	-	-	500
Elmhurst Roaring Brook	-	500	500	1,000
Elrama Volunteer Fire Co	500	500	500	1,500
Enola Fire Company #3	-	-	500	500
EUREKA HOSE CO #44	500	500	500	1,500
EXCELSIOR HOSE CO #2	-	-	1,000	1,000
Excelsior Hose Company No1	-	-	500	500
EXETER TOWNSHIP	3,500	-	-	3,500
Exeter Twp Volunteer Fire Dept	-	500	-	500
Experience Inc of Warren PA	500	-	-	500
Eynon Sturges Vol Hose Co #3	500	-	500	1,000
FAIRMOUNT ENGINE CO 2	1,500	1,000	-	2,500
FAIRVIEW TOWNSHIP FIRE DEPARTM	-	-	500	500
Fairview Volunteer Fire Depart	-	-	500	500
Farmington Township	-	1,000	1,000	2,000
Farmington Township Volunteer	-	-	500	500
Fayette Chamber of Commerce	-	250	-	250
Fayette County Association	430	450	870	1,750
FAYETTE COUNTY HAZARDOUS	500	500	500	1,500
Floreffe Volunteer Fire Compan	500	500	500	1,500
Food Helpers	-	10,000	-	10,000
Footedale Volunteer Fire Dept	500	500	500	1,500
FOUNDATION FOR INDIANA UNIVERS	-	500	-	500
Foundation for Ohio River Educ	1,000	-	-	1,000
Frank Sarris Public Library	2,000	-	-	2,000
Fresh Start Cafe Inc	-	-	1,000	1,000
Friends of Derry Twp Parks and	2,500	-	-	2,500
Friends of Preston Park	3,500	1,500	2,500	7,500
Friends of the Poor	1,000	-	-	1,000
Friends of the West Shore Thea	2,750	-	-	2,750
FRIENDSHIP FIRE CO	500	500	500	1,500
George Washington Carver Commu	-	500	-	500
Germania Hose Company	-	-	1,000	1,000

Girls on the Run Mid State PA	3,000	-	-	3,000
Give Local York	-	-	500	500
GLASSPORT BOROUGH	1,000	-	500	1,500
Glen Lyon Alden Volunteer	500	500	-	1,000
Glendale Hose Company No1	-	-	500	500
Good Will Fire Co of Bridgepor	500	-	-	500
Good Will Hose Co #1	500	500	500	1,500
Goodwill Hose Co #2	500	-	500	1,000
Graystone Society Inc	500	-	-	500
Greater Brownsville Area Chamb	-	-	1,000	1,000
Greater Philadelphia Search &R	-	-	250	250
Greater Pittsburgh Chamber of	7,500	7,500	-	15,000
Greater Pittsburgh Community	25,000	15,000	20,000	60,000
Greater Reading Chamber of Com	4,550	-	-	4,550
Greater Wyoming Valley Chamber	1,600	-	2,500	4,100
GREEN TREE BOROUGH	1,000	1,000	1,000	3,000
Greene County Fair Board	-	-	4,000	4,000
Greenhouse Project	500	500	-	1,000
Greensboro Monongahela Townshi	-	-	500	500
GREENWOOD HOSE CO #1	500	500	500	1,500
GRINDSTONE COMMUNITY VFD	500	500	500	1,500
HAMPDEN TOWNSHIP VOLUNTEER FIR	500	-	1,000	1,500
HANCOCK FIRE CO #5	1,500	500	500	2,500
Hanover Area Fire District	500	500	500	1,500
Harmonville Fire Co No 1	500	-	-	500
Harrisburg Area YMCA	2,500	2,500	-	5,000
Harrisburg Regional Chamber	2,500	4,400	2,750	9,650
Harrisburg Senators Baseball C	5,000	5,000	5,000	15,000
Healthy Kids Running Series	900	850	-	1,750
Help A Single Parent	-	1,000	-	1,000
Helping Harvest Fresh Food Ban	-	-	5,000	5,000
Heritage Conservancy	1,500	-	-	1,500
Herman Volunteer Fire Co	500	5,000	500	6,000
Hershey-Derry Twp Historical	-	-	2,500	2,500
HICKORY TOWNSHIP VOLUNTEER FIR	-	-	500	500
HILLER VOLUNTEER FIRE CO	-	500	500	1,000
Hilltop Alliance	-	-	3,000	3,000
Hilltop Economic Development	-	2,500	-	2,500
HOLY FAMILY INSTITUTE INC	-	-	2,700	2,700
HOMEVILLE VOLUNTEER FIRE CO NO	500	-	-	500
Hopwood Volunteer Fire	-	-	500	500
Houston Volunteer Fire Dept	-	10,000	-	10,000
Hughestown Hose Co #1	500	-	500	1,000
Indiana County Chamber of Comm	610	-	1,500	2,110
Indiana County Conservation	4,650	-	-	4,650
Indiana Fire Association	500	-	-	500
Indiana Fire Association Found	-	500	500	1,000
JEFFERSON FIRE COMPANY	1,500	1,000	-	2,500
Jefferson Hills Fire Departmen	-	500	500	1,000
Jenkins Twp Volunteer Hose Co	500	500	-	1,000
Jessup Hose Company Number One	500	-	-	500
Joseph Priestley PTA	100	-	-	100
Jr Achievement of South Centra	500	1,450	2,500	4,450
Junior Achievement of NE PA	5,000	-	5,000	10,000
Justus Volunteer Fire Company	500	-	500	1,000

Kane Area Childrens Museum	-	-	10,000	10,000
KANE AREA COMMUNITY CENTER	-	2,000	5,000	7,000
Kane Area Revitalization Enter	-	-	500	500
KANE VOLUNTEER FIRE DEPT INC	1,000	1,000	-	2,000
Keep Pennsylvania Beautiful	-	2,500	-	2,500
Keystone Business Alliance	5,250	1,500	-	6,750
Keystone Kidspace	-	2,500	500	3,000
Keystone Trails Association	1,000	2,000	-	3,000
Keystone Valley Fire Departmen	-	500	500	1,000
Keystone Water Rescue Inc	500	-	-	500
KIMBERTON FIRE CO	500	-	500	1,000
KINGSTON BOROUGH	1,000	1,000	-	2,000
Kittanning Fire Dept #4	500	-	500	1,000
Kittanning Hose Co #6	-	500	500	1,000
Koppel Volunteer Fire Co	500	-	-	500
LACKAWANNA RIVER CONSERVATION	6,500	-	-	6,500
LAFLIN BORO	500	500	500	1,500
Lancaster County Conservancy	-	2,500	-	2,500
LARKSVILLE BORO	-	-	500	500
Larksville Volunteer Fire Co N	(500)	-	-	(500)
LaRosa Youth Club	2,500	20,000	5,000	27,500
Lawrence Co Reg Chamber of Com	-	-	1,500	1,500
LAWRENCE COUNTY TREASURER	500	-	-	500
Lewisburg Neighborhoods	600	1,200	-	1,800
LGBT Equality Alliance of Ches	2,000	2,000	2,000	6,000
Liberty Steam Fire Engine Co 1	500	-	-	500
Limerick Fire Company	500	1,000	500	2,000
LIMERICK TOWNSHIP	1,000	1,000	1,000	3,000
Lincoln Borough Volunteer Fire	-	-	500	500
LINDSEY FIRE COMPANY	500	500	-	1,000
LISBURN COMMUNITY FIRE CO	200	200	-	400
Local Government Academy	10,000	1,200	1,200	12,400
Lone Pine Volunteer Fire Dept	-	500	-	500
LOWER ALLEN TOWNSHIP	10,000	-	-	10,000
Lower Bucks County Chamber	-	2,500	-	2,500
Lower Kiski Ambulance Service	500	1,000	-	1,500
LOWER MAKEFIELD TOWNSHIP	1,500	2,500	-	4,000
Lower Mount Bethel Sandts Eddy	-	-	500	500
Lower Providence Twp Vol Fire	-	1,000	500	1,500
Luzerne Volunteer Fire Dept	500	500	500	1,500
Main Line Chamber of Commerce	1,000	-	-	1,000
Maltby Volunteer Fire Company	500	-	-	500
Manada Conservancy	1,000	-	-	1,000
Marshalls Creek Fire Company	500	-	500	1,000
Marywood University	2,905	-	-	2,905
Mayor Cusats Hazleton	-	500	-	500
MCCALMONT TOWNSHIP VOLUNTEER F	500	500	-	1,000
McDonald Volunteer Fire Dept	500	500	500	1,500
McKeesport K9 Unit	-	1,000	300	1,300
Meredith Hose Company No 1	-	-	500	500
Merrymead Farm	-	-	500	500
Midway Volunteer Fire Departme	500	-	500	1,000
Midwest Food Bank	1,750	5,000	2,500	9,250
Mill Run Recreation	-	1,000	1,000	2,000
Milton Fire Department Inc	500	-	-	500

Minersville Fire - Rescue	-	-	750	750
MOCANAQUA VOLUNTEER FIRE CO NO	500	-	-	500
MoCo House	-	100	-	100
MODENA FIRE CO	-	-	500	500
Mon Valley Alliance Foundation	1,000	2,000	10,000	13,000
MON YOUGH AREA CHAMBER OF COMM	-	-	450	450
Mon Yough Trail Council	1,000	1,000	1,000	3,000
Monongahela Fire Company	500	500	-	1,000
Montgomery County Consortium	-	1,500	-	1,500
Montgomery County Hero Fund	2,000	-	-	2,000
Montgomery County LGBT Busines	500	-	-	500
Montgomery County Public Works	750	1,500	750	3,000
MONTGOMERY HOSE & STEAM FIRE	1,000	-	-	1,000
Moraine Trails Council Boy Sco	-	250	-	250
Morris Twp VFD	500	500	500	1,500
Morris Twp Vol. Fire Co	500	-	500	1,000
Moshannon Creek Watershed Asso	1,000	-	-	1,000
Mountain Top Fire Company	1,000	100	-	1,100
Mountaintop Hose Company 1	(500)	500	500	500
MT LEBANON VOLUNTEER FIRE CO I	500	-	500	1,000
MT OLIVER HOOK & LADDER CO	500	-	-	500
NAMI Butler County PA	-	-	3,000	3,000
NANTICOKE CITY OF	500	500	500	1,500
NASD Education Foundation	-	188	-	188
National Flag Foundation	-	25,000	-	25,000
National Wildlife Federation	-	1,000	-	1,000
NEPA Youth Shelter	12,000	-	-	12,000
NESHANNOCK TWP VOLUNTEER FIRE	-	-	500	500
New Beaver Borough Fire Dept	500	500	-	1,000
New Castle Fire Dept	500	1,000	500	2,000
NEW CUMBERLAND FIRE DEPT	500	-	-	500
New Cumberland Olde Town Found	-	-	-	-
New Cumberland Olde Towne	150	-	-	150
New Cumberland River Rescue	500	600	500	1,600
New Haven Hose Company Inc	500	500	500	1,500
New Kingstown Fire Company	-	-	500	500
New Leash on Life USA	2,500	2,500	-	5,000
New Salem Volunteer Fire Dept	500	500	-	1,000
NEWPORT TOWNSHIP	500	500	-	1,000
Newport Township Consolidated	500	500	-	1,000
Newton Ransom Vol Fire Co	500	-	500	1,000
Nick Staples Presents LLC	5,000	-	-	5,000
Normalville Area Volunteer Fir	-	-	350	350
NORRISTOWN BOROUGH	4,000	1,500	500	6,000
Norristown Chamber of Commerce	-	7,500	-	7,500
Norristown Zoological Society	-	-	500	500
NORRITON FIRE ENGINE COMPANY	500	500	500	1,500
North Bangor Fire Company	-	500	-	500
North Branch Land Trust Inc	1,500	-	3,000	4,500
North Franklin Vol Fire Co	500	500	-	1,000
North Strabane Twp Vol Fire De	-	1,500	6,000	7,500
NORTH UNION TOWNSHIP	697	957	-	1,654
Northeast Fire & Rescue Compan	-	-	500	500
Northumberland Fire Co #1	500	-	-	500
Northumberland Hook & Ladder	500	500	-	1,000

Oakland Twp Oneida Valley VFC	500	500	500	1,500
Old Forge Hose & Engine Compan	500	1,000	2,000	3,500
Olyphant Hose Co #2	-	-	500	500
Osterhout Free Library	5,750	3,780	7,180	16,710
PA CleanWays of Allegheny Coun	5,691	-	-	5,691
PA Parks & Forests Foundations	2,500	-	-	2,500
PA RESOURCES COUNCIL	5,000	5,000	7,500	17,500
PA SECTION AWWA WATER FOR PEOP	2,500	-	5,000	7,500
Palmyra Area School District	-	1,000	-	1,000
PALMYRA PUBLIC LIBRARY	250	250	250	750
PARTNERSHIP FOR THE DELAWARE	1,000	-	-	1,000
Penn State Abington	-	1,750	2,000	3,750
Penn State University	3,500	-	-	3,500
Penn Township	-	-	500	500
Penn-Cumberland Garden Club	250	250	-	500
Penns Northeast Inc	2,500	4,500	-	7,000
PENNSBURY SCHOOL DISTRICT	3,800	-	-	3,800
Pennsylvania Bar Association	5,000	5,000	6,000	16,000
Pennsylvania Chamber of Bus &	1,200	9,500	38,500	49,200
PENNSYLVANIA ENVIRONMENTAL COU	-	3,000	8,000	11,000
Pennsylvania Envirothon	5,000	-	-	5,000
Pennsylvania Recreation and Pa	1,000	-	-	1,000
Pennsylvania State Association	-	15,000	-	15,000
Perkiomen Valley School Dist	250	-	-	250
Perkiomen Watershed Conservanc	1,000	1,000	-	2,000
Peters Twp Fire Dept	500	-	-	500
Philadelphia Buildling Trades	-	2,500	-	2,500
Phoenix Hose Hook & Ladder Co	750	750	750	2,250
Phoenix Media Arts Foundation	600	-	-	600
Pike County Conservation Distr	2,700	-	-	2,700
Pittsburgh Airport Area Chambe	6,000	3,588	3,020	12,608
Pittsburgh Metropolitan Area	2,500	-	-	2,500
Pittsburgh Veterans Day Parade	-	2,500	-	2,500
Pittsburgh Works Together Inc	-	-	50,000	50,000
Plainfield Township Vol Fire	500	-	500	1,000
PLAINS TOWNSHIP	500	500	500	1,500
Pleasant Hills Volunteer Fire	500	-	500	1,000
Pleasant Volunteer Fire Depart	500	500	500	1,500
Plymouth Borough Ambulance	1,000	500	-	1,500
Plymouth Fire Co #1	500	500	-	1,000
PLYMOUTH TOWNSHIP	-	-	500	500
PRESTO VOLUNTEER FIRE DEPT	500	500	500	1,500
Prince of Peace Church	-	-	2,500	2,500
PUNXSUTAWNEY BOROUGH	3,333	-	-	3,333
PXYCF	-	5,000	-	5,000
Quandel Enterprises LLC	-	-	3,000	3,000
QUARRYVILLE FIRE CO NO 1	500	500	500	1,500
RAINBOW KITCHEN COMMUNITY SERV	-	2,500	2,493	4,993
Rainbow Rose Center	3,000	1,500	-	4,500
Rainbow SIG	-	300	-	300
Reading Fightin Phils	-	400	-	400
Regional Arena Management LLC	520	-	-	520
Reliance Fire Company No 1	500	600	-	1,100
Rents-Real Property - Natural Account	-	-	-	-
Republic Fire Dept	500	-	500	1,000

Rescue Hose Company No 1	500	-	500	1,000
Resources Fundraiser LLC	-	-	1,000	1,000
RICHEYVILLE VOLUNTEER FIRE COM	500	1,700	2,050	4,250
Ridge Fire Co #1	500	-	-	500
RIVERFRONT PARKS COMMITTEE	3,500	2,500	2,500	8,500
Roller Nation Foundation	-	500	-	500
Rotary International/Punxsutaw	1,500	2,500	3,000	7,000
Royersford Fire Department	500	-	-	500
Safe Harbour Inc	150	-	-	150
Salvation Army	651	250	-	901
Sanatoga Fire Company	500	500	500	1,500
Saxonburg Volunteer Fire Co	-	5,000	500	5,500
SCHUYLKILL RIVER GREENWAYS ASS	8,500	15,000	15,000	38,500
Scranton Area Community Founda	-	-	2,300	2,300
SCRANTON CHAMBER OF COMMERCE	6,960	-	-	6,960
SCRANTON CITY OF	1,000	1,000	2,000	4,000
Scranton Fringe	-	1,000	-	1,000
Scranton Half Marathon	-	-	1,000	1,000
Scranton Tomorrow	2,500	-	-	2,500
Senior Citizens Center of Derr	-	500	-	500
Shannopin Civic Club	-	-	500	500
Shavertown Volunteer Fire Dept	-	500	-	500
Shenango Boys Basketball	-	-	100	100
SHENANGO TWP VOLUNTEER FIRE DE	3,000	500	500	4,000
Shippenville Elk Twp Vol Fire	500	500	500	1,500
Shiremanstown Fire Department	500	600	1,000	2,100
SILVER SPRING COMMUNITY FIRE C	-	-	500	500
Silver Spring Township	500	500	500	1,500
SKYVIEW VOLNTR FIRE CO WEST	500	-	-	500
Sligo Vol Fire Dept	-	500	-	500
South Brownsville Fire Co #1	500	500	-	1,000
South Connellsville Vol Fire	500	-	-	500
SOUTH HILLS AREA COUNCIL OF	1,340	935	1,995	4,270
SOUTH PARK TOWNSHIP	500	-	-	500
South Union Fire Co	500	500	500	1,500
SOUTH UNION TOWNSHIP	400	700	700	1,800
Spring Mill Fire Company	625	-	-	625
SPRING TOWNSHIP	-	-	500	500
Starbrick Vol Fire Department	500	500	500	1,500
Steel Rivers Council of Govern	2,500	2,336	1,000	5,836
Steelton Highspire School Dist	8,931	-	-	8,931
Steelton Volunteer Fire Dept	500	-	-	500
Stroud Water Research Center	7,500	1,000	-	8,500
Susan P Byrnes Health Educatio	300	-	-	300
Susquehanna Area Mountain Bike	-	1,000	-	1,000
Susquehanna Fire Department	-	500	-	500
SWATARA CREEK WATERSHED ASSN	619	500	-	1,119
Swedeland Vol Fire Co	500	500	-	1,000
SWEDESBURG VOLUNTEER FIRE CO	500	-	500	1,000
SWOYERSVILLE VOLUNTEER HOSE CO	500	500	-	1,000
TAYLOR FIRE & RESCUE	500	500	500	1,500
Taylorstown Volunteer Fire Dep	-	500	500	1,000
The Alliance for Health Equity	500	-	1,500	2,000
THE BUTLER ROTARY FOUNDATION	-	7,000	-	7,000
The Caring Cupboard Inc	-	750	-	750

The Chamber of Commerce for	40,000	-	10,000	50,000
The Golden Tornado Scholastic	1,500	1,500	-	3,000
The Lighthouse Foundation	-	-	10,000	10,000
The Luzerne Foundation	2,350	-	-	2,350
The New Cumberland Collective	1,500	1,500	1,500	4,500
The Pan American Association	3,500	-	-	3,500
The Pennsylvania State Univers	-	2,500	-	2,500
THE SCRANTON PLAN	2,500	-	-	2,500
Thorndale Vol Fire Co	500	500	500	1,500
Three Rivers Waterkeeper	6,000	-	-	6,000
Trail Association of the McKea	-	-	7,825	7,825
Trappe Fire Company No 1	500	500	500	1,500
Travel Champs	1,000	-	-	1,000
Tri-County Society For Childre	-	500	-	500
Trucksville Vol EMS Fire Rescu	-	-	500	500
Twp of Spring Fire Rescue Svcs	500	500	-	1,000
Union Twp Athletics Associatio	-	-	250	250
Uniontown VFD	-	-	500	500
Unionville Volunteer Fire Co	500	500	500	1,500
United Fire Company of Montros	-	-	500	500
United Neighborhood Centers of	-	500	-	500
United Way of Greater Philadel	130	-	-	130
UNITED WAY OF LACKAWANNA COUNT	338	-	-	338
UNITED WAY OF LAWRENCE CO	1,400	1,485	1,000	3,885
UNITED WAY OF LEWIS COUNTY	130	-	-	130
UNITED WAY OF THE CAPITAL REGI	1,065	5,000	-	6,065
UNITED WAY OF THE RIVER CITIES	-	(1,300)	-	(1,300)
UNITED WAY OF WASHINGTON COUNT	520	-	-	520
UNITED WAY OF WYOMING VALLEY	780	-	-	780
United Way Worldwide	327	-	-	327
Upper Allen Township Fire Dept	500	600	500	1,600
Upper Nazareth Fire Dept	500	-	-	500
UPPER PROVIDENCE TOWNSHIP	500	-	-	500
Urban League of Greater Pittsb	-	-	5,000	5,000
Valley Community Library	-	500	-	500
Valley Inn Volunteer Fire Dept	-	-	500	500
VALLEY TOWNSHIP	800	1,000	-	1,800
VFD of Carroll Township	-	500	-	500
Vigilant Hose Co #1 of Port Vu	500	500	2,000	3,000
Vol Firemans Assc of Liberty	-	-	500	500
Volunteer Hose Co of Throop	500	500	-	1,000
WAGONTOWN VOLUNTEER FIRE CO	-	-	500	500
Walker Township Volunteer Fire	500	-	-	500
WARREN CITY OF	500	500	500	1,500
WARREN COUNTY CHAMBER OF COMME	2,500	-	2,500	5,000
WARREN COUNTY CONSERVATION DIS	-	-	150	150
Warrior Run Area Fire Dept	500	500	-	1,000
Washington Business District	-	-	2,500	2,500
WASHINGTON CITY OF	-	1,500	2,000	3,500
Washington County Agricultural	3,000	-	-	3,000
Washington County Association	2,500	2,000	2,500	7,000
Washington County Chamber of	12,000	12,500	20,000	44,500
WASHINGTON COUNTY MFG ASSOCIAT	-	1,000	1,000	2,000
Washington Township Vol Fire C	500	500	500	1,500
Water for People	-	1,500	-	1,500

Watershed Alliance of York	1,000	1,000	-	2,000
Watersheds of South Pittsburgh	5,000	-	-	5,000
West Hills Emergency Services	500	500	500	1,500
WEST HOMESTEAD BOROUGH	-	-	500	500
WEST HOMESTEAD VOLNTR FIRE CO	500	500	500	1,500
West Leisenring Volunteer Fire	-	-	500	500
West Manchester Twp Fire Depar	500	1,000	-	1,500
WEST MIFFLIN VOLUNTEER FIRE	500	500	500	1,500
West Pittston Hose Co #1	500	500	2,000	3,000
WEST SHORE BUREAU OF FIRE	2,500	1,000	500	4,000
West Shore Regional Police	-	500	500	1,000
West Wyoming Hose Co #1	-	-	500	500
WESTERN BERKS FIRE DEPARTMENT	-	-	500	500
WESTERN CHESTER COUNTY	6,500	4,000	-	10,500
Western Penn Regional Urban Se	-	-	500	500
WESTERN PENNSYLVANIA CONSERVAN	18,000	20,500	25,000	63,500
Westmoreland Club	-	3,000	-	3,000
WESTWOOD VOLUNTEER FIRE COMPAN	1,000	-	500	1,500
Whitaker Center for Science &	-	5,000	-	5,000
White Deer Twp Vol Fire Co	500	-	500	1,000
Whitehall Fire Company	500	500	-	1,000
Whitmore Hose Company No 2	-	-	500	500
Wicked Warrens LLC	-	-	500	500
WILKES-BARRE BUREAU OF FIRE CI	1,000	-	1,000	2,000
WILKES-BARRE CITY OF	1,000	2,500	1,000	4,500
WILLIAM CAMERON ENGINE CO	500	-	500	1,000
Wilson Fire Co #1	500	500	500	1,500
WiNUP	-	-	1,500	1,500
Womens Center of Beaver County	400	-	-	400
WORCESTER VOLUNTEER FIRE CO	500	-	-	500
WRIGHT TOWNSHIP	-	-	500	500
Wyoming Hose Co 1	500	500	-	1,000
Wyoming Vol Hose Co #2	500	500	500	1,500
WYOMISSING BOROUGH	500	500	-	1,000
Yardley Harvest Day Inc	1,200	-	1,200	2,400
Yardley Makefield Fire Co	500	-	-	500
YELLOW BREECHES WATERSHED	1,000	1,000	-	2,000
YMCA Of Centre County	1,500	-	-	1,500
York City Parks Conservancy	-	1,000	1,000	2,000
York County Conservation Distr	1,000	-	-	1,000
York County Economic Alliance	575	1,000	5,250	6,825
York Professional Baseball Clu	5,600	5,000	5,000	15,600
Young Womens Christian Assoc o	2,500	-	-	2,500
Total	**$793,855**	**$639,208**	**$734,648**	**$2,167,711**

OFFICE OF CONSUMER ADVOCATES
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PRODUCTION OF DOCUMENTS ON
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Joint Applicants Response to OCA Set I

OCA-JA-I-55 Charitable contributions.

a. Identify the total amount of charitable contributions by category for AWWC and its subsidiaries for each of the years 2023 , 2024 and for 2025. Identify the amount (1) in total and (2) the amounts for charities located within and operating in the Pennsylvania utility service territory.

b. Identify the total amount of charitable contributions by category for EU and its subsidiaries for each of the years 2023, 2024 and 2025. Identify the amount (1) in total and (2) the amounts for charities located within and operating in each Pennsylvania utility service territory.

c. Do the Joint Applicants commit to assuring that their combined amount of charitable contributions in each of the five years, post -acquisition, will be at least as much as the sum of the above-identified per utility amounts for 2024 and 2025? If not, explain fully why not and provide the projected post -acquisition annual charitable contributions.

Response:

a. Please see American Water's response to this request.

b. Please see OCA-JA-I-55_Attachment 1_EU.

c. Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

	2023
Row Labels	**Sum of Amount**
PA	**$ 4,809,578.50**
Aqua	**$ 2,659,786.76**
Arts and Culture (A/C)	$ 35,125.02
Community, Economic Growth/Development (C, EG/D)	$ 1,508,717.38
Diversity and Inclusion (D/I)	$ 30,500.00
Education (ED)	$ 261,410.42
Emergency Services (EMS)	$ 28,200.00
Environment	$ 414,586.00
Food Insecurity	$ 219,200.00
Health and Human Service (H/HS)	$ 161,947.94
Misc.	$ 100.00
Peoples	**$ 2,149,791.74**
Arts and Culture (A/C)	$ 40,785.00
Community, Economic Growth/Development (C, EG/D)	$ 329,500.00
Diversity and Inclusion (D/I)	$ 125,800.00
Education (ED)	$ 75,275.00
Emergency Services (EMS)	$ 236,800.00
Emergency Services (EMS); Health and Human Service (H/HS)	$ 68,500.00
Environment	$ 328,500.00
Food Insecurity	$ 83,677.00
Health and Human Service (H/HS)	$ 858,739.74
Misc.	$ 2,215.00
Grand Total	**$ 4,809,578.50**
TOTAL Essential Utilities	**$ 5,098,113.00**

	2024
Row Labels	**Sum of Amount**
PA	**$4,997,573.72**
Aqua	**$2,785,719.72**
Arts and Culture (A/C)	$103,252.00
Community, Economic Growth/Development (C, EG/D)	$463,940.50
Diversity and Inclusion (D/I)	$19,250.00
Education (ED)	$1,586,065.22
Emergency Services (EMS)	$42,000.00
Environment	$377,810.00
Food Insecurity	$39,000.00
Health and Human Service (H/HS)	$154,252.00
Misc.	$150.00

Peoples	**$2,211,854.00**
Arts and Culture (A/C)	$44,600.00
Community, Economic Growth/Development (C, EG/D)	$1,028,606.00
Diversity and Inclusion (D/I)	$130,500.00
Education (ED)	$138,340.00
Emergency Services (EMS)	$115,803.00
Environment	$266,000.00
Food Insecurity	$118,550.00
Health and Human Service (H/HS)	$355,225.00
Misc.	$14,230.00
Grand Total	**$4,997,573.72**
TOTAL Essential Utilities	**$5,250,259.72**

	2025
Row Labels	**Sum of Amount**
PA	**$ 6,670,422.39**
Aqua	**$ 4,195,053.03**
Arts and Culture (A/C)	$ 79,280.00
Community, Economic Growth/Development (C, EG/D)	$ 386,144.69
Diversity and Inclusion (D/I)	$ 5,500.00
Education (ED)	$ 1,862,080.53
Emergency Services (EMS)	$ 1,111,020.00
Environment	$ 297,680.00
Food Insecurity	$ 245,000.00
Health and Human Service (H/HS)	$ 208,247.81
Misc.	$ 100.00
Peoples	**$ 2,475,369.36**
Arts and Culture (A/C)	$ 51,200.00
Community, Economic Growth/Development (C, EG/D)	$ 1,088,261.00
Diversity and Inclusion (D/I)	$ 8,250.00
Education (ED)	$ 201,950.00
Emergency Services (EMS)	$ 38,500.00
Environment	$ 340,500.00
Food Insecurity	$ 209,025.00
Health and Human Service (H/HS)	$ 525,440.36
Misc.	$ 12,243.00
Grand Total	**$ 6,670,422.39**
TOTAL Essential Utilities	**$6,898,080.58**

OFFICE OF CONSUMER ADVOCATES
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AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-60 Board of directors.

a. For each year, 2024 and 2025, identify the total amount of AWWC board of directors cost and also show how much board of directors cost was charged to and allocated to each Pennsylvania utility.

b. What amount of reduction to the board of directors costs that was charged to and allocated to each Pennsylvania utility is expected to result from the combined merged company having fewer directors on the merged companies' board? Explain fully and show calculations.

c. For each year, 2024 and 2025, identify the total amount of EU board of directors cost and also show how much board of directors cost was charged to and allocated to each Pennsylvania utility.

d. What amount of reduction to the board of directors costs that was charged to and allocated to each Pennsylvania utility is expected to result from the combined merged company having fewer directors on the merged companies' board? Explain fully and show calculations.

Response:

a.

American Water Board of Directors Cost		
	2024	2025
Total American Water	$2,904,070	$2,532,412
Pennsylvania	$602,021	$638,088
PA Allocation Rate	20.73%	25.20%

b. The Joint Applicants have only recently started having integration discussions and therefore have not yet completed an analysis of the impacts on board of directors costs as a result of the transaction. Although the quantity of board members has been defined in the merger agreement, the composition of the Essential-designated directors and placement on appropriate committees, along with the compensation for all board members of the combined entity have not yet been determined.
c. See Essential response to OCA-JA-I-60.
d. See Essential response to OCA-JA-I-60.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

Revised Response:

a. Subsequent to filing this response, American Water determined that some costs were unintentionally omitted from the Total American Water amount provided for 2025. This has been corrected in the chart below.

American Water Board of Directors Cost		
	2024	2025
Total American Water	$2,904,070	$3,101,945
Pennsylvania	$602,021	$638,088
PA Allocation Rate	20.73%	20.57%

b-d. See responses above.

Revised Response Date: April 17, 2026

OFFICE OF CONSUMER ADVOCATES
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THE JOINT APPLICANTS - SET I
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Joint Applicants Response to OCA Set I

OCA-JA-I-60 Board of directors.

a. For each year, 2024 and 2025, identify the total amount of AWWC board of directors cost and also show how much board of directors cost was charged to and allocated to each Pennsylvania utility.

b. What amount of reduction to the board of directors costs that was charged to and allocated to each Pennsylvania utility is expected to result from the combined merged company having fewer directors on the merged companies' board? Explain fully and show calculations.

c. For each year, 2024 and 2025, identify the total amount of EU board of directors cost and also show how much board of directors cost was charged to and allocated to each Pennsylvania utility.

d. What amount of reduction to the board of directors costs that was charged to and allocated to each Pennsylvania utility is expected to result from the combined merged company having fewer directors on the merged companies' board? Explain fully and show calculations.

Response:

a. Please see American Water's response to this request.

b. Please see American Water's response to this request.

c. For the year 2024 the total amount of EU Board of Director cost was $2,224,401.84, of which $623,729.84 was allocated to Aqua Pennsylvania and $912,004.74 to PNG.

   For the year 2025, the total amount of EU Board of Director cost was $1,998,114.42, of which $567,640.34 was allocated to Aqua Pennsylvania and $799,245.76 to PNG.

d. Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

OFFICE OF CONSUMER ADVOCATES
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AMERICAN WATER COMPANY - SET I
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AW Response to OCA Set 1

OCA-JA-I-65 Ring fencing.

a. Please identify and explain all ring fencing commitments that are currently applicable to AWWC and each of its utility subsidiaries.

b. Will any of the ring fencing commitments identified in response to part a be eliminated or revised if the proposed transaction were to be approved? If so, identify specifically which ring fencing provisions would be eliminated or revised and explain fully the reason for eliminating or revising each currently existing ring fencing condition.

Response:

a. As explained in the direct testimony of Mr. Bowler, American Water uses measures to separate regulated utility operations from affiliated unregulated companies and to avoid cross-subsidization among regulated companies. The measures are generally designed to reduce the risk of unregulated operations affecting a utility's regulated service and its financial health, and to also avoid preferential treatment or subsidization of unregulated affiliates by the utility. American Water's subsidiary in Pennsylvania, PAWC, currently complies with applicable Pennsylvania affiliate regulations designed to prevent inappropriate cross-subsidization. In addition, American Water has a number of measures in place that separate its regulated operations from its unregulated operations, all of which would be expected to be extended to Aqua PA and Peoples:
   - No individual operating company will assume liability for debts issued by the holding company. Although individual operating companies may be parties to financing arrangements to which the holding company is also a party, each company, including the holding company, will be liable only for its individual borrowings or issuances under those arrangements.
   - Each operating company of American Water maintains separate financial statements reflecting its own assets and liabilities.
   - Each operating company has its own capital structure, which is a function of its own debt and equity.

b. No.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
THE JOINT APPLICANTS - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set I

OCA-JA-I-65 Ring fencing.

a. Please identify and explain all ring fencing commitments that are currently applicable to AWWC and each of its utility subsidiaries .

b. Will any of the ring fencing commitments identified in response to part a be eliminated or revised if the proposed transaction were to be approved? If so, identify specifically which ring fencing provisions would be eliminated or revised and explain fully the reason for eliminating or revising each currently existing ring fencing condition.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

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.
Docket Nos. A-2025-3058927, A-2025-3059828, and A-2025-3058929
Attachment RCS-3
Copies of Confidential Material Referenced in the
Direct Testimony of
Ralph C. Smith

Document	Subject	Confidential	No. of Pages	Page Nos.
OCA-JA-I-56	Transition committee	Yes	4	2 - 5
	Total Pages Including this Page		5	

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AW and EU Response to OCA Set 1

OCA-JA-I-56 Transition.

a. Have the Joint Applicants assembled a merger transition committee?

b. If so, identify the committee members by name, job title, corporate affiliation and location.

c. Identify the dates the committee has met and is scheduled to meet in the future.

d. Provide copies of all agendas, notes, minutes, and information from the meetings.

e. If not, provide a detailed explanation of when the Joint Applicants intend to assemble such a committee and how the Joint Applicants plan to implement the transition.

Response:

a. Yes, Joint Applicants have formed an Integration Management Office ("IMO").
b. Please see OCA-JA-1-56_Attachment_1_CONFIDENTIAL
c. A kickoff meeting for the IMO was held on January 14, 2026 and the agenda is attached as OCA-JA-1-56_Attachment 2_CONFIDENTIAL_AW. An IMO touch base meeting was held on January 26, 2026 and they will continue on a weekly basis going forward.
d. Please see OCA-JA-1-56_Attachment_2_CONFIDENTIAL
e. N/A

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

PAGES 3-4 ARE CONFIDENTIAL AND HAVE BEEN REDACTED

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
THE JOINT APPLICANTS - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set I

OCA-JA-I-56 Transition.

a. Have the Joint Applicants assembled a merger transition committee?

b. If so, identify the committee members by name, job title, corporate affiliation and location.

c. Identify the dates the committee has met and is scheduled to meet in the future.

d. Provide copies of all agendas, notes, minutes, and information from the meetings.

e. If not, provide a detailed explanation of when the Joint Applicants intend to assemble such a committee and how the Joint Applicants plan to implement the transition.

Response:

Please see American Water's response to this request.

Responsible Witness(es):

Daniel J. Schuller

Date: 02/02/2026

Attachment RCS-4

Selected HIGHLY CONFIDENTIAL information from

American Water response to OCA-JA-I-05
Attachment HIGHLY CONFIDENTIAL AW

[all pages after this cover page contain

American Water designated

HIGHLY CONFIDENTIAL INFORMATION]

Historical Goodwill Impairments and Illustrations of Large Historical Goodwill Impairment Write-offs Following Acquisition/Merger Transactions

Article	No. of Pages	Page No.
Exelon Goodwill Impairment charge of $776 million for ComEd after Illinois Commerce Commission decision in 2005 ComEd rate case	1	2
"Qwest Takes $41 Billion Impairment Hit", October 29, 2002	1	3
"What AOL Time Warner's $54 Billion [Goodwill Impairment] Loss Means", April 25, 2002	2	4 - 5
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Exelon 2013 SEC Form 10-K pages 1 and 283-285 showing gross amount of Goodwill and Accumulated Goodwill Impairment Losses	4	7 - 10
Dayton Power & Light Company SEC Form 8-K announcing Goodwill Impairment of $1.7 billion to $2.0 billion (out of $2.6 billion) after being acquired by AES	5	11 - 15
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Energy Future Holdings Excerpts from 2015 SEC Form 10-K concerning Goodwill Impairment Changes Recorded in 2012 through 2015 and Total Goodwill Impairments of $18.190 billion: $15.990 billion through December 31, 2014 and $2.2 billion in 2015	5	20 - 24
Total Pages Including this Page	24	

Exelon assesses goodwill impairment at its ComEd reporting unit. Accordingly, any goodwill impairment charge at ComEd will affect Exelon's consolidated results of operations. In estimating the fair value of ComEd, Exelon and ComEd used a probability-weighted, discounted cash flow model with multiple scenarios. The determination of the fair value was dependent on many sensitive, interrelated and uncertain variables including changing interest rates, utility sector market performance, capital structure, rate regulatory structures, operating and capital expenditure requirements and other factors. Changes in the variables used in the impairment review could possibly result in a future impairment loss of ComEd's goodwill, which could be material.

2006 Interim Goodwill Impairment Assessment. Due to the significant negative impact of the ICC's July 2006 order in ComEd's 2005 Rate Case to the cash flows and value of ComEd, an interim impairment assessment was completed during the third quarter of 2006. Based on the results of this interim goodwill impairment analysis, which was performed using the same model and assumptions discussed above, Exelon and ComEd recorded a charge of $776 million associated with the impairment of goodwill during the third quarter of 2006. See Note 4—Regulatory Issues for further information regarding the 2005 Rate Case.

CFO.com

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Reverse Charge: Qwest Takes $41 Billion Impairment Hit

FAS 142 strikes again; troubled telco will also restate $531 million in revenues. Elsewhere: Sarbanes-Oxley could shrink Big Four tax business, blue chips going long, and did IT pay go up or down last year?

Stephen Taub, CFO.com | US
October 29, 2002

The feeding frenzy of the late Nineties is starting to catch up to Corporate America.

Yesterday, Qwest Communications International Inc. became the latest company to write down the value of its past acquisitions. Management at the troubled telecom company said Qwest will report goodwill impairment charges totaling as much as $40.8 billion by the end of the year.

That's a big phone bill. In fact, the writeoff works out to more than half of Qwest's $74 billion in assets.

Earlier this year, media giant AOL Time Warner took a record $54 billion charge to write off goodwill to reflect the sharp decline in the value of its $106.2 billion purchase of Time Warner in 2000.

And last week, AOL warned it will probably report "a substantial overall goodwill impairment" when it completes its impairment analysis under FAS 142 at the end of the fourth quarter.

Here's how Qwest arrived at the $40.8 figure.

Company management had already said it expects to report a goodwill impairment charge of approximately $24 billion as of January 1, 2002, the effective date of FAS 142.

On Monday, however, Qwest management said that other factors (such as the business conditions in the telecom industry and the company's market capitalization during 2002) may result in an additional impairment of $6 billion of goodwill. The company has about 29 million customers in the U.S.

Qwest will also record an $8.1 billion impairment charge for the second quarter of 2002 to write-down the recoverability of the long-lived assets of its traditional telephone network, global fiber optic broadband network, and related assets.

The telco also figures to take about an $2.7 billion reduction in the carrying value of intangible assets related to customer lists and product technology associated with the company's interexchange carrier business.

In yesterday's announcement, Qwest management also indicated it would restate $531 million of revenues. In explaining the restatement, the telco's management noted that Qwest's policies and practices for determining the value of the various elements of the fees earned in connection with the sales of optical capacity assets did not support the accounting treatment. Qwest recorded a net loss of about $4 billion in 2001.

The company added the announcement relates to optical capacity asset transactions recorded in periods following the merger of Qwest and US West, Inc. on June 30, 2000.

As CFO.com reported in late July, Qwest said it may restate the company's results for 1999, 2000 and 2001 in connection with sales of optical capacity assets. Qwest management said at the time it misapplied about $1.16 billion in optical capacity sales.

And back in March, CFO.com also reported that the SEC was investigating Qwest's accounting policies, practices, and procedures for 2000 and 2001.

The Justice Department and Congress are currently investigating Qwest.

TIME
Thursday, Apr. 25, 2002

What AOL Time Warner's $54 Billion Loss Means

By Frank Pellegrini

Sticking out of AOL Time Warner's rather humdrum earnings report Wednesday was a very gaudy number: A one-time loss of $54 billion. It's the largest spill of red ink, dollar for dollar, in U.S. corporate history and nearly two-thirds of the company's current stock-market value. (It's also, as a lot of news outlets have noted, more than the annual GDP of Ecuador, but that's hardly relevant here.) All for something called "goodwill impairment."

Sound like an awful lot of money to give to charity? In Wall Street's euphemism-speak, goodwill is more like getting taken to the cleaners. "Goodwill" is the term for the premium one company pays to acquire another, over and above the acquired company's book value. Such overpayment is intentional, whether to beat out fellow suitors or woo the shareholders of the bride, and technically it's an asset (albeit an intangible one), the assumption being that all that extra dough was buying *something*.

Now "goodwill impairment" —that's when that extra millions (or billions) in the purchase price turns out to have wasted, when it becomes apparent that the value of the merged company not only isn't *more* than the original buyer thought it was worth, but a whole lot less. Such losses in actual value used to be quietly swept under the rug, amortized away over the course of as much as 40 years.

But this year the rules have changed. The Financial Accounting Standards Board (yes, there actually standards in accounting) has decreed this year that companies must test their goodwill assets for "impairment" annually —and when they find some, they've got to fess up. And while AOL Time Warner's number may be the biggest (just topping JDS Uniphase's write-down last year of just over $50 billion), the media giant (and corporate overlord of this writer) isn't standing alone. A recent Bear Stearns study anticipates that some 500 companies are candidates for write-downs this year, with perhaps a dozen in the billion-dollar club.

Why so many? Call it a bunch of drunken sailors nursing a hangover. When AOL and Time Warner first decided to merge, the dot-com love affair was raging and the stock of the combined companies was worth $290 billion, mostly thanks to the price of AOL. By the time the stock-swap deal closed a year later, the bubble had burst, AOL was back on earth, and even though AOL had technically been the acquirer (thanks to that high stock price), the new AOL Time Warner suddenly had a relative lemon on its hands.

The new rule was originally going to require companies to post such losses as a relevant part of its continuing operations —which is hard to argue with when the asset is in the company's name —but businesses successfully lobbied to have the losses classified under "cumulative effects of changes in accounting principles." And now, even though they've got the rest of the year to do it, many companies are looking to get it out of the way while their excuse —the rule change —is still fresh in investors' minds.

And so Qwest Communications, which acquired the former U.S. West in 2000 only to find a year later that Qwest itself was the overvalued asset, recently predicted a second-quarter goodwill write-down of $20 billion to $30 billion. Blockbuster on Wednesday logged its own loss of $1.82 billion. And the parade is just beginning —future candidates include WorldCom, which lists $50 billion in potentially-impaired goodwill but is only worth $42.7 billion in the market, and AT&T, still sporting $24.8 billion of goodwill from its hostile takeover of MediaOne in 1999. (Notice a lot of tech and telecom companies?)

Investors generally ignore the bad news, either because they'd seen it coming —AOL Time Warner telegraphed its loss weeks ago —and because nearly every survivor of the tech bust has a few embarrassing purchases to own up to. Besides, AOL Time Warner's shares are down 41 percent this year alone, thanks to investors doing their own writing-down of AOL's value (with most analysts pegging it at about $1 a share on top of Time Warner's assets). So the $54 billion loss —and the total $1 trillion in goodwill-impairment writedowns that some analysts expect to hit Wall Street this year —is merely an acknowledgement of what investors have already figured out.

Still, a mistake is a mistake, and some analysts insist that while such write-downs are paper losses, it would be a mistake to ignore them completely —particularly if the company's stock hasn't already taken the appropriate hit. And even if it has, a company that runs around overpaying for assets that don't perform — even if it's only overpaying because investors were fooled too —is one to keep a jaundiced eye on.

Remember, the fall of Enron started with a one-time write-down. And there's not a lot of goodwill left at *that* company any more.

Scottish Power 2006 goodwill impairment
May 24, 2006, 2:30 a.m. EDT

Scottish Power swings to fiscal year net profit
LONDON (MarketWatch) -- Electricity company Scottish Power said Wednesday that it swung to a fiscal 2006 net profit of 1.5 billion pounds ($2.8 billion), or 83.15 pence a share, after good growth from all its businesses. Last year, the company produced a loss of 188.7 million pounds after taking a 922 million pound exceptional charge related to goodwill impairment at its now discontinued PacifiCorp operations. On an adjusted basis, pretax profit rose 47% to 675 million pounds, ahead of the 655 million pound figure expected by analysts. The company said that it is confident that it will continue to make significant progress and create value for shareholders.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended December 31, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number	Exact Name of Registrant as Specified in its Charter; State of Incorporation; Address of Principal Executive Offices; and Telephone Number	IRS Employer Identification Number
1-16169	**EXELON CORPORATION** **(a Pennsylvania corporation)** 10 South Dearborn Street P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-7398	23-2990190
333-85496	**EXELON GENERATION COMPANY, LLC** **(a Pennsylvania limited liability company)** 300 Exelon Way Kennett Square, Pennsylvania 19348-2473 (610) 765-5959	23-3064219
1-1839	**COMMONWEALTH EDISON COMPANY** **(an Illinois corporation)** 440 South LaSalle Street Chicago, Illinois 60605-1028 (312) 394-4321	36-0938600
000-16844	**PECO ENERGY COMPANY** **(a Pennsylvania corporation)** P.O. Box 8699 2301 Market Street Philadelphia, Pennsylvania 19101-8699 (215) 841-4000	23-0970240
1-1910	**BALTIMORE GAS AND ELECTRIC COMPANY** **(a Maryland corporation)** 2 Center Plaza 110 West Fayette Street Baltimore, Maryland 21201-3708 (410) 234-5000	52-0280210

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
EXELON CORPORATION:	
Common Stock, without par value	New York and Chicago
Series A Junior Subordinated Debentures	New York
PECO ENERGY COMPANY:	
Trust Receipts of PECO Energy Capital Trust III, each representing a 7.38% Cumulative Preferred Security, Series D, $25 stated value, issued by PECO Energy Capital, L.P. and unconditionally guaranteed by PECO Energy Company	New York
BALTIMORE GAS AND ELECTRIC COMPANY:	
6.20% Trust Preferred Securities ($25 liquidation amount per preferred security) issued by BGE Capital Trust II, fully and unconditionally guaranteed, by Baltimore Gas and Electric Company	New York

Securities registered pursuant to Section 12(g) of the Act:

COMMONWEALTH EDISON COMPANY:
Common Stock Purchase Warrants, 1971 Warrants and Series B Warrants

(d) PECO owns a 42.55% share in 131 miles of 500 kV lines located in Delaware and New Jersey as well as a 42.55% share in a 500kV substation immediately outside of the Salem nuclear generating station in New Jersey which supplies power to the 500kV lines including, but not limited to, the lines noted above.
(e) Generation has a 44.24% ownership interest in Merrill Creek Reservoir located in New Jersey.
(f) Excludes asset retirement costs.

Exelon's, Generation's, PECO's and BGE's undivided ownership interests are financed with their funds and all operations are accounted for as if such participating interests were wholly owned facilities. Exelon's, Generation's, PECO's and BGE's share of direct expenses of the jointly owned plants are included in fuel and operating and maintenance expenses on Exelon's and Generation's Consolidated Statements of Operations and in operating and maintenance expenses on PECO's and BGE's Consolidated Statements of Operations.

10. Intangible Assets (Exelon, Generation, ComEd and PECO)

Goodwill

Exelon's and ComEd's gross amount of goodwill, accumulated impairment losses and carrying amount of goodwill for the years ended December 31, 2013 and 2012 were as follows:

	Gross Amount [(a)]	Accumulated Impairment Losses	Carrying Amount
Balance, January 1, 2012	$ 4,608	$ 1,983	$2,625
Impairment losses	—	—	—
Balance, December 31, 2013	$ 4,608	$ 1,983	$2,625

(a) Reflects goodwill recorded in 2000 from the PECO/Unicom (predecessor parent company of ComEd) merger net of amortization, resolution of tax matters and other non-impairment-related changes as allowed under previous authoritative guidance.

Goodwill is not amortized, but is subject to an assessment for impairment at least annually, or more frequently if events occur or circumstances change that would more likely than not reduce the fair value of the ComEd reporting unit below its carrying amount. Under the authoritative guidance for goodwill, a reporting unit is an operating segment or one level below an operating segment (known as a component) and is the level at which goodwill is tested for impairment. A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and is regularly reviewed by segment management. ComEd has a single operating segment for its combined business. There is no level below this operating segment for which discrete financial information is regularly reviewed by segment management. Therefore, ComEd's operating segment is considered its only reporting unit.

Entities assessing goodwill for impairment have the option of first performing a qualitative assessment before calculating the fair value of the reporting unit (i.e., step one of the two-step fair value based impairment test). If an entity determines, on the basis of qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, the two-step fair value based impairment test is required. Otherwise, no further testing is required.

If an entity bypasses the qualitative assessment or performs the qualitative assessment, but determines that it is more likely than not that its fair value is less than its carrying amount, a quantitative two-step, fair value based test is performed. The first step compares the fair value of the reporting unit to its carrying amount, including goodwill. If the carrying amount of the reporting unit

exceeds its fair value, the second step is performed. The second step requires an allocation of fair value to the individual assets and liabilities using purchase price allocation in order to determine the implied fair value of goodwill. If the implied fair value of goodwill is less than the carrying amount, an impairment loss is recorded as a reduction to goodwill and a charge to operating expense. Any goodwill impairment charge at ComEd will affect Exelon's consolidated results of operations.

ComEd's valuation approach is based on a market participant view, pursuant to authoritative guidance for fair value measurement, and utilizes a weighted combination of a discounted cash flow analysis and a market multiples analysis. The discounted cash flow analysis relies on a single scenario reflecting "base case" or "best estimate" projected cash flows for ComEd's business and includes an estimate of ComEd's terminal value based on these expected cash flows using the generally accepted Gordon Dividend Growth formula, which derives a valuation using an assumed perpetual annuity based on the entity's residual cash flows. The discount rate is based on the generally accepted Capital Asset Pricing Model and represents the weighted average cost of capital of comparable companies. The market multiples analysis utilizes multiples of business enterprise value to earnings, before interest, taxes, depreciation and amortization (EBITDA) of comparable companies in estimating fair value. Significant assumptions used in estimating the fair value include discount and growth rates, utility sector market performance and transactions, projected operating and capital cash flows from ComEd's business and the fair value of debt. Management performs a reconciliation of the sum of the estimated fair value of all Exelon reporting units to Exelon's enterprise value based on its trading price to corroborate the results of the discounted cash flow analysis and the market multiple analysis.

2013 Goodwill Impairment Assessments. Management concluded the remeasurement of the like-kind exchange position and the charge to ComEd's earnings in the first quarter of 2013 triggered an interim goodwill impairment assessment and, as a result, ComEd tested its goodwill for impairment as of January 31, 2013. The first step of the interim impairment assessment comparing the estimated fair value of ComEd to its carrying value, including goodwill, indicated no impairment of goodwill; therefore, the second step was not required.

ComEd performed a quantitative assessment as of November 1, 2013, for its 2013 annual goodwill impairment assessment. The first step of the annual impairment assessment comparing the estimated fair value of ComEd to its carrying value, including goodwill, indicated no impairment of goodwill; therefore, the second step was not required.

In both the interim and annual assessments, the discounted cash flow analysis reflected Exelon's indemnity to hold ComEd harmless from any unfavorable impacts of the after-tax interest amounts related to the like-kind exchange position on ComEd's equity. While neither the interim nor the annual assessments indicated an impairment of ComEd's goodwill, certain assumptions used to estimate the fair value of ComEd are highly sensitive to changes. Adverse regulatory actions, such as early termination of EIMA, or changes in significant assumptions, including discount and growth rates, utility sector market performance and transactions, projected operating and capital cash flows from ComEd's business, and the fair value of debt could potentially result in a future impairment of ComEd's goodwill, which could be material. Based on the results of the annual goodwill test performed as of November 1, 2013, the estimated fair value of ComEd would have needed to decrease by more than 10% for ComEd to fail the first step of the impairment test.

Prior Goodwill Impairment Assessments. Management concluded that the May 2012 ICC final Order in ComEd's 2011 formula rate proceeding triggered an interim goodwill impairment assessment and, as a result, ComEd tested its goodwill for impairment as of May 31, 2012. The first step of the

interim impairment assessment comparing the estimated fair value of ComEd to its carrying value, including goodwill, indicated no impairment of goodwill; therefore, the second step was not required. ComEd performed a qualitative assessment as of November 1, 2012, for its 2012 annual goodwill impairment assessment and determined that its fair value was not more likely than not less than its carrying value. Therefore, ComEd did not perform a quantitative assessment. As part of its qualitative assessment, ComEd evaluated, among other things, management's best estimate of projected operating and capital cash flows for ComEd's business (including the impacts of the May 2012 Order) as well as changes in certain other market conditions, such as the discount rate and EBITDA multiples.

Other Intangible Assets

For discussion surrounding Exelon's and Generation's unamortized energy contracts, trade name and retail relationships recorded in conjunction with the Merger, refer to Note 4—Merger and Acquisitions.

Exelon's, Generation's and ComEd's other intangible assets, included in unamortized energy contract assets and deferred debits and other assets in their Consolidated Balance Sheets, consisted of the following as of December 31, 2013:

	Weighted Average Amortization Years [e]	Gross	Accumulated Amortization	Net	Estimated amortization expense 2014	2015	2016	2017	2018
Generation [f]									
Exelon Wind acquisition [a]	18.0	$224	$ (41)	$183	$ 14	$ 14	$ 14	$ 14	$ 14
Antelope Valley acquisition [b]	25.0	190	(4)	186	8	8	8	8	8
ComEd									
Chicago settlement—1999 agreement [c]	21.8	100	(76)	24	3	3	3	4	4
Chicago settlement—2003 agreement [d]	17.9	62	(38)	24	4	4	4	3	3
Total intangible assets		$576	$ (159)	$417	$29	$29	$29	$29	$ 29

(a) In December 2010, Generation acquired all of the equity interests of John Deere Renewables, LLC (later named Exelon Wind), adding 735 MWs of installed, operating wind capacity located in eight states.
(b) Refer to Note 4—Merger and Acquisitions for additional information regarding Antelope Valley.
(c) In March 1999, ComEd entered into a settlement agreement with the City of Chicago associated with ComEd's franchise agreement. Under the terms of the settlement, ComEd agreed to make payments to the City of Chicago each year from 1999 to 2002. The intangible asset recognized as a result of these payments is being amortized ratably over the remaining term of the franchise agreement, which ends in 2020.
(d) In February 2003, ComEd entered into separate agreements with the City of Chicago and with Midwest Generation, LLC (Midwest Generation). Under the terms of the settlement agreement with the City of Chicago, ComEd agreed to pay the City of Chicago a total of $60 million over a ten-year period, beginning in 2003. The intangible asset recognized as a result of the settlement agreement is being amortized ratably over the remaining term of the City of Chicago franchise agreement, which ends in 2020. As required by the settlement, ComEd also made a payment of $2 million to a third-party on the City of Chicago's behalf. Under the terms of the agreement with Midwest Generation, ComEd received payments of $32 million from Midwest Generation to relieve Midwest Generation's obligation under the 1999 fossil sale agreement with ComEd to build the generation facility in the City of Chicago. The payments received by ComEd, which have been recorded in other long-term liabilities, are being recognized ratably (approximately $2 million annually) as an offset to amortization expense over the remaining term of the franchise agreement.
(e) Weighted-average amortization period was calculated at the date of acquisition for acquired assets or settlement agreement.
(f) Excludes $67 million of other miscellaneous unamortized energy contracts that have been acquired at various points in time.

DAYTON POWER & LIGHT CO

FORM 8-K
(Current report filing)

Filed 11/01/12 for the Period Ending 10/31/12

Address	1065 WOODMAN DRIVE
	DAYTON, OH 45432
Telephone	9372246000
CIK	0000027430
Symbol	DAYPO
SIC Code	4931 - Electric and Other Services Combined
Fiscal Year	12/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported): **October 31, 2012**

Commission File Number	Registrant, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification No.
1-9052	**DPL Inc.** **(An Ohio Corporation)** **1065 Woodman Drive** **Dayton, Ohio 45432** **937-224-6000**	**31-1163136**
1-2385	**THE DAYTON POWER AND LIGHT COMPANY** **(An Ohio Corporation)** **1065 Woodman Drive** **Dayton, Ohio 45432** **937-224-6000**	**31-0258470**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.06 Material Impairments

DPL Inc.

In its Form 10-K for the year ended December 31, 2011 and in subsequent periodic filings with the Securities and Exchange Commission, DPL Inc. (DPL) disclosed that it had recorded substantial goodwill of $2.6 billion in connection with its acquisition by The AES Corporation (AES) and that as a result of market conditions and other factors, there was a risk that the goodwill could be subject to impairment. On October 31, 2012, DPL concluded that it will recognize an estimated non-cash impairment charge related to the goodwill in the range of approximately $1.7 billion to $2.0 billion. The non-cash impairment charge will not impact DPL's cash flows or cash balances and is not expected to result in any material future cash expenditures. The non-cash impairment charge represents DPL's best estimate of the impairment range based on the latest information available and the results of its preliminary interim impairment test of goodwill and will be recognized as of September 30, 2012 in accordance with U.S. generally accepted accounting principles. Management expects to complete the interim impairment test of goodwill and the related non-cash impairment charge in connection with the submission of DPL's Form 10-K for the year ended December 31, 2012.

On October 5, 2012, DPL's wholly-owned regulated utility, The Dayton Power and Light Company (DP&L), filed for approval an Electric Security Plan (ESP) with the Public Utilities Commission of Ohio (PUCO) which reflects a shift in our outlook for the regulatory environment. Within the ESP filing, DP&L agreed to request a separation of its generation assets from its transmission and distribution assets in recognition that a restructuring of DP&L operations will be necessary, in compliance with Ohio law. Also, during 2012, North American natural gas prices fell significantly from the previous year, exerting downward pressure on wholesale electricity prices in the Ohio power market. Falling power prices have compressed wholesale margins at DP&L's generating plants. Furthermore, these lower power prices have led to increased customer switching from DP&L to competitive retail electric service (CRES) providers, who are offering retail prices lower than DP&L's standard service offer. Also, several municipalities in DP&L's service territory have passed ordinances allowing them to become government aggregators with some having already contracted with CRES providers, further contributing to the switching trend. Combined, these developments have reduced DP&L's forecasted profitability, operating cash flows and liquidity and may impact DPL's and DP&L's ability to access the capital markets and maintain their current credit ratings in the future. Collectively, in the third quarter of 2012, these events were considered to be an interim impairment indicator for DPL's goodwill.

The Dayton Power and Light Company

As discussed above, on October 5, 2012, DP&L filed for approval an ESP with the PUCO which reflects a shift in our outlook for the regulatory environment. Within the ESP filing, DP&L agreed to request a separation of its generation assets from its transmission and distribution assets in recognition that a restructuring of DP&L operations in compliance with Ohio law will be necessary. Also, during 2012, North American natural gas prices fell significantly from the previous year, exerting downward pressure on wholesale electricity prices in the Ohio power market. Falling power prices have compressed wholesale margins at DP&L's generating plants. Furthermore, these lower power prices have led to increased customer switching from DP&L to CRES providers, who are offering retail prices lower than DP&L's standard service offer. Also, several municipalities in DP&L's service territory have passed ordinances allowing them to become government aggregators with some having already contracted with CRES providers, further contributing to the switching trend. In September 2012, management revised its cash flow forecasts based on these developments as part of its annual budgeting process and forecasted lower operating cash flows than in prior reporting periods. Collectively, in the third quarter of 2012, these events were considered to be an impairment indicator for the long-lived asset group as management believes that these developments represent a significant adverse change in the business climate that could affect the value of the long-lived asset group.

The long-lived asset group subject to the impairment evaluation was determined to be each individual generating plant of DP&L. This determination was based on the assessment of the plants' ability to

generate independent cash flows. When the recoverability test for the long-lived asset group was performed, management concluded that, on an undiscounted cash flow basis, the full carrying amount of two plants, Conesville and Hutchings, were not recoverable. To measure the impairment charge, management determined the fair value of these two plants. To make this fair value determination, cash flow forecasts and the underlying assumptions for the valuation were developed by management. While there were numerous assumptions that impact the fair value, forward power prices, dark spreads and the transition to an unregulated, merchant model were the most significant.

As a result of this fair value analysis, on October 31, 2012, DP&L concluded that it will recognize an impairment charge of $80.8 million pre-tax ($52.5 million net of tax) on its property, plant and equipment balance associated with its Conesville and Hutchings generating plants for the third quarter of 2012. This impairment charge will not impact DP&L's cash flows or cash balances and is not expected to result in any material future cash expenditures. The charge was due to a culmination of factors including the regulatory filings of DP&L and other utilities, overall customer switching and continuing downward trends related to power prices. This impairment charge for DP&L will not reduce the net income of its parent company, DPL Inc., because DPL's investments in the Conesville and Hutchings generating plants were recorded at their estimated fair market value as of November 28, 2011 in connection with the acquisition of DPL by AES.

Safe Harbor Disclosure

This report contains forward-looking statements within the meaning of the Securities Act and of the Securities Exchange Act. Such forward-looking statements include, but are not limited to, those related to impairment charges and losses, cash flows, future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute DPL's and DP&L's current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to, our accurate projections of future interest rates, commodity price and foreign currency pricing, continued normal levels of operating performance and electricity volume at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as achievements of planned productivity improvements and incremental growth investments at normalized investment levels and rates of return consistent with prior experience.

Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in DPL's and DP&L's filings with the Securities and Exchange Commission, including, but not limited to, the risks discussed under Item 1A "Risk Factors" in DPL's and DP&L's 2011 Annual Report on Form 10-K/A filed on March 28, 2012 and discussed in DPL's Registration Statement on Form S-4/A filed on September 4, 2012. Readers are encouraged to read DPL's and DP&L's filings to learn more about the risk factors associated with DPL's and DP&L's businesses. DPL and DP&L undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Any security holder who desires a copy of DPL's and DP&L's 2011 Annual Report on Form 10-K/A or the DPL Registration Statement on Form S-4/A with the SEC may obtain a copy (excluding Exhibits) without charge by addressing a request to the Office of the Corporate Secretary, DPL Inc., 1065 Woodman Drive, Dayton, Ohio 45432. Exhibits also may be requested, but a charge equal to the reproduction cost thereof will be made. Copies of the Form 10-K/A and Form S-4/A may also be obtained by visiting DPL's website at www.dplinc.com.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf of the undersigned hereunto duly authorized.

DPL INC.
THE DAYTON POWER AND LIGHT COMPANY

Date: November 1, 2012

By: /s/ Timothy G. Rice
Name: Timothy G. Rice
Title: Vice President, Acting General Counsel and Corporate Secretary

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(x) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2012**

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number	Registrant, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification No.
1-9052	DPL INC. (An Ohio Corporation) 1065 Woodman Drive Dayton, Ohio 45432 937-224-6000	31-1163136
1-2385	THE DAYTON POWER AND LIGHT COMPANY (An Ohio Corporation) 1065 Woodman Drive Dayton, Ohio 45432 937-224-6000	31-0258470

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark if each registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

DPL Inc.	Yes ☐	No ☒
The Dayton Power and Light Company	Yes ☐	No ☒

Indicate by check mark if each registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

DPL Inc.	Yes ☐	No ☒
The Dayton Power and Light Company	Yes ☒	No ☐

Predecessor

$ in millions	Utility	Competitive Retail	Other	Adjustments and Eliminations	DPL Consolidated
Year ended December 31, 2010					
Revenues from external customers	$ 1,500.3	$ 277.0	$ 54.1	$ -	$ 1,831.4
Intersegment revenues	238.5	-	4.5	(243.0)	-
Total revenues	1,738.8	277.0	58.6	(243.0)	1,831.4
Fuel	371.9	-	12.0	-	383.9
Purchased power	383.5	238.5	3.9	(238.5)	387.4
Gross margin [(a)]	$ 983.4	$ 38.5	$ 42.7	$ (4.5)	$ 1,060.1
Depreciation and amortization	$ 130.7	$ 0.2	$ 8.5	$ -	$ 139.4
Interest expense	$ 37.1	$ -	$ 33.5	$ -	$ 70.6
Income tax expense / (benefit)	$ 135.2	$ 10.5	$ (2.7)	$ -	$ 143.0
Net income / (loss)	$ 277.7	$ 18.8	$ (3.5)	$ (2.7)	$ 290.3
Cash capital expenditures	$ 148.2	$ -	$ 3.2	$ -	$ 151.4
Total assets (end of year)	$ 3,475.4	$ 35.7	$ 302.2	$ -	$ 3,813.3

(a) For purposes of discussing operating results, we present and discuss gross margins. This format is useful to investors because it allows analysis and comparability of operating trends and includes the same information that is used by management to make decisions regarding our financial performance.

19. Goodwill Impairment

In connection with the acquisition of DPL by AES, DPL allocated the purchase price to goodwill for two Reporting Units, the DP&L Reporting Unit, which includes DP&L and other entities, and DPLER. Of the total goodwill, approximately $2.4 billion was allocated to the DP&L Reporting Unit and the remainder was allocated to DPLER.

On October 5, 2012, DP&L filed for approval an ESP with the PUCO. Within the ESP filing, DP&L has agreed to request a separation of its generation assets from its transmission and distribution assets in recognition that a restructuring of DP&L's operations will be necessary, in compliance with Ohio law. Also, during 2012, North American natural gas prices fell significantly from the previous year exerting downward pressure on wholesale electricity prices in the Ohio power market. Falling power prices compressed wholesale margins at DP&L. Furthermore, these lower power prices have led to increased switching from DP&L to other CRES providers, including DPLER, who are offering retail prices lower than DP&L's current standard service offer. Also, several municipalities in DP&L's service territory have passed ordinances allowing them to become government aggregators and some municipalities have contracted with CRES providers to provide generation service to the customers located within the municipal boundaries, further contributing to the switching trend. CRES providers have also become more active in DP&L's service territory. In September 2012, management revised its cash flow forecasts based on these new developments and forecasted lower profitability and operating cash flows than previously prepared forecasts. These new developments have reduced DP&L's forecasted profitability, operating cash flows, liquidity and may impact DPL and DP&L's ability to access the capital markets and maintain their current credit ratings in the future. Collectively, in the third quarter of 2012, these events were considered an interim impairment indicator for DPL's goodwill at the DP&L Reporting Unit. There were no interim impairment indicators identified for the goodwill at DPLER.

We performed an interim impairment test on the $2.4 billion of goodwill at the DP&L Reporting Unit level. In the preliminary Step 1 of the goodwill impairment test, the fair value of the Reporting Unit was determined under the income approach using a discounted cash flow valuation model. The material assumptions included within the discounted cash flow valuation model were customer switching and aggregation trends, capacity price curves, energy price curves, amount of the nonbypassable charge, commodity price curves, dispatching, transition period

for the conversion to a wholesale competitive bidding structure, amount of the standard service offer charge, valuation of regulatory assets and liabilities, discount rates and deferred income taxes. Further refinement to these assumptions as part of the completion of the preliminary Step 1 and Step 2 tests impacted the enterprise value and the implied fair value of goodwill in the fourth quarter of 2012. The Reporting Unit failed the preliminary Step 1 and a preliminary Step 2 of the goodwill impairment test was performed. For the three months ended September 30, 2012, we recognized a goodwill impairment expense of $1,850.0 million, which represented our best estimate of the impairment loss based on the latest information available and the results of the preliminary Step 1 and Step 2 tests. In the fourth quarter of 2012, we concluded the interim impairment test of goodwill and finalized the estimation of the impairment charge. The final estimate of the goodwill impairment was $1,817.2 million. The difference between the third quarter estimate of the goodwill impairment and the finalized impairment of $1,817.2 million was recorded in the fourth quarter of 2012.

The goodwill associated with the DPL acquisition is not deductible for tax purposes. Accordingly, there is no cash tax or financial statement tax benefit related to the impairment. The Company's effective tax rates were impacted by the pretax impairment, however. The Company's effective tax rate was (2.8)% for the year ended December 31, 2012.

20. Selected Quarterly Information (Unaudited)

	For the 2011 periods ended (a):				
	Predecessor				Successor
$ in millions except per share amounts	March 31	June 30	September 30	November 27	December 31
Revenues	$ 480.6	$ 433.4	$ 497.5	$ 259.4	N/A
Operating income	$ 100.9	$ 65.8	$ 112.9	$ 48.2	N/A
Net income	$ 43.5	$ 31.7	$ 67.1	$ 8.2	N/A
Earnings per share of common stock:					
Basic	$ 0.38	$ 0.28	$ 0.58	$ 0.07	N/A
Diluted	$ 0.38	$ 0.28	$ 0.58	$ 0.07	N/A
Dividends declared per share	$ 0.3325	$ 0.3325	$ 0.3325	$ 0.5400	N/A

	For the 2010 quarters ended:			
	Predecessor			
$ in millions except per share amounts	March 31	June 30	September 30	December 31
Revenues	$ 437.0	$ 434.1	$ 502.3	$ 458.0
Operating income	$ 126.0	$ 109.3	$ 144.6	$ 124.5
Net income	$ 71.0	$ 61.4	$ 86.4	$ 71.5
Earnings per share of common stock:				
Basic	$ 0.61	$ 0.53	$ 0.75	$ 0.62
Diluted	$ 0.61	$ 0.53	$ 0.74	$ 0.62
Dividends declared per share	$ 0.3025	$ 0.3025	$ 0.3025	$ 0.3025

(a) Periods ended March 31, June 30, and September 30 represent three months then ended. Period ended November 27 represents approximately two months then ended and period ended December 31 represents approximately one month then ended.

Effective with the Merger, DPL is indirectly wholly-owned by AES and quarterly information and earnings per share information are no longer required.

$4Bn impairment for KKR-backed Energy Future Holdings

October 11, 2010

By Barry Whyte

Energy Future Holdings Corp, which is backed by **Kohlberg Kravis Roberts & Co**, expects to take a non-cash $4 billion goodwill impairment charge in the third quarter because of lower wholesale power prices, according to Reuters. KKR and **Texas Pacific Group** bought the company in 2007. In July, Standard & Poor's cut its rating on the company by four notches, saying that it sees a debt exchange as distressed and equivalent to a default.

(Reuters) – Privately held utility Energy Future Holdings Corp expects to take a non-cash $4 billion goodwill impairment charge in the third quarter to reflect the effect of lower wholesale power prices, the company said in a regulatory filing on Friday.

"The goodwill impairment charge reflects the estimated effect of lower wholesale power prices … driven by the sustained decline in forward natural gas prices," the company said in its filing.

The Dallas-based energy company, formerly known as TXU Corp, was bought out in 2007 by Kohlberg Kravis Roberts & Co and Texas Pacific Group.

Standard & Poor's in July cut its rating on Energy Future Holdings by four notches, saying it views a debt exchange by the energy company as distressed and equivalent to a default. Energy Future Holdings announced the debt exchange as it was seeking to reduce the heavy debt taken on in its 2007 leveraged buyout.
(Reporting by Nick Zieminski; Editing by Gary Hill)

Source:
https://www.pehub.com/2010/10/4bn-impairment-for-kkr-backed-energy-future-holdings/#

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

— OR —

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-12833

Energy Future Holdings Corp.

(Exact name of registrant as specified in its charter)

Texas	46-2488810
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1601 Bryan Street, Dallas, TX 75201-3411	(214) 812-4600
(Address of principal executive offices) (Zip Code)	(Registrant's telephone number, including area code)

Excerpts on Goodwill Impairment Charges Recorded in 2012 through 2015[1]

Impairment of Goodwill — In 2015, 2014, 2013 and 2012, we recorded $2.2 billion, $1.6 billion, $1.0 billion and $1.2 billion, respectively, in noncash goodwill impairment charges (which were not deductible for income tax purposes) related to the Competitive Electric segment. The write-offs reflected the effect of lower wholesale electricity prices in ERCOT, driven by the sustained decline in natural gas prices as discussed in *Key Risks and Challenges – Natural Gas Price and Market Heat Rate Exposure* below. Recorded goodwill related to the Competitive Electric segment totaled $152 million at December 31, 2015. See Note 5 to the Financial Statements for a description of the methods and key inputs and assumptions used by management to determine implied fair value of goodwill, the degree of uncertainty associated with those key inputs and assumptions, and the changes in circumstances that reasonably could be expected to affect the key inputs and assumptions.

The noncash impairment charges did not cause EFH Corp. or its subsidiaries to be in default under any of their respective debt covenants or have a material impact on liquidity.

See Note 5 to the Financial Statements and *Application of Critical Accounting Policies* below for more information on goodwill impairment testing and charges.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

[1] https://www.sec.gov/Archives/edgar/data/1023291/000102329116000017/efh-12312015x10k.htm#s51FFF35FC40FAD746D1E0BCB28A9EC1D

Our significant accounting policies are discussed in Note 1 to the Financial Statements. We follow accounting principles generally accepted in the US. Application of these accounting policies in the preparation of our consolidated financial statements requires management to make estimates and assumptions about future events that affect the reporting of assets and liabilities at the balance sheet dates and revenues and expenses during the periods covered. The following is a summary of certain critical accounting policies that are impacted by judgments and uncertainties and under which different amounts might be reported using different assumptions or estimation methodologies.

Impairment of Goodwill and Other Long-Lived Assets

We evaluate long-lived assets (including intangible assets with finite lives) for impairment, in accordance with accounting standards related to impairment or disposal of long-lived assets, whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For our generation assets, possible indications include an expectation of continuing long-term declines in natural gas prices and/or market heat rates or an expectation that "more likely than not" a generation asset will be sold or otherwise disposed of significantly before the end of its estimated useful life. The determination of the existence of these and other indications of impairment involves judgments that are subjective in nature and may require the use of estimates in forecasting future results and cash flows related to an asset, group of assets or investment in unconsolidated subsidiary. Further, the unique nature of our property, plant and equipment, which includes a fleet of generation assets with a diverse fuel mix and individual generation units that have varying production or output rates, requires the use of significant judgments in determining the existence of impairment indications and the grouping of assets for impairment testing. We generally utilize an income approach measurement to derive fair values for our long-lived generation assets. The income approach involves estimates of future performance that reflect assumptions regarding, among other things, forward natural gas and electricity prices, market heat rates, the effects of environmental rules, generation plant performance, forecasted capital expenditures and forecasted fuel prices. Any significant change to one or more of these factors can have a material impact on the fair value measurement of our long-lived assets. As a result of the decrease in forecasted wholesale electricity prices, potential effects from environmental regulations and changes to our operating plans in 2015 and 2014, we evaluated the recoverability of our generation assets. In 2013, we evaluated the recoverability of the assets of our joint venture to develop additional nuclear generation units. See Note 9 to the Financial Statements for a discussion of the impairment charges related to certain of those assets. Additional material impairments related to these or other of our generation facilities may occur in the future if forward wholesale electricity prices in ERCOT continue to decline or if additional environmental regulations increase the cost of producing electricity at our generation facilities.

Goodwill and intangible assets with indefinite useful lives are required to be tested for impairment at least annually (we have selected December 1 as our annual test date) or whenever events or changes in circumstances indicate an impairment may exist, such as the indicators used to evaluate impairments to long-lived assets discussed above or declines in values of comparable public companies in our industry. As required by accounting guidance related to goodwill, we have allocated goodwill to our reporting units, which are our two segments: Competitive Electric and Regulated Delivery, and goodwill impairment testing is performed at the reporting unit level. Under this goodwill impairment analysis, if at the assessment date, a reporting unit's carrying value exceeds its estimated fair value (enterprise value), the estimated enterprise value of the reporting unit is compared to the estimated fair values of the reporting unit's assets (including identifiable intangible assets) and liabilities at the assessment date, and the resultant implied goodwill amount is then compared to the recorded goodwill amount. Any excess of the recorded goodwill amount over the implied goodwill amount is written off as an impairment charge.

The determination of enterprise value involves a number of assumptions and estimates. We use a combination of fair value measurements to estimate enterprise values of our reporting units including: internal discounted cash flow analyses (income approach), and comparable publicly traded company values (market approach). The income approach involves estimates of future performance that reflect assumptions regarding, among other things, forward natural gas and electricity prices, market heat rates, the effects of environmental rules, generation plant performance, forecasted capital expenditures and retail sales volume trends, as well as determination of a terminal value. Another key variable in the income approach is the discount rate, or weighted average cost of capital, applied to the forecasted cash flows. The determination of the discount rate takes into consideration the capital structure, debt ratings and current debt yields of comparable public companies as well as an estimate of return on equity that reflects historical market returns and current market volatility for the industry. Enterprise value estimates based on

comparable company values involve using trading multiples of EBITDA of those selected public companies to derive appropriate multiples to apply to the EBITDA of the reporting units. Critical judgments include the selection of comparable companies and the weighting of the value metrics in developing the best estimate of enterprise value.

See Note 5 to the Financial Statements for additional discussion of goodwill impairment charges.

5.GOODWILL AND IDENTIFIABLE INTANGIBLE ASSETS

Goodwill

The following table provides information regarding our goodwill balance, all of which relates to the Competitive Electric segment and arose in connection with accounting for the Merger. None of the goodwill is being deducted for tax purposes.

Goodwill before impairment charges	$	18,342
Accumulated noncash impairment charges through 2014		(15,990)
Balance at December 31, 2014		2,352
Additional noncash impairment charges in 2015		(2,200)
Balance at December 31, 2015 (a)	$	152

(a) Net of accumulated impairment charges totaling $18.190 billion.

Goodwill Impairments

Goodwill and intangible assets with indefinite useful lives are required to be tested for impairment at least annually (we have selected a December 1 test date) or whenever events or changes in circumstances indicate an impairment may exist.

We perform the following steps in testing goodwill for impairment: first, we estimate the debt-free enterprise value of the business as of the testing date taking into account future estimated cash flows and current securities values of comparable companies; second, we estimate the fair values of the individual assets and liabilities of the business at that date; third, we calculate implied goodwill as the excess of the estimated enterprise value over the estimated value of the net operating assets; and finally, we compare the implied goodwill amount to the carrying value of goodwill and, if the carrying amount exceeds the implied value, we record an impairment charge for the amount the carrying value of goodwill exceeds implied goodwill.

Wholesale electricity prices in the ERCOT market, in which our Competitive Electric segment largely operates, have generally moved with natural gas prices as marginal electricity demand is generally supplied by natural gas fueled generation facilities. Accordingly, the sustained decline in natural gas prices, which we have experienced since mid-2008, negatively impacts our profitability and cash flows and reduces the value of our generation assets, which consist largely of lignite/coal and nuclear fueled facilities. While we had partially mitigated these effects with hedging activities, we are now significantly exposed to this price risk. Because of this market condition, our analyses over the past several years have indicated that the carrying value of the Competitive Electric segment exceeds its estimated fair value (enterprise value). Consequently, we continually monitor trends in electricity prices, natural gas prices, market heat rates, capital spending for environmental and other projects and other operational factors to determine if goodwill impairment testing should be done during the course of a year and not only at the annual December 1 testing date.

During the fourth quarter of 2015, we performed our goodwill impairment analysis as of our annual testing date of December 1. Further, during the fourth quarter of 2015, there were significant declines in the market values of several similarly situated peer companies (with respect to our Competitive Electric segment) with publicly traded equity, which indicated the overall enterprise value of our Competitive Electric segment should be reassessed. Our testing resulted in an impairment of goodwill of $800 million at December 1, 2015, which we reported in the Competitive Electric segment results.

During the first nine months of 2015, we experienced impairment indicators related to decreases in forward wholesale electricity prices when compared to those prices reflected in our December 1, 2014 goodwill impairment

testing analysis. As a result, the likelihood of a goodwill impairment had increased, and we initiated further testing of goodwill. Our testing of goodwill for impairment during the first nine months of 2015 resulted in impairment charges totaling $1.4 billion, which we reported in the Competitive Electric segment results.

Key inputs into our goodwill impairment testing at December 1, September 30 and March 31, 2015 and December 1, 2014 were as follows:

- The carrying value (excluding debt) of the Competitive Electric segment exceeded its estimated enterprise value by approximately 48% at December 1, 2015 and 17% at December 1, 2014.

- The fair value of the Competitive Electric segment was estimated using a two-thirds weighting of value based on internally developed cash flow projections and a one-third weighting of value using implied cash flow multiples based on current securities values of comparable publicly traded companies. The internally developed cash flow projections reflect annual estimates through a terminal year calculated using a terminal year EBITDA multiple approach.

- The discount rates applied to internally developed cash flow projections were 6.00% for the impairments recorded in 2015 and 6.25% at December 1, 2014. The discount rate represents the weighted average cost of capital consistent with our views of the rate that an expected market participant would utilize for valuation, including the risk inherent in future cash flows, taking into account the capital structure, debt ratings and current debt yields of comparable public companies as well as an estimate of return on equity that reflects historical market returns and current market volatility for the industry.

- The cash flow projections used in both 2015 and 2014 assume rising wholesale electricity prices, although the forecasted electricity prices are less than those assumed in the cash flow projections used in prior goodwill impairment testing.

Changes in the above and other assumptions could materially affect the calculated amount of implied goodwill and any resulting goodwill impairment charge.

During the third quarter of 2014, we experienced an impairment indicator related to significant decreases in forward wholesale electricity prices when compared to those prices reflected in our December 1, 2013 goodwill impairment testing analysis. As a result, the likelihood of a goodwill impairment had increased, and we initiated further testing of goodwill as of September 30, 2014, which was completed during the fourth quarter. Our testing resulted in an impairment of $1.6 billion of goodwill at September 30, 2014, which we recorded in the fourth quarter of 2014 and is reported in the Competitive Electric segment results.

During the fourth quarter of 2014, we also performed our goodwill impairment analysis as of our annual testing date of December 1. During the fourth quarter of 2014, we completed our annual update of our long-range financial and operating plan, which reflected extended seasonal outages and reduced operations at several of our older lignite/coal fueled generation facilities as a result of the lower wholesale electricity prices and potential impacts to those facilities from proposed environmental regulations. The resulting impairment charge recorded on our long-lived assets was factored into our December 1 goodwill impairment test. Our testing did not result in an additional impairment of goodwill at December 1, 2014.

During the fourth quarter of 2013, we recorded a $1.0 billion goodwill impairment charge related to the Competitive Electric segment. The impairment charge in 2013 reflected declines in the estimated fair value of the Competitive Electric segment as a result of lower wholesale electricity prices, the sustained decline in natural gas prices, the maturing of positions in our natural gas hedge program and declines in market values of securities of comparable companies.

The impairment determinations involved significant assumptions and judgments. The calculations supporting the estimates of the fair value of our Competitive Electric segment and the fair values of its assets and liabilities utilized

models that take into consideration multiple inputs, including commodity prices, operating parameters, discount rates, capital expenditures, the effects of proposed and final environmental regulations, securities prices of comparable publicly traded companies and other inputs. Assumptions regarding each of these inputs could have a significant effect on the related valuations. In performing these calculations, we also take into consideration assumptions on how current market participants would value the Competitive Electric segment and its operating assets and liabilities. Changes to assumptions that reflect the views of current market participants can also have a significant effect on the related valuations. The fair value measurements resulting from these models are classified as non-recurring Level 3 measurements consistent with accounting standards related to the determination of fair value (see Note 16). Because of the volatility of these factors, we cannot predict the likelihood of any future impairment.

COMMONWEALTH OF PENNSYLVANIA

BEFORE THE 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

Docket Nos. A-2025-3058927, A-2025-3059828, and A-2025-3058929

DIRECT TESTIMONY OF

BARBARA R. ALEXANDER

Barbara Alexander Consulting LLC

(Customer Service, Service Quality, and Universal Service)

ON BEHALF OF THE

OFFICE OF CONSUMER ADVOCATE

May 21, 2026

I. INTRODUCTION AND SUMMARY OF RECOMMENDATIONS

Q. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.

A. My name is Barbara R. Alexander. I am the sole member/owner of Barbara Alexander Consulting LLC. I am a consultant on consumer protection and customer service issues associated with utility regulation. My address is 44 Beech St., Hallowell, ME 04347. I appear in this case as a witness on behalf of the Pennsylvania Office of Consumer Advocate (OCA).

Q. PLEASE DESCRIBE YOUR BACKGROUND AND QUALIFICATIONS.

A. I opened my consulting practice in March 1996, after nearly ten years as the Director of the Consumer Assistance Division of the Maine Public Utilities Commission. While there, I managed the resolution of informal customer complaints for electric, gas, telephone, and water utility service, and testified as an expert witness on consumer protection, customer service and low-income issues in rate cases and other investigations before the Commission. My current consulting practice is directed to consumer protection, customer service and low-income issues associated with both regulated utilities and retail competition markets. I have testified on behalf of national and state consumer and public advocate representatives in over 30 states and Canadian jurisdictions. I have published widely on consumer protection, service quality, universal service, and retail competition policies and programs. I have assisted the Pennsylvania OCA in its restructuring activities concerning electricity and natural gas since 1997, numerous rulemaking proceedings relating to customer service, reliability of service, and consumer protection regulations, and submitted testimony on behalf of the OCA in recent

merger and sale proceedings involving Pennsylvania electric and natural gas distribution companies, including Exelon and PECO Energy in 2000, FirstEnergy and GPU Energy in 2001, the Exelon-PSE&G proceeding in 2005, the merger of UGI Utilities and PG Energy (Southern Union) in 2006, the acquisition of Duquesne Light Co. by the Macquarie Consortium (Docket No. A-110150F0035 in 2007), and the Joint Application of T.W. Phillips Gas and Oil Co. for a transfer to LDC Holdings II LLC, an indirect Subsidiary of SteelRiver Infrastructure Fund North America LP, (Docket No. A-2010-2210326 in 2011), and the petition of Aqua America, Inc. (Aqua) to purchase Peoples Natural Gas (PNG) and its natural gas distribution companies in Pennsylvania, Docket Nos. A-2018-3006061, et al. I have testified on behalf of the OCA in Peoples' Natural Gas and Aqua's recent base rate cases, as well as the recent base rate cases filed by Pennsylvania America Water Co (PAWC).

I am a graduate of the University of Michigan (1968) and the University of Maine School of Law (1976).

I attach my Resume as Exhibit BA-1.

Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?

A. I am filing direct testimony in response to the application of American Water Works Company, Inc. (American Water), and Essential Utilities, Inc. f/k/a Aqua America, Inc., Aqua Pennsylvania, Inc. (Aqua PA) and Aqua Pennsylvania Wastewater (Aqua PA WW) (collectively, Aqua), Peoples Natural Gas Company LLC (Peoples) to merge. American Water Works Co. owns and operates Pennsylvania American Water Company (PAWC). In plain language, American Water is purchasing Aqua and Peoples through their merger

with Essential Utilities, the owner of Aqua and Peoples. If approved, the Joint Application proposes that Essential Utilities would continue as the surviving corporation and would be a wholly owned subsidiary of American Water. The result, if approved, is that American Water will own and operate PAWC, Aqua, and Peoples. My testimony addresses the customer service, service quality, and affordability and low-income program implications for this transaction if it is approved.

Q. PLEASE DESCRIBE HOW YOUR TESTIMONY IS COMPLIMENTARY TO THAT OF OCA WITNESS RALPH SMITH.

A. My overall perspective is to consider the potential risks and rewards to the captive customers of PAWC, Aqua, and Peoples if this transaction is approved, specifically:

- Will Pennsylvania residential customers see any benefits in the form of lower rates, service quality improvements, customer service performance, and delivery of programs to address the affordability of essential water, wastewater, and natural gas service? The Joint Application does not provide any specific support for this.
- Who bears the risk that the integration of these public utilities and achieving earnings expected by shareholders will result in deterioration of service and higher costs recovered in future base rate cases? Pennsylvania's ratepayers.
- What substantial affirmative benefits will the public realize as a result of this merger if it is approved by the Commission? The Application merely discusses the continuation of the status quo, but did not even identify what particular existing obligations and commitments would be continued.

Q. PLEASE IDENTIFY THE EXHIBITS ATTACHED TO YOUR TESTIMONY.

A. I include the following exhibits:

- Exhibit BA-1: CV of Barbara R. Alexander, Barbara Alexander Consulting LLC
- Exhibit BA-2: AW Response to OCA-5-01
- Exhibit BA-3: AW Response to OCA-2-3; AW Responses to OCA-1-24, 1-62, and 6-12
- Exhibit BA-4: JA Response to OCA-JA-2-11
- Exhibit BA-5: AW Response to OCA-JA-2-8

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.

A. Based on the findings and analysis of OCA Witness Ralph Smith and my evaluation of the lack of customer service and affordability benefits ignored by the Joint Applicants, this proposed merger should be denied. I propose the following recommendations should the Commission determine to approve this merger. The following recommendations are high level summaries of my recommendations that reflect the more detailed exploration of policies and evidence in my testimony.

- Customer Service Performance:

1) Aqua and Peoples must meet the service quality and customer service performance standards and related requirements they agreed to in their 2020 merger as well as any additional or more strict standards and commitments agreed to in subsequent base rate case orders I have identified in Exhibit BA-4. These standards and commitments must be complied with for an extended period, that is, five years after the final order in this proceeding or five years after a final order in any pending rate case or rate case filed while this proceeding is pending, whichever is longer.

2) PAWC must meet the service quality and customer service performance requirements I have identified in this testimony, many of which are based on testimony and recommendations in PAWC's pending base rate case. These standards and commitments must be complied with for an extended period, that is, five years after the final order in this proceeding or five years after a final order in any pending rate case or rate case filed while this proceeding is pending, whichever is longer.

- Universal Service Programs:

1) Aqua and Peoples must comply with their universal service program funding and program design enhancements agreed to in their 2020 merger and expanded to include the incremental benefits from a recent rate case identified in Exhibit BA-4. These standards and commitments must be complied with for an extended period, that is, five years after the final order in this proceeding or five years after a final order in any pending rate case or rate case filed while this proceeding is pending, whichever is longer.

2) PAWC must comply with the universal service funding and program design enhancements I have identified in this testimony, many of which reflect testimony and recommendations in PAWC's pending base rate case. These standards and commitments must be complied with for an extended period, that is, five years after the final order in this proceeding or five years after a final order in any pending rate case or rate case filed while this proceeding is pending, whichever is longer.

- Reporting and Compliance: I recommend that these commitments be reported to the Commission annually for a period of five years after the final order in this proceeding

or five years after the final order in any base rate case pending or filed during the pendency of this proceeding, whichever is longer, as a compliance related filing to this transaction if it is approved. Parties to this proceeding should then be offered an opportunity for comments and recommendations based on the actual performance. A failure to meet one or more commitments should result in a formal proceeding to consider the evidence associated with the commitment and the basis for non-compliance, followed by a Commission order to implement a proper response. The "proper response" should include a credit to the applicable customer charge, the amount and duration of such credit to reflect the level of non-compliance and the timetable required to ensure future compliance.

II. SUMMARY OF WHAT THE JOINT APPLICANTS PROPOSED AS BENEFITS FOR THIS TRANSACTION.

Q. WHAT DID THE JOINT APPLICANTS STATE WITH RESPECT TO THIS TRANSACTION IN TERMS OF IMPACTS ON AQUA, PEOPLES, AND PAWC?

A. Generally speaking, the Joint Application makes high level assertions about the potential benefits to ratepayers but is very thin on details. Even when asked discovery seeking more details, the Joint Applicants' answers provide very few details, if any, and repeat the generic and high level statements in the Application. According to the filing, this transaction will make the Essential utilities—Aqua and Peoples—subject to American Water ownership and oversight. However, the application claims that there is no plan to merge PAWC and Aqua "at this time."[1] My testimony addresses the implications and

[1] Joint Application, ¶15.

necessary conditions for all three Pennsylvania utilities for all the reasons identified by OCA witness Ralph Smith. In addition to those reasons, my testimony is based on the implications of American Water's oversight and potential implementation of replacing the Pennsylvania-based customer service provided by Aqua and Peoples with the New Jersey-based customer service oversight and implementation by American Water, the nature of which or implications are not discussed by the Joint Applicants.

Q. WHAT BENEFITS DID THE JOINT APPLICANTS PROPOSE IN THEIR APPLICATION?

A. The Application and supporting testimony include only general statements about the customer service performance and universal service program benefits to this transaction to Pennsylvania customers of Aqua and Peoples. The only claimed benefits included in this Application were set forth in Appendix C which, as described by the Joint Applicants, consist of the proposed "affirmative public benefits" applicable to Aqua and Peoples.[2] These proposals include general statements about the benefits of this transaction and assurances that day-to-day programs and policies would remain in place without any conditions or commitments that can be monitored or imposed on these public utilities if the transaction is approved. These identified "benefits" basically promise to retain the respective current obligations, none of which are identified or incremental to current regulatory obligations.

Q. DO THE JOINT APPLICANTS PROPOSE ANY BENEFITS TO PAWC CUSTOMERS WITH THIS TRANSACTION?

[2] Joint Application, Appendix C.

A. No. Neither the Application nor Appendix C addressed any benefits or promises associated with the impact of this transaction on PAWC's customers.

Q. DOES APPENDIX C INCLUDE ANY SPECIFIC BENEFITS FOR CUSTOMER SERVICE QUALITY, CUSTOMER SERVICE PERFORMANCE OR AFFORDABILITY FOR CUSTOMERS OF AQUA PA OR PEOPLES?

A. No.

Q. HOW DID THE JOINT APPLICANTS JUSTIFY THE LACK OF ANY SPECIFIC CUSTOMER SERVICE OR AFFORDABILITY BENEFITS FOR CUSTOMERS OF AQUA AND PEOPLES?

A. According to the Application:

> The Joint Applicants are committed to providing high-quality essential utility services, and the Merger will not diminish in any way Aqua PA's and Peoples' current plans to deliver clean, safe, reliable and affordable service, while also adhering to safety and sustainability best practices. To the contrary, the Merger combines the expertise, experience and resources of American Water and Essential, which will permit the sharing of best practices and lead to operational efficiency and a long-term capital investment profile to support solutions to infrastructure challenges across an expanded footprint in Pennsylvania.[3]

Q. HOW DID THE JOINT APPLICANTS JUSTIFY THE LACK OF ANY SPECIFIC CONDITIONS OR COMMITMENTS FOR CUSTOMER SERVICE QUALITY OR AFFORDABILITY FOR CUSTOMERS OF AQUA PA AND PEOPLES?

A. The Joint Applicants rely on the ongoing regulatory oversight of the Commission as well as future base rate cases to ensure adequate service quality and rely entirely on allegations that any future efficiencies (none of which are identified) achieved by the merger would benefit Aqua PA and Peoples, and eventually help offset future water,

[3] Joint Application ¶ 31.

wastewater, and natural gas costs. The Joint Applicants make no promise that can be measured to lower rates or even to halt the frequent and ongoing base rate cases filed by all the parties to this merger transaction:

> First, their Commission-approved rates, rules and regulations, and the terms and conditions of service in effect when the Merger closes will not change as a result of the Merger. Second, Aqua PA[4] and Peoples will not seek rate recovery of any acquisition adjustment or "goodwill" associated with the Merger or of transaction costs incurred by the Joint Applicants or their affiliates. In fact, the Joint Applicants expect that the Merger will enable them to achieve efficiencies in the future, the benefit of which will accrue to Aqua PA and Peoples and ultimately flow to customers in future rate cases. Those economies will help to offset future increase in the costs of providing regulated water, wastewater, and natural gas service and, thus, are expected to yield, over time, lower rates than would otherwise be the case.[5]

Q. DO THE JOINT APPLICANTS PROMISE ANY SPECIFIC LEVEL OR TARGETED INFRASTRUCTURE INVESTMENTS?

A. No. The Joint Applicants have stated, "No incremental dollars or project locations have been identified at this time."[6] The Joint Applicants additionally state that:

> The expanded set of resources and greater scale achieved through the Merger will support continued investment in critical infrastructure and [their] ability to meet the evolving needs of [their] customers. As explained in the testimony of Ms. Norton, American Water has a robust centralized engineering team that supports efficient capital planning, deployment, and governance over the capital investment system. This robust capital investment program will help support the identification and prioritization of investment projects and efficiently plan for and complete those projects over the long-term. This in turn will support the provision of clean, safe, reliable and affordable service to customers.[7]

Q. WHEN ASKED TO DEFINE THE COMMITMENT OF "QUALITY OF SERVICE" IN

[4] In Appendix C, the Joint Applicant's state that the reference to "Aqua PA" is intended to refer to both Water and Wastewater companies.
[5] Joint Application ¶ 32.
[6] AW Response to OCA-JA-2-1 (a); *see also*, AW Response to OCA-JA-2-6: "The Joint Applicants have not promised to make any particular incremental investments."
[7] *Id.*

EXHIBIT C, WHAT WAS THE RESPONSE?

A. American Water committed to the current standard of service as it exists today.[8] However, no specific standard was identified. There is no evidence that quality of service will improve, or even a definition or provision of benchmarks for "service quality" that the Joint Applicants are evaluating or measuring. There is also no accountability if the Joint Applicants fail to meet certain benchmarks. There are no comparable metrics presented by the Joint Applicants which they hope to improve.

Q WHEN ASKED TO IDENTIFY ANY SPECIFIC IMPROVEMENTS OR PERFORMANCE LEVEL THAT WILL BE PROVIDED BY PAWC, AQUA PA, AND PEOPLES NATURAL GAS FOR "HIGH-QUALITY, AFFORDABLE SERVICE" IF THE MERGER IS APPROVED, WHAT WAS THE RESPONSE?

A. The Joint Applicants do not define these terms and provide no explicit means to measure or ensure a future compliance with this inchoate assertion. The Joint Applicants stated that the proposed merger:

> presents opportunities to leverage operational and financial expertise and efficiencies from complementary platforms to drive high quality, affordable service and maximize the ability to help solve water and wastewater challenges across the United States. … [T]he Merger will create a larger platform to continue and enhance industry-leading water and wastewater service and water quality best practices, support needed infrastructure investment, and drive innovation, sustainability, and a better overall customer experience.[9]

Q. DO THE JOINT APPLICANTS PROMISE ANY SPECIFIC LEVEL OF CUSTOMER SERVICE PERFORMANCE AS A CONDITION OF THIS MERGER?

A. No. Instead, the Joint Applicants note that they have a "continuous improvement mindset

[8] AW Response to OCA-JA-2-4.
[9] AW Response to OCA 2-16(c).

and that includes looking for opportunities to improve or enhance the service [they] provide to customers."[10] The Joint Applicants also state that "the Merger will create a larger platform to … drive innovation, sustainability, and a better overall customer experience."[11] To promise "looking for opportunities," is not equivalent to substantial evidence of affirmative public benefits. Nor do these statements allow ratepayers or this Commission to determine compliance with this high level assertion if this merger is approved.

Q. DO THE JOINT APPLICANTS PROMISE ANY SPECIFIC LEVEL OF UNIVERSAL SERVICE PROGRAM IMPROVEMENTS OR AFFORDABILITY FOR BASIC WATER, WASTEWATER, OR NATURAL GAS SERVICE AS A CONDTION OF THIS MERGER?

A. No. The Joint Applicants rely on the current rates and tariffs in effect at the time of the Application and make statements that do nothing more than describe current obligations and requirements under Pennsylvania law and regulations. For example, the Joint Applicants note that the Merger will "enable [the Joint Applicants] to achieve efficiencies in the future, the benefits of which will accrue to Aqua PA and Peoples and ultimately flow to customers in future rate cases."[12] There is nothing in the Joint Application that identifies these "efficiencies," when they will be identified and implemented, or how they will impact customers in future rate cases. With regard to affordability of essential utility services, the Joint Applicants continue their vague and

[10] AW Response to OCA-2-5.
[11] AW Response to OCA 2-16(c).
[12] AW Response to OCA-2-1 (b).

undefined promises, stating for example:

> Aqua PA is committed to a continued focus on maintaining affordable bills for its customers. Going forward it will continue to evaluate the balance between required infrastructure investment and its impact on the communities that it serves. With this merger, a combined group of water and wastewater professionals will be able to add their expertise in focusing on this key topic.[13]

Q. WHAT DO THE JOINT APPLICANTS SAY ABOUT THE IMPACT OF THIS MERGER ON THEIR LOW-INCOME ASSISTANCE PROGRAMS?

A. Both Aqua PA and Peoples state, "The Company does not expect any impacts on its low income programs as a result of the approval of the proposed Merger."[14] When American Water was asked how the respective low-income customers would benefit from the merger, their response stated only that "[t]he Joint Applicants expect that all PAWC, Aqua and Peoples Gas customers, including low-income customers, will benefit from the Merger."[15] The Joint Applicants also stated that they "intend to continue PAWC's, Aqua PA's, and Peoples Natural Gas' existing customer assistance programs following the merger" and that "[a]t this time, American Water has not identified any changes to these programs to occur post-merger." These responses confirm the lack of any substantial affirmative benefits or other indicia of affordability that will occur because of this Merger.

[13] JA Response to OCA-JÁ-2-19.
[14] JA Response to CAUSE-JA-II-12.
[15] AW response to CAUSE-JA-II-13.

Q. WHEN ASKED TO DEFINE "BEST PRACTICES" AND "BETTER OVERALL CUSTOMER EXPERIENCE" AS REFLECTED IN THE RESPONSE TO OCA-JA-2-16 AND GIVE EXAMPLES OF THE EVIDENCE THAT WILL BE USED OR COULD BE USED TO TRACK THIS COMITTMENT, DID THE JOINT APPLICANTS IDENTIFY ANY SPECIFIC COMMITMENT OR PERFORMANCE?

A. No. The response to this request resulted in a generic definition of "best practices" and "better overall customer experience," but did not identify any specific examples of how industry-leading water and wastewater "best practices" would be enhanced by the Merger or of how "aligning processes, technologies, and organizational structures across the combined entity will provide more consistent and higher quality service, leading to a "better overall customer experience." I include the AW Response to OCA-5-01 as Exhibit BA-2.

Q. DO THE JOINT APPLICANTS PROMISE ANY EFFICIENCIES OR RATE RELATED BENEFITS AS A RESULT OF FUTURE "ECONOMIES" FOR AQUA PA OR PEOPLES CUSTOMERS?

A. No. When originally asked about the status or potential benefits associated with the integration of Aqua PA and Peoples, the response was that, "The Joint Applicants have only recently started having integration discussions and therefore the Joint Applicants have not yet developed an integration plan that may help identify merger related efficiencies, synergies or other measurable benefits."[16] The Joint Applicants have more recently stated that as a result of initial integration discussions, that they "have identified

[16] AW Response to OCA-2-3; *see also* AW Responses to OCA-1-24, 1-62, 6-12.

the opportunity for efficiencies but have not yet quantified the costs to achieve Merger-related synergies or quantified such efficiencies."[17] The Joint Applicants further state:

> While American Water fully anticipates that the proposed merger will produce efficiencies in various functional areas, any ongoing efficiencies will be included and aligned with the rate period in subsequent Pennsylvania utility base rate cases. To the extent that ongoing realized savings, net of the cost to achieve, exist they would be included in the next base rate case for the Pennsylvania utilities. This would include any such request for recovery of transition and implementation costs, at which time the Commission would have an opportunity to review such costs.[18]

I attach several data responses that confirm the lack of any identification of efficiencies or the costs to identify or achieve any efficiencies as Exhibit BA-3.

Q. PLEASE SUMMARIZE YOUR EVALUATION OF THESE ATTEMPTS TO DETERMINE SPECIFIC CUSTOMER SERVICE OR AFFORDABILITY BENEFITS FOR CUSTOMERS OF AQUA PA, PEOPLES AND PAWC.

A. As I have identified above, the Joint Application, supporting testimony, and responses to discovery in this proceeding emphasize high level and generic statements without any specific performance standard or condition that would allow these generic statements to be measured, tracked, and ensured of being delivered to Pennsylvania customers of all three public utilities. The Joint Applicants are asking the Commission to approve a merger and change of control based on it providing "substantial affirmative benefits" to the public, yet in their application and answers to discovery, they have failed to identify any "substantial affirmative public benefits." The Joint Applicants have only recently identified the "opportunity" to realize efficiencies that they "expect" will provide benefits to Aqua PA and Peoples and could eventually result in some benefit to the ratepaying

[17] AW Response to OCA-6-12(f).
[18] *Id.*

customers through future base rate cases. According to the Joint Applicants, however, even if the proposed Merger resulted in efficiencies or synergies, ratepayers would only see a benefit in future base rate cases "to the extent that ongoing realized savings, net of the cost to achieve, exist." In other words, if the costs to achieve those efficiencies outweigh any savings, ratepayers would see no savings or benefits and instead would see those costs reflected in the revenue Joint Applicants' subsidiaries seek to recover from ratepayers in future base rate cases. The decision to recover costs to achieve efficiencies from ratepayers instead of shareholders has the potential to creating costs that are higher, rather than lower, than they would have been absent the Merger. Indeed, Aqua and People's customers could see more frequent base rate cases and requests to increase rates if the historical frequency of PAWC's base rate cases is passed on to American Water's new affiliates in Pennsylvania.

Q. IN YOUR OPINION, BASED ON YOUR EXPERIENCE IN PRIOR MERGER AND ACQUISITION PROCEEDINGS IN PENNSYLVANIA, HAVE THE JOINT APPLICANTS MET THEIR BURDEN OF PROOF?

A. No. Instead of addressing costs and synergies in this merger application or proposing specific rate relief or rate case stay out provisions or rate freezes, the Joint Applicants provide scant details regarding the transaction and fail to meet their burden of proof through substantial evidence. As a result, the Joint Applicants shift all of the risk of achieving any improvement in customer service, infrastructure investments, efficiencies, synergies, or rate impacts from the shareholders who will benefit from this transaction to captured customers who have no option for their essential water, wastewater, and natural

gas service. In addition to the lack of any specific benefits in customer service, quality of service, or affordability, the Joint Applicants have shifted the risk of any deterioration of these essential criteria for adequate service from shareholders and management to customers. My evaluation demonstrates that the Joint Applicants have failed to demonstrate that the proposed Merger would provide substantial affirmative public benefits as required for Commission approval. Joint Applicants have failed to meet the standard because the Joint Application fails to identify any affirmative benefits, shifts one hundred percent of the risks of achieving improvements from shareholders to ratepayers, and neglects to provide any mechanism for accountability regarding the Joint Applicants proposed "benefits." Finally, and while the legal issue will be addressed in more detail in briefs, the standard for approval of transfers of control of utility companies in Pennsylvania, such as this one, is that the transfer must provide "substantial affirmative benefits" to the public. Providing substantial affirmative benefits is different than "doing no harm" or "maintaining the status quo," which may be standards for approval of such proceedings in other jurisdictions, or approval of mergers that do not involve a utility. The Joint Applicants have not satisfied that standard in the slightest.

III. JUSTIFICATION FOR PERFORMANCE AND AFFORDABILITY CONDITIONS FOR THIS TRANSACTION

Q. PLEASE DESCRIBE WHY THE JOINT APPLICANTS' APPLICATION AND JUSTIFICATION FOR THIS MERGER ARE DEFECTIVE.

A. First, the high level promises about the benefits to customers in terms of customer service quality, customer service performance, and affordability of basic utility service are

without any specific conditions or commitments. Second, the Joint Applicants even refuse to commit to maintaining their current level of customer service performance or affordability of service, shifting such responsibilities to future rate cases and shifting the burden to the Commission and consumer advocates to show that such deterioration has occurred and with what impacts. Punting these important issues to a future case is not sufficient to support granting the Joint Application now. Furthermore, their claim that benefits might result in efficiencies and lower rates than otherwise would be the case, ring hollow in light of the ongoing and future potential base rate cases, the nature and timing for which rests entirely in the control of American Water, that will increase rates and threaten affordability of essential water, wastewater, and natural gas service. Instead, the Joint Applicants request that the Commission essentially rubber-stamp their merger application and ignore/disregard Pennsylvania's substantial affirmative public benefits standard.

Q. PLEASE IDENTIFY THE FREQUENCY OF RECENT RATE CASES FILED BY THE JOINT APPLICANTS AND PAWC IN PENNSYLVANIA.[19]

A. These public utilities have filed frequent base rate cases that have resulted in significant rate increases for their residential customers. The lack of any commitments to savings, efficiencies, or other benefits to ameliorate the frequency of these rate increases threatens the affordability of basic water, wastewater, and natural gas service.

Aqua PA:

- Docket Nos. R-2024-3047822 & R-2024-3047824 (W & WW). May 23, 2024

[19] JA Response to OCA-4-4; AW Response to OCA-4-4; EU Response to OCA 4-8.

- Docket Nos. R-2021-3027385 & R-2021-3027386 (W & WW). August 20, 2021
- Docket Nos. R-2018-3003558 & R-2018-3003561 (W & WW). August 17, 2018
- Docket No. R-2011-2267958 (W). November 18, 2011
- Docket No. R-2009-2132019 (W). November 18, 2009

Peoples:

- Docket No. R-2026-3060855 (Peoples). Filed March 27, 2026
- Docket No. R-2023-3044549 (Peoples). December 29, 2023
- Docket No. R-2018-3006818 (Peoples). January 28, 2019
- Docket No. R-2012-2201702 (Peoples). February 28, 2012
- Docket No. R-2010-2201702 (Peoples). October 28, 2010
- Docket No. R-2008-2029325 (Equitable). June 30, 2008

PAWC:

- Docket No. R-2025-3058051(November 14, 2025) (Pending)
- Docket No. R-2023-3043189 (November 8, 2023)
- Docket No. R-2022-3031672 (April 29, 2022)
- Docket No. R-2020-3019369 (April 29, 2020)
- Docket No. R-2017-2595853 (April 28, 2017)

Q. AS A RESULT OF THE LACK OF ANY IDENTIFIABLE BENEFITS FOR THIS PROPOSED MERGER FOR EITHER THE JOINT APPLICANTS OR PAWC, WHAT DO YOU RECOMMEND?

A. Based on the findings and analysis of OCA witness Ralph Smith and my evaluation of the lack of customer service and affordability benefits ignored by the Joint Applicants, this proposed merger should be denied. Also, like OCA witness Smith, I identify the minimum customer service performance, service quality, and universal service program benefits that the Commission should adopt if the merger is approved.

Q. IS YOUR APPROACH SIMILAR TO WHAT YOU PROPOSED AND WHAT WAS ADOPTED IN A SETTLEMENT OF THE APPLICATION BY AQUA TO ACQUIRE PEOPLES APPROVED IN 2020?[20]

A. Yes. That proceeding was resolved by a non-unanimous settlement that was adopted with numerous and specific customer service and affordability conditions applicable to both Aqua PA and Peoples. I understand that a settlement is not dispositive of future proceedings. However, the actual settlement conditions included in that proceeding are directly applicable to, and should be replicated in, this proceeding if the joint application is to be approved by the Commission. My primary recommendation if the merger is approved is that the performance conditions that Aqua PA and Peoples agreed to implement in 2020 should be adopted if the Commission approves the joint application because they reflect reasonable performance targets that have been accepted by both

[20] *Joint Application of Aqua America Inc., Aqua Pennsylvania Inc., Aqua Pennsylvania Wastewater Inc., and Peoples Natural Gas Company LLC for All of the Authority and Necessary Certificates of Public Convenience to Approve a Change in Control of Peoples Natural Gas Company LLC by Way of the Purchase of All of LDC Funding LLC's Membership Interests by Aqua America Inc.*, Docket Nos. A-2018-3006061, et al., (January 25, 2020) Order at 136-162.

utilities. Furthermore, these public utilities have agreed to additional consumer protections and service quality commitments in recent rate cases. As written, the Joint Application fails to provide for substantial affirmative public benefits. If the Commission approves the proposed Merger, the Joint Applicants should be held, at a minimum, to stricter commitments than are currently applicable to document and assure actual defined benefits.

IV. CUSTOMER SERVICE PERFORMANCE AND UNIVERSAL SERVICE PROGRAM COMMITMENTS AGREED TO IN THE COMMISSION'S 2020 ORDER APPROVING THE AQUA AND PEOPLES MERGER

Q. WHAT CUSTOMER SERVICE PERFORMANCE COMMITMENTS DID AQUA AND PEOPLES AGREE TO MEET IN THE PRIOR MERGER AS APPROVED IN 2020?

A. In the settlement and final order in the 2020 merger proceeding, Aqua and Peoples made the following commitments concerning customer service which were adopted by the Commission.[21]

Aqua PA Customer Service Commitments:

Aqua first committed to improving its call center performance for the next five calendar years after closing. Specifically, Aqua committed to meeting or exceeding the metrics of answering at least 82% of calls within 30 seconds, having a busy-out rate of no more than 0.25%, and an average call abandonment rate no higher than 2.5%.

[21] *Id.* at 152-155 (citing Settlement ¶¶ 83-95).

Aqua further committed to developing a live Excel spreadsheet system to track its customer complaints, reviewing the information through conducting a root cause analysis of adverse trends, and, within 24 months, reducing the average number of days to respond to customer complaints to less than 10 days.

To track appointments that were made and kept for field operations, Aqua PA committed to developing and adopting a methodology similar to that used by the Peoples Companies, and adopting internal performance standards meeting or exceeding those of the Peoples Companies for five years following closing.

Aqua PA also committed to meeting multiple performance objectives for five years after closing at a comparable or stricter level than provided for in the settlement. The objectives were an estimated read rate of less than 0.5%, and actual read rate of 99%, 19 lost time accidents, 4.1 responsible vehicle accidents, a 99.5% compliance with water regulations, and a 94.5% compliance with wastewater regulations.

Aqua PA committed to providing a yearly report to OCA, I&E, and OSBA for five years after closing demonstrating its achievement of its service quality metrics, outlining the actual metrics achieved and expected actions for the following year to further improve their customer service. Aqua PA's yearly report is to include reasons for any failure to achieve its service quality metrics and its plan to achieve the metric. Aqua PA also committed to convening a collaborative with OCA, I&E, and OSBA to discuss the report. Aqua America made the same commitments regarding the Peoples Companies' service quality metrics.

Peoples Customer Service Commitments:

The Peoples Companies committed to meeting multiple performance objectives for five years after closing at a comparable or stricter level than provided for in the settlement. The committed to standards were a call center service level of 82%, a 2.0% call abandonment rate, a 0% busy-out rate, a.008% rate of bills not rendered each billing period, a .15% rate of meters not read within 6 months, a 1% rate of company disputes not answered within 30 days, and an average emergency response time of 27.5 minutes.

The Peoples Company further committed to tracking their field operations appointments and continuing its standard of meeting 99% of all appointments for five years, as well as meeting the overall average performance customer survey results reflected in the 2017-2018 results.

Finally, Aqua America and the Peoples Companies committed to maintaining or increasing the location and staffing of call center employees in PA, maintaining the Peoples Companies' call center within Peoples service territory and in or near Pittsburgh. If it becomes apparent that the Pittsburgh call center performance lags the results of the other call centers, Aqua America reserved the right to initiate discussion with the Commission and interested parties to explore mitigation alternatives if it became apparent that the Pittsburgh call center performance lagged the results of the other call centers, but any significant reductions in Pennsylvania call center staffing or transfer of call center employment outside of Pennsylvania remains subject to Commission approval.

Q. WHAT UNIVERSAL SERVICE PROGRAM COMMITMENTS DID AQUA AND PEOPLES AGREE TO MEET IN THE PRIOR MERGER?

A. Aqua and Peoples agreed to the following universal service program commitments:[22]

The Peoples Companies agreed to increased funding for the Companies' Universal Service Programs, including its Customer Assistance Program ("CAP"), Low Income Usage Reduction Program ("LIURP"), CARES, and hardship fund with an amended Universal Service Plan. Aqua America agreed that its shareholders would contribute historical universal service program contribution levels for the Peoples Companies' LIURP for four years after the date of closing.

Aqua America agreed that its shareholders would contribute an additional $100,000 each year for four years after closing to Dollar Energy.

Aqua America agreed that it would increase the Peoples Companies' LIURP emergency furnace repair by $75,000 and that the program will amend eligibility criteria to include renters as well as homeowners. This increase would be paid by Aqua America shareholders for a three-year period post-closing.

Aqua America agreed to continue to use community-based organizations within the Peoples Companies' service territories for delivery, implementation, and community financial support of Universal Service programs. The Peoples Companies will also continue to promote their hardship fund through its public advertising and sponsorship of such activities that bring in additional non-shareholder revenue to the Dollar Energy

[22] *Id.* at 136-140 (citing Settlement at ¶¶ 98-111).

Fund.

Regarding the administration of its CAP and hardship fund, the Peoples Companies agreed to partner with an agency that: (a) can increase the number of intake sites; (b) is an administrator of utility CAP programs for the electric distribution companies ("EDCs") or natural gas distribution companies ("NGDCs") in its service territory; (c) recruits and partners with multi-service agencies; and, (d) uses a case management system to track and monitor referrals and enrollments into utility programs.

The Peoples Companies agreed to continue the Peoples Universal Service Advisory Group and invite community-based organizations ("CBOs"), Low-Income Advocates, the OCA and other interested stakeholders. The Group will meet quarterly to discuss all universal service issues including, but not limited to, recommendations concerning LIURP, LIURP eligibility, concerns and landlord issues that may present a barrier to customer participation.

Aqua PA agreed to leverage the Peoples Companies' experience with programming for low-income customers for the benefit of Aqua PA's low-income customers.

Aqua PA agreed to invite at least one member of the Peoples Companies' current Universal Service Staff to its Helping Hand Collaborative meetings and agreed to invite staff in charge of collections to the Peoples Companies' Universal Service Advisory Committee meetings.

Aqua PA agreed to extensive new data collection and reporting requirements to identify estimated and confirmed low-income customers and bill payment experience for

those customers.

Aqua PA agreed to implement a comprehensive universal service and conservation program that includes: (1) a bill payment/customer assistance program; (2) a hardship fund; (3) a water conservation program; (4) a low income service repair line and replacement program; and (5) a comparable funding mechanism that exists for electric and gas utilities in Pennsylvania.

Aqua America agreed that its shareholders would contribute an additional $50,000 to the hardship grant component being developed for Aqua PA's Helping Hand Program annually for four years.

The Peoples Companies agreed to continue the current Universal Service organization structure and staffing levels for its Universal Service Programs as outlined and explained in the Peoples Companies' current Universal Service and Energy Conservation Plan for at least five years. In addition, Aqua America committed to ensuring that the Peoples Companies' universal service staff had the appropriate authority and discretion to continue to operate the Peoples Companies' Universal Service programs in a manner which is reasonably consistent with the manner in which the programs were operated prior to the acquisition.

The Peoples Companies agreed to continue the "Help at Peoples Now" program that allows field employee personnel to make referrals to the Peoples Companies for payment and payment arrangements in lieu of termination of service for at least the next five years after closing.

Q. HAVE THESE 2020 MERGER CONDITIONS BEEN UPDATED DUE TO MORE RECENT BASE RATE CASES FOR AQUA PA AND PEOPLES?

A. Yes. I attach Exhibit BA-4, JA Response to OCA-JA-2-11 that identifies the most recent versions of these prior commitments for customer service and universal service programs as reflecting subsequent base rate case settlements that expanded some of the earlier merger commitments.

Q. WHAT IS YOUR RECOMMENDATION FOR CUSTOMER SERVICE AND AFFORDABILITY COMMITMENTS THAT SHOULD BE ADOPTED AS CONDITIONS FOR THIS APPLICATION IF THE PROPOSED MERGER IS APPROVED?

A. My recommendations identify measurable and explicit benefits that reflect current obligations and specific improvements that should be delivered and monitored for compliance as conditions if this merger is approved. My recommendations are directed to Aqua PA, Peoples, and PAWC. My recommendations will require American Water, as the owner responsible for the implementation of these benefits, to ensure that all the Pennsylvania ratepayers impacted by this merger see reasonable and actionable benefits in customer service performance and affordability programs.

Q. WHAT IS THE PERIOD DURING WHICH YOUR RECOMMENDATIONS SHOULD BE ORDERED AS A CONDITION OF THIS MERGER APPLICATION?

A. I recommend that any specific customer service and universal service funding and program design commitments be required for a period equal to the latest of five years after the final order in this proceeding or five years after the final order in any pending

base rate case before the Commission at the time of the final order in this proceeding., whichever is longer. My recommendation for a five year compliance requirement reflects my opinion about the importance of these commitments and the obligation to ensure not only affirmative benefits but to prevent the risks of deterioration of service and affordability that I have identified in my analysis of this Application. Furthermore, many of these proposed commitments reflect prior agreements of Peoples and Aqua that should be continued during this transition to ownership and control by American Water.

Q. WHAT SPECIFIC COMMITMENTS SHOULD BE IMPLEMENTED FOR PEOPLES AND AQUA PA?

A. First, at a minimum all these commitments reflected in the 2020 merger and the recent additions identified in Exhibit BA-4 should be explicitly attached to any approval of this application to link these performance requirements and obligations to the proposed acquisition. In addition, if stricter or additional performance and universal service program funding and design are ordered in a pending base rate case for Aqua, Peoples, and PAWC, those more strict or expansive requirements should be added to my recommendations. In order to prevent deterioration of service, the current customer service performance, complaint incidents that reflect compliance with Pennsylvania consumer protections, and universal service program funding and design commitments will provide the necessary baseline performance requirements to evaluate the potential for future improvements in customer service performance and universal service funding and program design that the Joint Applicants generically promise will occur if this merger is approved. My recommendations will also prevent deterioration of service and

performance of universal service programs that may occur with the implementation of this merger. The result of this recommendation is that the 2020 merger conditions will be required to be continued for a longer period of time without the obligation to relitigate those performance requirements in pending or future rate cases for Aqua and Peoples.

Q. WHAT DO YOU RECOMMEND WHEN THESE PRIOR COMMITMENTS REFERRED TO "SHAREHOLDER" CONTRIBUTIONS?

A. I recommend that if this merger is approved, that the "shareholder" contributions identified in these prior commitments be imposed on American Water's shareholders.

Q. WHAT DO YOU RECOMMEND FOR CUSTOMER SERVICE PERFORMANCE AND UNIVERSAL SERVICE PROGRAMS FOR PAWC?

A. PAWC has a pending base rate case before the Commission in Docket Nos. R-2025-3057983 (W) and R-2025-3058051 (WW). I recommend the following customer service performance conditions for this application based on my exploration of PAWC's customer performance and recommendations in that proceeding. In addition, I have considered PAWC's internal customer service performance metrics included in AW Response to OCA-JA-2-8 that I attach as Exhibit BA-5.

- As reflected in Exhibit BA-5, PAWC's internal performance goals for its call center only address the percentage of calls answered within 60 seconds rather than 30 seconds and does not reflect any abandonment service level. PAWC should be held to a performance level that is no less than the call center performance agreed to by Aqua PA and Peoples in their prior merger and recent rate case settlements, namely answering a minimum of 80% of the calls with a customer service representative

within 30 seconds with an abandonment rate of 2.5%. This commitment will require an improved performance compared to PAWC's current call center performance, particularly with respect to the abandonment rate.

- PAWC should be required to undertake an annual audit and investigation of customer call center compliance with Pennsylvania's regulations by not only investigating customer complaints but affirmatively reviewing a valid sample of customer calls and subsequent transactions to find and respond to potential violations or improperly handled calls. Such audits with their findings and responses in the form of internal action undertaken should be included in the annual compliance filing I recommend below.
- PAWC should be required to conduct a proper root cause analysis[23] of customer disputes, informal, and formal complaints to identify complaint trends, underlying causes, and reforms or other steps undertaken to respond to these findings. PAWC should share its plan to conduct, and methodology for, a root cause analysis with stakeholders prior to undertaking such analysis. A root cause analysis that complies with this commitment should be completed within six months of the final order in this proceeding and submitted annually as part of my recommended annual compliance filing.
- I recommend that PAWC be required to amend its contracts for its third-party call centers to require specific performance standards and penalty provisions relating to answering calls in a timely manner, abandonment rate, and compliance with

[23] A "proper root cause analysis" is one that complies with the overall content and analytical techniques recommended by the American Society for Quality. *See*, https://asq.org/quality-resources/root-cause-analysis.

Pennsylvania regulations governing consumer protections.

- American Water's current marketing of non-basic services to PAWC customers should be reformed to eliminate the use of the similar name of American Water Resources (and use the name of the correct corporate entity offering such services), and revise its bill presentation of non-basic services to a separate page from the presentation of regulated utility services.
- American Water should require PAWC, Peoples, and Aqua to affirmatively solicit alternative providers of non-basic services and offer to bill and collect such services for any qualified vendor.
- PAWC's internal goals for reliability of service, field operations appointments, outage response time, and compliance with water quality requirements as described in Exhibit BA-5 should also be included as specific commitments in this proceeding.

Q. WHAT UNIVERSAL SERVICE COMMITMENTS DO YOU RECOMMEND BE APPLICABLE TO PAWC IF THIS MERGER IS APPROVED?

A. I recommend the following commitments should be adopted for universal service programs and funding:

- Bill Discount Program: PAWC should adopt an internal process to identify its low-income customers with enhanced screening process at the time of the customer's enrollment, expand its enrollment in bill payment assistance program by directing customers to the program before they enter into a payment agreement or before they are subject to disconnection for nonpayment. PAWC shall coordinate its outreach and enrollment efforts with its low-income enrollment group to increase enrollment in

the Bill Discount Program and its Arrears Management Program. The enrollment target should be set at 20% per year of PAWC's estimated low-income customer counts until at least a 75% enrollment level is reached.

- PAWC's Arrears Management Program should be modified to allow customers to earn a monthly arrearage forgiveness credit for each complete payment by the customers, regardless of timeliness, and retroactive credits should be provided once the household pays its in program balance in full. The program should be modified to expand the monthly credit provided by a timely payment or for a cured missed or late payment to give complete forgiveness in a pro rata fashion over a 24-month period. Furthermore, PAWC should enroll all Bill Discount Program new and current participants that have qualifying arrears in the Arrears Management Program without additional application or additional steps.
- PAWC should develop screening protocols and enhanced outreach and educational efforts to increase enrollment in the Bill Discount Program and Arrears Management Program in collaboration with its low-income advisory group.
- PAWC should develop a low-income comprehensive conservation and leak repair/replacement assistance program, including actual leak repair and line replacement, available to all customers under 150% of federal poverty level to reduce wasteful and expensive usage and control water usage costs.
- PAWC should increase its shareholder contribution to the Hardship Fund and expand the grants available for that program to $750 for water and $750 for wastewater.
- PAWC should develop a comprehensive Universal Service Plan designed to

coordinate and enhance customer awareness of and enrollment opportunities for its low-income programs in available programs.

- The deadlines for implementation of these commitments should be within six months after the final order in this proceeding.

V. REPORTING AND COMPLIANCE MECHANISMS

Q. WHAT REPORTING AND COMPLIANCE MECHANISMS DO YOU RECOMMEND FOR THESE COMMITMENTS?

A. I recommend that these commitments be reported to the Commission annually for a period of five years after the final order in this proceeding or five years after the final order in any base rate case pending or filed during the pendency of this proceeding, whichever is longer, as a compliance related filing to this transaction if it is approved. Parties to this proceeding should then be offered an opportunity for comments and recommendations based on the actual performance. A failure to meet one or more commitments should result in a formal proceeding to consider the evidence associated with the commitment and the basis for non-compliance, followed by a Commission order to implement a proper response. The "proper response" should include a credit to the applicable customer charge, the amount and duration of such credit to reflect the level of non-compliance and the timetable required to ensure future compliance. While it is possible to develop a formula to link the level of non-compliance with the amount of credit to the customer charge, I do not recommend this level of detail at this time, leaving to the Commission the discretion to link the level of noncompliance and the length of time that such as occurred to the proper remedy. However, it is important to ensure that

American Water's shareholders bear some level of risk for the failure to ensure a reasonable level of customer service performance and affordability for Pennsylvania's most vulnerable customers in this application for proposed merger.

Q. IS IT POSSIBLE TO RELY ON FUTURE BASE RATE PROCEEDINGS TO ADDRESS COMPLIANCE AND/OR THE FAILURE TO COMPLY WITH THESE COMMITMENTS?

A. No. This allows Aqua PA, Peoples, and PAWC to determine how and when these issues can be publicly addressed. My recommendation for an annual compliance report to the Commission in this proceeding allows for a clear linkage between the merger at issue and the affirmative benefits that should flow from its approval. Of course, the results of these annual compliance filings may also be considered in the context of any future base rate case as evidence of prudent management and adequate customer service affecting the proper level of a return on equity.

VI. THIS PROCEEDING SHOULD ENSURE THAT RISKS OF NONCOMPLIANCE AND DETERIORATION MUST BE SHIFTED TO SHAREHOLDERS AND NOT CUSTOMERS

Q. IF THIS ACQUISITION RESULTS IN DETERIORATION IN CUSTOMER SERVICE QUALITY OR AFFORDABILITY FOR CUSTOMERS OF AQUA PA, PEOPLES OR PAWC DUE TO THE RISKS THAT YOU AND OTHER OCA WITNESSES HAVE IDENTIFIED, WHAT ARE THE LIKELY CONSEQUENCES?

A. There are two potential consequences if either Aqua, Peoples, or PAWC are allowed to implement this transaction without any substantial affirmative public benefits. First,

shareholders will experience their benefits from this transaction, but captive customers will suffer deterioration of service or lack of any incremental improvement in service, efficiencies, affordability or potential savings. Second, the lack of any explicit and well-defined benefits to Pennsylvania customers will shift the burden to affected customers and their representatives to address any deterioration in customer service or address failing customer service performance in a base rate case or separate investigation, but the lack of formal reporting or specific performance standards will make investigations difficult, costly, and contentious. Most importantly, without specific performance requirements and program design and funding for affordability programs, the failures or deterioration in performance cannot be linked explicitly to the approval of this transaction. Any commitment to "best practices" and "better overall customer experience" must be accompanied by specific commitments to make such generic promises actionable.

Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

A. Yes.

Exhibit BA-1

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PRIOR Clients:

AARP
Pennsylvania Office of Consumer Advocate
Public Counsel Unit, Attorney General, Washington
Arkansas Attorney General
The Public Utility Project of New York
Ohio Office of Consumer Counsel
District of Columbia Office of People's Counsel
Delaware Division of Public Advocate
Maryland Office of People's Counsel
TURN (The Utility Reform Network), California

Areas of Expertise:

- Default Service, Consumer Protection, Service Quality, and Universal Service policies and programs associated with the alternative rate plans and mergers;
- Consumer Protection and Service Quality policies and programs associated with the regulation of competitive energy and telecommunications providers;
- The regulatory policies associated with the regulation of Credit, Collection, Consumer Protection, Low Income, and Service Quality programs and policies for public utilities;
- Customer Education and Rate design and pricing policies applicable to residential customers; and
- Advanced Metering Infrastructure and Grid Modernization costs and benefits, time-based pricing proposals, and performance standards.

Prior Employment

DIRECTOR

1986-96

Consumer Assistance Division

Maine Public Utilities Commission *Augusta, Maine*

One of five division directors appointed by a three-member regulatory commission and part of commission management team. Direct supervision of 10 employees, oversight of public utility consumer complaint function, appearance as an expert witness on customer services, consumer protection, service quality and low income policy issues before the PUC. Chair, NARUC Staff Subcommittee on Consumer Affairs.

SUPERINTENDENT

1979-83

Bureau of Consumer Credit Protection
Department of Professional and Financial Regulation *Augusta, Maine*

Director of an independent regulatory agency charged with the implementation of Maine Consumer Credit Code and Truth in Lending Act. Investigations and audits of financial institutions and retail creditors, enforcement activities, testimony before Maine Legislature and U.S. Congress.

Education

JURIS DOCTOR

1973-76

University of Maine School of Law *Portland, Maine*

Admitted to the Bar of the State of Maine, September 1976. Currently registered as "inactive."

B.A. (WITH DISTINCTION) IN POLITICAL SCIENCE 1964-68
University of Michigan *Ann Arbor, Michigan*

Boards and Commissions

Councilor, Winthrop (ME) City Council 2020-2022

Member, Board of Trustees, University of Maine System May 2022 to present
(Nominated by Governor and Confirmed by Maine Legislature)

Publications and Testimony

"How to Construct a Service Quality Index in Performance-Based Ratemaking", The Electricity Journal, April, 1996

"The Consumer Protection Agenda in the Electric Restructuring Debate", William A. Spratley & Associates, May, 1996

Direct Testimony on behalf of the Telecommunications Workers Union, Telecom Public Notice 96-8, Price Cap Regulation and Related Issues, Canadian Radio-Television and Telecommunications Commission, September, 1996. [Analysis of and recommendations concerning the need to regulate service quality in move to price cap regulation]

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units as part of a multi-year rate plan]

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Direct Testimony on behalf of the Maryland Office of People's Counsel, Universal Service Issues, Case No. 8745, before the Maryland Public Service Commission, November 20, 1998.

"Cramming is the Last Straw: A Proposal to Prevent and Discourage the Use of the Local Telephone Bill to Commit Fraud," NRRI Quarterly Bulletin, Fall. 1998.

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Alexander, Barbara, "Consumer Protection Issues in Electric Restructuring for Colorado: A Report to the Colorado Electricity Advisory Panel," on behalf of the Colorado Office of Consumer Counsel, February 1999.

Testimony on Proposed Interim Rules (Consumer Protection, Customer Enrollment, Code of Conduct, Supplier Licensing) on behalf of the New Jersey Division of Ratepayer Advocate before the New Jersey BPU, May 1999.

Direct Testimony on behalf of AARP, West Virginia PUC Investigation into Retail Electric Competition (consumer protection, universal service, Code of Conduct), June 15, 1999.

Direct and Surrebuttal Testimony on behalf of the Pennsylvania OCA, Natural Gas Restructuring proceedings (8 natural gas utilities): consumer protection; consumer education; code of conduct, before the Pennsylvania PUC, October 1999-April 2000.

Comments on Draft Rules addressing Slamming and Cramming (Docket No. RMU-99-7) on behalf of the Iowa Office of Consumer Advocate, before the Iowa Utilities Board, October 1999.

Alexander, Barbara, "Door to Door Sales of Competitive Energy Services," LEAP Letter, January-February 2000 [Wm. A.

Spratley & Associates, Columbus, OH]

Direct Testimony on behalf of the Maine Office of Public Advocate, Central Maine Power Company Alternative Regulation Plan [Docket 99-666] on service quality issues, before the Maine PUC, May 2000.

Direct Testimony on behalf of AARP, Universal Service Programs and Funding of low-income programs for electric and natural gas service, before the New Jersey Board of Public Utilities, Docket No. EX000200091, July 2000.

Comments (on behalf of NASUCA and AARP) on Uniform Business Practices Reports, May and September 2000.

Direct Testimony on behalf of the Pennsylvania OCA, Verizon-Pennsylvania Structural Separation Plan on service quality, customer service and consumer protection issues [Docket No. M-00001353] before the Pennsylvania PUC, October 2000.

Direct and Rebuttal Testimony on behalf of the Maine Office of Public Advocate, Verizon-Maine Alternative Form of Regulation on service quality issues [Docket No. 99-851] before the Maine PUC, January and February 2001.

Direct and Rebuttal Testimony on behalf of the Citizens Utility Board, Nicor Gas Customer Select Pilot Program, on consumer protection and regulation of competitive natural gas suppliers [Docket Nos. 00-0620 and 00-0621] before the Illinois Commerce Commission, December 2000 and February 2001.

Direct and Surrebuttal Testimony on behalf of the Pennsylvania Office of Consumer Advocate on consumer protection and service quality issues associated with the pending merger between GPU Energy and FirstEnergy, before the Pennsylvania PUC, Docket Nos. A-110300F0095 and A-110400F.0040 (February and March 2001)

Direct and Surrebuttal Testimony on behalf of the New Jersey Division of Ratepayer Advocate on consumer protection, service quality, and universal service issues associated with the pending merger between GPU Energy and FirstEnergy, before the New Jersey Board of Public Utilities, Docket No. EM00110870 (April 2001).

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Direct and Surrebuttal Testimony on behalf of the New Jersey Division of Ratepayer Advocate on service quality, consumer protection, and universal service issues associated with the pending merger between Conectiv and Pepco, before the New Jersey Board of Public Utilities, BPU Docket No. EM101050308 (September and November 2001).

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Comments on behalf of Citizens Utility Board before the Illinois Commerce Commission on Proposed Rule to Allow the Use of Credit Scoring to Determine When a Deposit May be Required, ICC Docket No. 01-0644, June 24, 2002.

Comments on behalf of Consumer Groups before the Texas PUC on Rulemaking Proceeding to Amend Requirements for Provider of Last Resort Service, Docket No. 25360, June 28, 2002.

Direct Testimony on behalf of the New Jersey Division of Ratepayer Advocate before the Board of Public Utilities on Joint Petition of New Jersey-American Water Co. and Thames Water Aqua Holding for Approval of a Change in Control of New Jersey-American Water Co., Docket No. WM01120833, July 18, 2002.

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Direct and Surrebuttal Testimony on behalf of the Pennsylvania Office of Consumer Advocate before the Pennsylvania PUC on Philadelphia Gas Works' Gas Restructuring Filing, Docket No. M-00021612, September 2002 and November 2002.

Direct Testimony on behalf of Consumer Groups before the Texas PUC on Notice and Request of Mutual Energy CPL and Mutual Energy WTU for Approval of Changes in Ownership and Affiliation, Docket No. 25957, October 15, 2002.

Comments on behalf of the Pennsylvania Office of Consumer Advocate before the Pennsylvania PUC, Advanced Notice of Proposed Rulemaking for Revision of Chapter 54 Pertaining to Electric Generation Supplier Licensing, Docket No. L-00020158, March 5, 2003.

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Direct, Rebuttal, and Supplemental Testimony on behalf of the Pennsylvania Office of Consumer Advocate before the Pennsylvania PUC, Petition of Duquesne Light Co. for Approval of Plan for Post-Transition Period POLR Services, Docket No. P-00032071 (February-April 2004).

Comments on behalf of AARP before the California PUC, Order Instituting Rulemaking on the Commission's Own Motion to Establish Consumer Rights and Consumer Protection Rules Applicable to All Telecommunications Utilities, R. 00-02-004 (March 2004).

Comments and Reply Comments on behalf of AARP before the Maine PUC, Inquiry into Standard Offer Supply Procurement for Residential and Small Commercial Customers, Docket No. 2004-147 (April 2004).

Comments on behalf of Wisconsin Citizens' Utility Board before the Wisconsin Public Service Commission's Gas Service Standards, Docket No. 1-AC-210 (July 2004).

Comments on behalf of the Colorado Office of Consumer Counsel before the Public Utilities Commission of Colorado, In the Matter of the Proposed Repeal and Reenactment of all Rules Regulating Telephone Utilities and Providers (Docket No. 03R-524T) (September 2004).

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Direct and Rebuttal Testimony on behalf of the Maine Office of Public Advocate before the Maine PUC, Investigation into Verizon Maine's Alternative Form of Regulation, Docket No. 2005-155 [Retail Service Quality] (January and May 2006).

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Direct and Rebuttal Testimony on behalf of the Government and Consumer Parties (CUB, Attorney General of Illinois) before the Illinois Commerce Commission, Petition to Initiate Rulemaking with Notice and Comment for Approval of Certain Amendments to Illinois Administrative Code Part 280, Docket No. 06-0379 (May and September 2006). [Consumer Protection rules]

Direct Testimony on behalf of the Pennsylvania Office of Consumer Advocate before the Pennsylvania PUC, In Re Application of UGI Utilities, Inc., UGI Utilities Newco, Inc., and Southern Union Co., Docket Nos. A-120011F2000, A-125146, A-125146F5000 (June 2006). [Customer Service, Service Quality, and Universal Services]

Direct and Rebuttal Testimony on behalf of the Maryland Office of People's Counsel before the Maryland PSC, In The Competitive Selection of Electricity Supplier/Standard Offer or Default Service for Investor-Owned Utility Small Commercial Customers and, Delmarva Power and Light and Potomac Electric Power Residential Customers, Case No. 9064 (August and September 2006). [Default Service policies]

Direct and Rebuttal Testimony on behalf of the Maryland Office of People's Counsel before the Maryland PSC, In The Matter of the Optimal Structure of the Electric Industry of Maryland, Case No. 9063 (October and November 2006). [Default service policies]

Comments on behalf of AARP Maine before the Maine PUC on various dockets and notices concerning the implementation of Standard Offer Service for residential customers, Docket Nos. 2006-314, 2006-557, and 2006-411 (July-November 2006). [Default service policies]

Comments on behalf of AARP District of Columbia before the District of Columbia PSC, In the Matter of the Development and Designation of Standard Offer Service in the District of Columbia, Case No. 1017 (2006). [Default service policies]

Comments on behalf of AARP New Jersey before the New Jersey Board of Public Utilities, In the Matter of the Establishment of a Universal Service Fund Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999, Docket No. EX00020091 (August 2006) [Recommendations for USF program changes]

Direct and Rebuttal Testimony on behalf of the Pennsylvania Office of Consumer Advocate before the Pennsylvania PUC, Joint Application of Equitable Resources, Inc. and the People's Natural Gas Co., d/b/a Dominion Peoples, for Approval of the Transfer of All Stock Rights of the Latter to the Former and for the Approval of the Transfer of All Stock of Hope Gas, Inc., d/b/a/ Dominion Hope to Equitable Resources, Inc., Docket No. A-122250F5000 (September and October 2006). [Customer Service, Service Quality, and Universal Service issues)

Direct Testimony on behalf of Pennsylvania Office of Consumer Advocate before the Pennsylvania PUC, Pennsylvania PUC v. Natural Fuel Gas Distribution Corp., Docket No. R-00061493 (September 2006) [Supplier Purchase of Receivables Program]

Direct Testimony on behalf of AARP Montana before the Montana Public Service Commission, Joint Application of NorthWestern Energy and BBI to purchase NorthWestern Energy, Docket No. 2006.6.82 [December 2006] [Conditions for approval of merger; low income and customer service programs]

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Direct and Surrebuttal Testimony on behalf of the Pennsylvania Office of Consumer Advocate before the Pennsylvania Public Utility Commission, Pennsylvania Public Utility Commission v. Aqua Pennsylvania, Inc, Docket Nos. R-2021-3027385 et al. (November-December 2021) [Base rate case; analysis of customer service and consumer protection programs and policies]

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Direct and Surrebuttal Testimony on behalf of the Pennsylvania Office of Consumer Advocate before the Pennsylvania Public Utility Commission, Pennsylvania American Water Co., Docket Nos. R-2022-3031672, et al (July and September 2022) [Base rate case: analysis of customer service and consumer protection performance]

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Direct, Rebuttal, and Surrebuttal Testimony on behalf of AARP Maine before the Maine Public Utilities Commission, Central Maine Power Company Request for Distribution Rate Increase and Rate Design Changes, Docket No. 2022-00152 (December 2022, March and April 2023) [Rate impacts; multi-year rate plan; rate design]

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May 31, 2029, Docket No. P-2024-3047290 (June and July 2024) [Retail Market Enhancement Programs; Standard Offer Program; TOU Rate; Billing Disclosures]

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Direct and Surrebuttal Testimony on behalf of the Pennsylvania Office of Consumer Advocate before the Pennsylvania Public Utility Commission, Pennsylvania PUC v. UGI Utilities, Inc.—Gas Division, Docket No. 2024-R-3052716 (April-May 2025) [customer service performance, compliance with statutory and regulatory rules, management performance, root cause analysis, billing for supplier charges]

Direct and Surrebuttal Testimony on behalf of the Pennsylvania Office of Consumer Advocate before the Pennsylvania Public Utilities Commission, Pennsylvania PUC v. Philadelphia Gas Works, Docket No. 2025-R-3053112 (May-July 2025) [customer service performance, compliance with statutory and regulatory rules, management performance, root cause analysis, billing for supplier charges]

Direct and Surrebuttal Testimony on behalf of the Pennsylvania Office of Consumer Advocate before the Pennsylvania Public Utilities Commission, Pennsylvania PUC v. Columbia Gas of Pennsylvania, Inc., Docket No. R-2025-3053499 (June-July 2025) [customer service performance, compliance with statutory and regulatory rules, management performance, root cause analysis, billing for supplier charges]

Direct and Surrebuttal Testimony on behalf of the Pennsylvania Office of Consumer Advocate before the Pennsylvania Public Utilities Commission, Pennsylvania PUC v. The York Water Co., Docket Nos. R-2025-3053442, et al. (August-October 2025) [customer service performance, compliance with statutory and regulatory rules, management performance, root cause analysis, low income programs and policies]

Direct and Surrebuttal Testimony on behalf of the Pennsylvania Office of Consumer Advocate before the Pennsylvania Public Utilities Commission, Pennsylvania PUC v. Pittsburgh Water and Sewer Authority, Docket Nos. R-2023-3039920, et al. (September-October 2025) [customer service performance, compliance with statutory and regulatory rules, management performance, root cause analysis; payment fees]

Exhibit BA-2

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY, INC - SET V
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 5

OCA-JA-5-01

In your response to OCA-JA-2-16 [AW], the phrases "best practices" and "better overall customer experience" are used to identify the potential benefits if the merger is approved. Please define these terms and give examples of the evidence that will be used or could be used to track this commitment.

Response:

As set forth in Exhibit C to the Application, American Water has identified many commitments, including its commitment to "providing clean, safe, reliable and affordable utility services to customers." The use of best practices and working towards achieving a better overall customer experience are means by which it continues to work towards maintaining that commitment.

"Best practices" refers to the methods, processes, or techniques recognized as the most effective and efficient way to achieve a desired outcome. They are based on experience, research, and demonstrated success. This may include, but is not limited to, operational, customer service, and technology related processes that are effective in improving reliability, efficiency, safety, or customer experience.

"Better overall customer experience" refers to improvements in how customers interact with the utility across billing, service requests, communication, reliability, and issue resolution. The term reflects the expectation that aligning processes, technologies, and organizational structures across the combined entity will provide more consistent and higher quality service.

The Joint Applicants have only recently started having integration discussions and, therefore, the Joint Applicants have not determined if or how these commitments can be tracked. Nonetheless, these commitments could be evidenced through but not limited to the following: various call center and operational metrics, outage management performance, customer satisfaction surveys, and adherence to standardized processes.

Please also see the Joint Applicants' responses to OCA-JA-1-24, OCA-JA-2-1, OCA-JA-1-62.

Exhibit BA-3

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET 2
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 2

OCA-JA-2-3

Would it be correct to assume that unless a specific commitment is reflected in Exhibit C, that no additional measurable commitments are being promised if this merger is approved?

Response:

It is correct that Exhibit C summarizes the commitments Joint Applicants made in their initial filing. The commitments include benefits and protections regarding the merger's impact on rates, commitments related to quality of service to support the provision of clean, safe, reliable and affordable service, continuation of Aqua PA's and Peoples' local presence, commitments to employees including local management and honoring of Essential's collective bargaining agreements and pension obligations, Aqua PA's and Peoples' charitable contributions and community support, and the Joint Applicants' commitments regarding corporate organization and financial integrity. The Joint Applicants have only recently started having integration discussions and therefore, the Joint Applicants have not yet developed an integration plan that may help identify merger related efficiencies, synergies, or other measurable benefits.

Refer also to the response to OCA-JA-2-1.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-I-24 Benefits to customers.

a. Please identify and quantify, by year, all benefits to existing customers of AWWC from the proposed transaction.

b. Please identify and quantify, by year, all benefits to existing customers of EU from the proposed transaction.

c. Please identify and quantify, by year, all benefits to existing AWWC water and sewer utility customers from the proposed transaction.

d. Please identify and quantify, by year, all benefits to existing EU water and sewer utility customers from the proposed transaction.

e. Please identify and quantify, by year, all benefits to existing EU gas distribution utility customers from the proposed transaction.

f. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:

a.-e. The Merger is expected to yield both qualitative and quantitative benefits over time. The Joint Applicants have only recently started having integration discussions and therefore have not yet quantified potential benefits associated with the Merger. Nevertheless, as explained in the Joint Application and Joint Application Statements Nos. 1-5, there are many benefits to customers associated with the Merger. In addition to the commitments in Exhibit C to the Joint Application, benefits of the Merger include, but are not limited to the following:

- The size and breadth of American Water, combined with Essential, will enable the entire American Water enterprise (which will include Essential after the Merger) to maximize its purchasing power and obtain discounts on necessary goods and services including, but not limited to, water treatment chemicals, pipe valves and fittings, meters, engineering services, consulting services, professional services, and employee benefits.
- The expanded set of resources and greater scale achieved through the Merger will support continued investment in critical infrastructure and the combined company's ability to

meet the evolving needs of customers. For example, for American Water, on average, each dollar of O&M expense avoided or saved permits American Water to invest approximately $8 in infrastructure without impacting rates.

- A "deeper bench" of highly trained professionals who possess significant operational experience in various specialized areas and are skilled at, and dedicated to, providing necessary, cost-effective, value-added service that supports the provision of clean, safe, reliable, and affordable service will drive and further enhance knowledge sharing, standardization of processes and practices, training, and operational efficiencies among American Water's subsidiaries after the Merger, including Aqua PA and Peoples.
- Access to American Water's Central Laboratory, which supports research and water compliance efforts through sophisticated testing and analysis as further discussed in Ms. Norton's direct testimony (Joint Applicants Statement No. 1), page 10.
- Access to Aqua PA's local certified laboratory which is geographically close to American Water's existing operations in Pennsylvania.
- Access to a robust research and development ("R&D") program that enhances our services, helps ensure compliance, and shapes a more sustainable future as further described in Joint Applicants Statement No. 1, pages 11-12. One example of working with research institutions and partners to develop and pilot new technology advances included a long-term study launched in 2019 focused on removal strategies for replacement PFAS compounds, such as short-chain PFAS. This work culminated in a 2025 publication by the Water Research Foundation titled "Investigation of Treatment Alternatives for Short-Chain PFASs." The R&D team also leads efforts to understand and mitigate aesthetic water quality issues, such as taste and odor ("T&O") compounds. We develop and apply advanced analytical methods—including updates to Standard Method 6040D—and conduct research on compounds like Geosmin and MIB. Through publications and collaboration with industry partners, we share best practices and findings that improve understanding of T&O occurrence and removal. These efforts support American Water's ability to identify solutions for the treatment of PFAS and address other water quality issues and help ensure our customers continue to receive clean, safe, reliable and affordable service.
- An environmental compliance model that drives consistent compliance controls across the entire American Water footprint and provides consistent support to state operations to support compliance controls and regulatory compliance with the Safe Drinking Water Act and the Clean Water Act, as further discussed in Joint Applicants Statement No. 1, page 12. Not only does this help ensure environmental compliance and quality service to our customers, but it does so as effectively and efficiently as possible.
- A robust GIS department with internal expertise can be leveraged to support Aqua PA and Peoples upon completion of the Merger as further described in Joint Applicants Statement No. 1, pages 12-13, and potentially reduce or even eliminate the need for external contractors with similar expertise.
- A robust centralized engineering team that supports efficient capital planning, deployment, and governance over the capital investment program as further described in Joint Applicants Statement No. 1, pages 13-14. This internal expertise can also be

leveraged to support Aqua PA and Peoples upon completion of the Merger and potentially reduce the need for external contractors with similar expertise.

- A robust safety program as further described in Joint Applicants Statement No. 1, pages 14-16 that is based on its care for its customers, employees, contractors, the communities in which American Water operates, and the environment.
- The Merger will broaden career paths, provide employees with more opportunities to grow, collaborate and contribute to a larger, more dynamic organization, and create long-term opportunities for career growth, both inside and outside of Pennsylvania. Examples include opportunities within our center-led departments, such as engineering. American Water also has a centralized operations training team tasked with cultivating and sustaining a highly skilled and adaptable workforce of water and wastewater professionals to help ensure the sustained provision of safe, compliant, and reliable services to our customers, and enable employee growth.
- As discussed in Mr. Bowler's direct testimony (Joint Applicants Statement No. 2), pages 7-8, the Merger is expected to provide the operating companies with lower cost financing, subject to market conditions.
- As discussed in Joint Applicants Statement No. 2, pages 8-9, the Merger will result in greater cash flow stability as a direct result of the increased scale, scope and diversification of the combined company. Since cash flow is a primary factor influencing the cost and availability of debt financing, improvement in cash flows can result in reduced interest expense to the utility subsidiaries in Pennsylvania as new debt is issued or existing debt is refinanced.
- As discussed in Joint Applicants Statement No. 2, pages 9-10, continued access to equity capital markets that will support the continued investment in infrastructure upon reasonable terms over the long-term and a potentially lower overall cost of debt.
- Joint Applicants anticipate that the business combination will improve efficiency, and the integration process is expected to lead to cost efficiencies in various functional areas. While there will be some costs to achieve Merger-related synergies, customers will realize benefits from those synergies as they are recognized in future rate cases in the form of costs that are lower than they would have been absent the Merger.

f. N/A

Responsible Witness:

Cheryl Norton, Executive Vice President and Chief Operating Officer
David Bowler, Executive Vice President and Chief Financial Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET I
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 1

OCA-JA-1-62 Efficiencies.

a. Identify, quantify and explain all efficiencies that have been identified to date that are expected to be enabled by the proposed transaction.

b. Identify specifically the period of time over which AWWC will provide those benefits to Pennsylvania regulated utility customers.

c. Identify and explain all commitments that the Joint Applicants are making that there will be efficiencies and cost savings from the optimization of the combined business and that those benefits will accrue, i.e., be provided to, Pennsylvania ratepayers, and over what time period Pennsylvania utility ratepayers would receive those benefits.

Response:

a. The Joint Applicants have only recently started having integration discussions and therefore, the Joint Applicants have not quantified any efficiencies at this point or determined the time period over which they may be achieved. Nevertheless, Joint Applicants have identified the opportunity for efficiencies in the Joint Application and Testimony. These efficiencies include, but are not limited to:
    - Operational efficiencies associated with knowledge sharing and standardization of processes, practices and training
    - Consolidation of highly skilled industry professionals, the costs of which can be spread across a larger customer base
    - Technology based efficiencies that may include efficiencies from being on a full SAP platform
    - Efficiencies from leveraging the size and scale of the combined company to maximize its purchasing power and obtain significant discounts on necessary goods and services including, but not limited to, water treatment chemicals, pipe valves and fittings, meters, engineering services, consulting services, professional services, and employee benefits
    - Financing efficiencies, driven by a stronger combined balance sheet, providing greater liquidity to the combined entity, and more stable cash flows, providing an opportunity for improvement on the cost and availability of necessary financing.

b. See response to subpart a.

c. The Joint Applicants are confident that the Merger will result in efficiencies as described above and otherwise. However, as indicated in subpart a., the Joint Applicants do not yet know the magnitude or impact of those efficiencies.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer
Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY, INC - SET VI
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 6

OCA-JA-6-12

Transition costs. Refer to the responses to OCA-JA-1-34 and 1-35.

a. The response states that: "Transition and implementation costs will be captured within appropriate line items in financial statements." In what specific accounts will each type of AWWC's and EU's transition and implementation costs be "captured" and recorded?
b. Have work orders been set up to "capture" transition and implementation costs? If so, identify and explain the work orders. If not, explain fully why not.
c. Are specific sub-accounting being used to "capture" transition and implementation costs? If so, identify and explain the sub-accounts. If not, explain fully why not.
d. How will the Joint Applicants determine whether expected synergy savings have been achieved? Explain fully and show and explain in detail how (1) identified savings will be compared with (2) transition and implementation costs.
e. How will the Joint Applicants determine whether any synergy savings are being achieved? Explain fully and show and explain in detail how (1) identified savings will be compared with (2) transition and implementation costs.
f. If transition and implementation costs ultimately exceed the amounts of synergy savings that the Joint Applicants experience in total or for a particular area, do the Joint Applicants agree that the net increased costs incurred are the responsibility of shareholders and should not be charged to Pennsylvania regulated ratepayers? If not, explain fully why not.
g. To date, has AWWC recorded any transition and implementation costs? If so, how much was recorded by AWWC in total and how much in each account?
h. To date, has EU recorded any transition and implementation costs? If so, how much was recorded by EU in total and how much in each account?

Response:

a. The specific line item or account may differ depending on the type of charge which may include, but not limited to accounts such as employee expense, legal, or contract services.
b. Yes, AWWC has established three Work Breakdown Structures ("WBS") elements to track transaction and transition costs. One WBS was established to track transaction costs and two separate elements intended to track incremental costs associated with the Integration Management Office ("IMO") and Core Integration Teams.
c. Please see response to part a & b.

d. The Joint Applications have recently formed the IMO and started having integration discussions. One of the functions of the IMO is Tracking & Reporting. The process of tracking the savings and costs may vary by the type of cost and/or savings and has not been determined yet.
e. Please see the response to part d.
f. Joint Applicants have identified the opportunity for efficiencies but have not yet quantified the costs to achieve Merger-related synergies or quantified such efficiencies. While American Water fully anticipates that the proposed merger will produce efficiencies in various functional areas, any ongoing efficiencies will be included and aligned with the rate period in subsequent Pennsylvania utility base rate cases. To the extent that ongoing realized savings, net of the cost to achieve, exist they would be included in the next base rate case for the Pennsylvania utilities. This would include any such request for recovery of transition and implementation costs, at which time the Commission would have an opportunity to review such costs.
g. Yes, as of March 31, 2026, AWWC has recorded $2,480,677 in transition costs.
h. Please see EU OCA-JA-06-12 for Essential's responsive information.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer

Date: April 20, 2026

Exhibit BA-4

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
THE JOINT APPLICANTS - SET 2
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set 2

OCA-JA-2-11 Provide a list of the most recent base rate case settlement and /or litigated rate case order commitments relating to customer service quality, customer service performance, and low-income programs for PAWC, Aqua PA, and Peoples Natural Gas.

Response:

For Peoples:

1. The Company will modify its definition of and reporting for "confirmed low income customer" data to include self-attestation for all purposes, including but not limited to the annual Universal Service Report, consistent with the Commission's definition in 52 Pa. Code § 62.2. Peoples will utilize this definition for reporting on 2024 data and will maintain this method of reporting for all future years.

2. The Company commits to maintaining its existing business relationship with Community Based Organizations ("CBOs"), subject to each individual CBO's continued performance in conformance with the Company's Universal Service and Energy Conservation Plan ("USECP") rules and their contract with the Company.

3. Within 30 days of the entry of this Stipulation, Peoples will refund all currently held security deposits collected from confirmed low income customers, utilizing the Commission's definition of confirmed low income customer in 52 Pa. Code § 62.2.

4. Peoples will initiate a monthly review of security deposits and refund all security deposits being held from accounts designated as confirmed low income to the customer within 30 days.

5. Peoples will report on its monthly results of its low income security deposit refunds at each USAG meeting.

6. Peoples will file a Petition at its current USECP docket within 90 days of a final order in this case seeking authorization to amend its USECP to allow the Company to initiate auto-enrollment of LIHEAP recipients with significant balances into CAP, to permit auto-recertification, and to waive

income documentation requirements for CAP applicants that have received LIHEAP in the last two years. The settling parties are not bound to take a certain position regarding Peoples' Petition.

7. Peoples will work with the USAG to develop a list of non-emergency call scenarios that Peoples can use for agent training to screen for income level and CARES/CAP referrals.

8. Peoples will adopt its proposed 120 Mcf LIURP minimum usage threshold.

9. Peoples will increase its annual LIURP budget to a total of $3,500,000 per year.

10. Essential shareholders will contribute an additional $150,000 each year to the Peoples' Hardship Fund until Peoples files its next USECP. This increase will be over and above the funding levels that are currently in place as per the Company's current USECP, and retains the increased contribution established in the Aqua- Peoples Acquisition (Docket Numbers A-2018-3006061 – A-2018-3006063) beyond its original expiration. Nothing will preclude any party from requesting approval of a different budget amount in a subsequent proceeding.

11. The Company will seek guidance from the USAG at its April/July 2024 meetings to gain input into the development of a standalone CAP notice to be included in the cold weather survey packets beginning in September of 2024.

12. As noted above, Peoples has agreed to a separate Low Income Stipulation with CAUSE-PA and PWPTF regarding their low income issues. The Settlement Parties agree to the following additional low income issues.

13. As explained in Peoples Statement No. 3 and further reflected in Peoples Exhibit CAS-3, Peoples will combine the Universal Service Riders ("USR") of PNGD and PGD in a manner that does not adversely affect either one of the divisions.

14. The annual reconciliation period for the combined USR will be October – September. The annual 1307(e) reconciliation statement will be filed by October 31 of the same year for the period end and the reconciliation adjustment will be included in the rate calculation effective January 1 of the following year.

15. To align the two divisions, the annual reconciliation statement that will be filed by October 31, 2024 will include both divisions. For the PNGD, it will

include the months of January 2024 – September 2024 and for the PGD, it will include October 2023 – September 2024. The combined reconciliation adjustment amount will be included in the rate calculation effective January 1, 2025.

16. Peoples will revise its Universal Service cost recovery tariff to reflect a bad debt offset of 4.70% for all CAP participation exceeding 33,800. Peoples will no longer track CAP participation separately for its two divisions.

For Aqua PA:

1. Aqua PA will initiate a dedicated mailing to all residential customers of acquired systems, within 60 days of the closing of the approved transaction, promoting the benefits of the Customer Assistance Program ("CAP") and providing eligibility and application information.

2. Aqua PA will revise its CAP levels and discount structure as follows within 90 days of the final order in this proceeding:

	Water		**Wastewater**	
	Fixed Charge	**Volumetric Charge** (all usage)	**Fixed Charge**	**Volumetric Charge** (all usage)
Tier 1 (0-50% FPL)	100%	85%	85%	85%
Tier 2 (51-100% FPL)	100%	75%	75%	75%
Tier 3 (101-150% FPL)	100%	50%	65%	50%
Tier 4 (151%-200% FPL)	100%	25%	50%	25%

3. Within 90 days of the final order in this proceeding, Aqua PA will develop and implement a process to screen all new and move-in customers for income eligibility at the time their service is established. Aqua PA will develop call center scripting that appropriately encourages customers to pursue CAP enrollment before entering into payment arrangements and establish a direct referral process to refer potentially income eligible customers to Dollar Energy Fund ("DEF") to complete CAP applications. This direct referral process will be developed through consultation with the Aqua Assistance Collaborative ("AAC") within 120 days of the final order in this proceeding.

4. If a customer submits a CAP application, Aqua PA agrees to place a hold on their account which will temporarily suspend terminations and any collections related activities while the CAP application is processed.

5. Aqua PA agrees to work with its AAC to identify ways to further streamline CAP enrollment, including data sharing with local and state agencies and other utilities in its service territory. Within 90 days of the final order in this proceeding, Aqua PA will establish quantitative goals related to affirmative customer outreach for the

purpose of enrolling low income customers in assistance programs, including CAP. Aqua PA will develop these quantitative goals in consultation with its AAC.

6. By April 1, 2025, Aqua PA commits to complete the following:

   i. Meet with the AAC to identify points of contact with consumers who are at risk of termination for nonpayment during which Aqua PA would inform the customer that they may be eligible to apply for CAP, the bill discount and arrearage benefits associated with CAP, that, should they choose to apply for CAP, termination and collections related activities will be placed on temporary hold, and that enrollment in CAP is an alternative to entering into a deferred payment agreement.

   ii. All of the above-referenced information will be provided to customers in plain language.

   iii. Aqua PA will begin including the above information developed in collaboration with the AAC in its termination notices, call scripting, and call center reference tools. Aqua PA and the AAC will continue to identify other touch points and develop language and messaging of the above information to provide customers during those touch points.

   iv. In Aqua PA's first report to the Commission's Bureau of Consumer Services through its Consumer Education and Outreach Plan, following April 1, 2026, Aqua PA will include a section of the report which specifically identifies the steps taken to comply with this provision of the Settlement Agreement.

7. Arrearage forgiveness credits will be provided in the amount of $40 per month, regardless of the arrearage amount. Within 120 days of a final order in this proceeding, arrearage forgiveness credits will be granted for in-full payments as those payments are made, even if those payments have not been paid on their due date. Aqua PA commits to propose in its next base rate proceeding a plan to implement an arrearage forgiveness program to be effective no later than the effective date of rates in its next rate case, whereby a customer's total arrearage balance is forgiven after thirty-six (36) in-full payments. The thirty-six (36) in-full payments need not be consecutive to qualify for arrearage forgiveness.

8. Aqua PA agrees to adopt offsets to its bill discount and arrearage forgiveness credits. For water, these offsets are $2,455,931.82 for bill discount credits and $812,620 for arrearage forgiveness credits. For wastewater, these offsets are $352,626.60 in bill discount credits and $89,744 for arrearage forgiveness credits. Aqua PA will offset its bill discount credits by 25.99% and its arrearage forgiveness credits by 39.37% for both water and wastewater, calculated separately, in each

base rate proceeding beginning with its next base rate proceeding. The revenue requirement established in Paragraph 40, *supra*, is inclusive of these offset factors.

9. In consultation with the AAC, Aqua PA will establish a plan within 120 days of the final order in this proceeding to assess potential water savings achieved through each aspect of its Leak/Line Repair and Conservation Programs.

10. Within 90 days of the final order in this proceeding, Aqua PA will develop and implement a plan to increase awareness of its Leak/Line Repair and Conservation Program. This plan will include, at a minimum, targeted outreach to high usage CAP customers, and discussions of potential coordination of service delivery with conservation and efficiency programs administered by other utilities and/or state and local government entities.

11. Aqua PA will include $250,000 for its Conservation and Leak/Line Repair Program annually. This includes service line repair and inside leak repair. In addition, Aqua PA will include $50,000 for its conservation kits annually. These budgets will be attributed as follows:

Service Line Repair – $75,000
Inside Leak Repair – $175,000
Conservation Kits -- $50,000

The revenue requirement established in Paragraph 40, *supra*, is inclusive of these budget increases. Any unused funds related to Aqua PA's Conservation and Leak/Line Repair Program will be carried over and added to the budget for the Conservation and Leak/Line Repair Program for the following year. To the extent that any of the budget for the Program, or any individual Program component, is fully expended before the end of a program year, the Company will work with the parties and its AAC to discuss whether reallocation of unspent funding is available to ensure that the program continues to operate.

12. Aqua PA agrees to track and report on the following data related to the Conservation and Leak/Line Repair Program:

- Annual budget(s), broken down by program components (conservation kits, inside leak repair, external service line repairs);
- The amount of spent, broken down by year;
- The amount of costs to administer the Program, broken down by year;
- The amount of any rollover;
- The amount of any funds not rolled over, and the reason for the failure of these funds to rollover; and

- Metrics identified in and data tracked from the evaluation, measurement, and verification plan set forth above.

Aqua PA will provide a report on the information provided under this Paragraph as part of the Company's next base rate case initial filing under a section titled "Prior Rate Case Settlement Commitments" and will include this information in its AAC on an annual basis.

13. Aqua PA will contribute $200,000 each year until the Company's next base rate proceeding to the Company's Hardship Grant program. All unspent funds at the end of each program year will be rolled over and added to the budget for the Hardship Grant program in the following year. The parties reserve the right to address this contribution level in Aqua PA's next base rate proceeding.

14. The maximum hardship grant amount will be set at $500.

15. Aqua PA will work with its AAC to identify Community Based Organizations ("CBOs") providing services to customers likely to be eligible for Aqua Aid and Aqua PA's other low-income assistance programs. Aqua PA will develop and implement a plan to coordinate with identified CBO partners to increase awareness of and enrollment in its low-income assistance program. This plan will be developed in consultation with the AAC.

16. On entry of the final order in this proceeding, Aqua PA will amend its definition of confirmed low income customers to include all customers for which Aqua PA obtains information that would reasonably place the customer within a low income designation. Such information will include, but will not be limited to:

- Enrollment or participation in a low income assistance or conservation program (CAP, Aqua Aid, or Aqua's leak repair and conservation program).
- Receipt of other emergency utility assistance.
- Indication by the customer of inability to pay their current bill and/or requests for income based payment arrangements.
- Contact immediately prior to termination.
- Other referrals to low income programs.
- Self-certification by the customer.
- Income information received based on request for a medical certificate.

17. Aqua PA agrees to meet following call center annual average results:

(1) Service Level 82% within 30 seconds;
(2) Percent of Calls abandoned at 2.5%; and
(3) Busy Out Rate of 0.25%.

Aqua PA will assess and document each quarter whether it has or has not met the above metrics, and the reasons Aqua PA believes contributed to the performance or failure. Aqua PA will provide a report on the information provided under this Paragraph as part of the Company's next base rate case initial filing under a section titled "Prior Rate Case Settlement Commitments." The report will include Aqua PA's plans to maintain or improve performance on a quarterly basis. Aqua PA will notify OCA, I&E, OSBA, and CAUSE-PA if quarterly metrics are not met and offer to convene a collaborative workgroup session with OCA, I&E, OSBA, and CAUSE-PA. Aqua PA will make available the quarterly documented assessments to a Settling Party upon request (within 30 days of the request) prior to Aqua PA's next base rate filing.

18. Aqua PA will conduct and document routine annual audits of its call center performance and training to call center representatives (whether permanent or temporary employees or contractors). These audits will be performed throughout the year and will continue to focus on call-taking performance and quality and compliance with Pennsylvania-specific laws, policies, and regulations. These documented audits will be included in the Company's next base rate filing as part of the Company's initial filing under a section titled "Prior Rate Case Settlement Commitments." Aqua PA will make the results of its annual audits available to the Settling Parties upon request (within 30 days of the request) prior to Aqua PA's next base rate filing.

19. Aqua PA will utilize and update its collections manual compliance document that describes the consumer protections associated with attempting contact with residential customers prior to termination of service. Aqua PA will continue to document on a regular basis, no less than quarterly, the training and oversight, with reasonable internal reporting requirements that are reviewed by management. These documented reports will be included in the Company's next base rate filing as part of the Company's initial filing under a section titled "Prior Rate Case Settlement Commitments." Aqua PA will make available the quarterly documented reviews to a Settling Party upon request (within 30 days of the request) prior to Aqua PA's next base rate filing.

20. For purposes of settlement, Aqua PA's root cause analysis method will be utilized for purposes of paragraph 81 below. Aqua PA and the OCA continue to disagree about the appropriate root cause analysis method to be used by Aqua PA, and this settlement should not be construed as an agreement to the methodology. All Settlement Parties reserve their respective rights to address the root cause analysis methodology in any future proceeding.

21. Aqua PA will review its ongoing root cause analysis of its complaint trends, both for internal disputes and Commission Bureau of Consumer Services informal complaints that document infractions. Aqua will document the review of the root cause analysis on a quarterly basis, which may include the identification of trends, evaluation, steps to reform or avoid repeated trends, and internal steps taken to take proper internal enforcement action where needed. These updates will be included in the Company's next base rate filing as part of the Company's initial filing under a section titled "Prior Rate Case Settlement Commitments." Aqua PA's quarterly documented reviews will be made available to a Settling Party upon request (within 30 days of the request) prior to Aqua PA's next base rate filing.

22. The Company will propose and offer only no-fee payment options to its customers and include reasonable or necessary payment processing fees in its revenue requirement, like the costs of handling payments via mail, in its next base rate case.

23. The level of reasonable fees to include in the revenue requirement in its next base rate case to implement the no-fee payment options in Paragraph 82 should reflect a competitive bid process to achieve the lowest cost to ratepayers for processing credit and debit card transactions.

Responsible Witness(es):

Colleen Arnold

Michael Huwar

Date: 02/02/2026

Exhibit BA-5

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER COMPANY - SET 2
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 2

OCA-JA-2-8

Provide the internal performance metrics for each Applicant's PA utility for customer service performance and quality of service performance.

Response:

The customer service performance goals that Pennsylvania-American Water Company ("PAWC") seeks to meet for 2026 are:

Call Handling
- 80% of calls answered within 60 seconds
- First contact resolution of 60% or higher

Billing
- Continue to reduce billing cases
- Resolve 95% of billing cases within 15 business days

Customer Satisfaction:
- Major Accounts net promoter score of 50 or higher
- PAWC finishing in the top half in the regional scores for the J.D. Power 2026 U.S. Water Utility Residential Customer Satisfaction Study

<u>Reliability of Service:</u>
- PAWC tracks the frequency of water main breaks, main break rate (breaks per mile of main), and associated infrastructure replacement activity as indicators of system reliability.
- The Company monitors completion of distribution system reinforcements and main replacements to reduce future breaks and service interruptions.
- PAWC also monitors treatment plant and pump station performance to ensure uninterrupted and reliable service.

<u>Field Operations Appointments:</u>
- PAWC tracks the percentage of customer field appointments kept.
- Internal goal: 98% of appointments met.
- Performance for January 2022–January 2026: 99% of appointments kept.

Time to Respond to Outages:

- PAWC measures response time to service interruptions and safety related incidents.
- For any service outage affecting one or more customers, or any issue presenting a safety risk, PAWC responds immediately and remains on site until service is restored or the safety condition is addressed.
- For non emergency leaks that do not cause service interruption, PAWC schedules repairs as soon as practicable based on operational priorities.
- PAWC also tracks outage events that meet PUC reporting thresholds (e.g., outages lasting ≥6 hours and affecting ≥2,500 customers).

Quality of Water:

- PAWC tracks compliance with all Pennsylvania Department of Environmental Protection and United States Environmental Protection Agency drinking water requirements, including results summarized in annual Consumer Confidence Reports .
- PAWC's Water Quality Team measures response time to health related water quality inquiries, with an internal goal of responding within one hour
- For non health related water quality inquiries, PAWC has a dedicated team with an internal goal of responding within one business day.

See Essential response to OCA-JA-II-8 for their responsive information.

Responsible Witness: Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: February 2, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Essential Utilities 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., and Peoples Natural Gas Company LLC	:	Docket Nos. A-2025-3058927 A-2025-3058928 A-2025-3058929

VERIFICATION

I, Barbara Alexander, hereby state that the facts above set forth in my Direct Testimony, OCA Statement 2, are true and correct to the best of my knowledge, information, belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: May 21, 2026

Signature: /s/ Barbara Alexander
Barbara Alexander

Address: 44 Beech St.,
Hallowell, ME 04347

OCA Statement No. 1SR

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company,	:	
Inc., Essential Utilities, Inc., Aqua Pennsylvania, Inc.,	:	A-2025-3058927
Aqua Pennsylvania Wastewater, Inc., Peoples Natural	:	A-2025-3058928
Gas Company LLC and Alpha Merger Sub, Inc. for a	:	A-2025-3058929
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	:	

SURREBUTTAL TESTIMONY

OF

RALPH C. SMITH

REGARDING MERGER POLICY AND BENEFITS

ON BEHALF OF THE
PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

July 23, 2026

SURREBUTTAL TESTIMONY OF RALPH C. SMITH
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ATTACHMENTS:
RCS-6, Selected non-confidential responses to discovery that are referenced in my testimony.

I. INTRODUCTION

Q. Please state your name, position and business address.

A. Ralph C. Smith. I am a Senior Regulatory Consultant at Larkin & Associates, PLLC, 15728 Farmington Road, Livonia, Michigan 48154.

Q. Have you previously submitted testimony in this proceeding?

A. Yes. My direct testimony concerning the proposed acquisition of American Water Works Company, Inc. ("AW" or "American Water") and Essential Utilities, Inc. ("EU" or "Essential") (combined "Applicants," "Joint Applicants" or "JA") on behalf of the Pennsylvania Office of Consumer Advocate ("OCA") was served on May 21, 2026 and pre-marked as OCA Statement 1. My qualifications were set forth in that statement.

Q. What is the purpose of your surrebuttal testimony?

A. My surrebuttal testimony responds to the rebuttal testimony of Joint Applicant witnesses Cheryl Norton, David Bowler, and Michael Huwar regarding the potential risks of the merger, OCA's requested conditions and commitments for approval of the merger, and customer protections.

Q. Have you prepared any attachments to be filed with your surrebuttal testimony?

A. Yes. Attachment RCS-6 was prepared by me or under my supervision and is attached to my testimony.

Q. Please briefly explain what is included in Attachment RCS-6.

A. Attachment RCS-6 contains selected non-confidential responses to discovery that are referenced in my testimony.

Q. What were your recommended commitments in your Direct Testimony?

A. In my direct testimony, I recommended that the Joint Applicants adopt the following commitments:

- Joint Applicants shall establish a rate credit fund to reduce customer rates in future rate cases of Aqua, the Peoples Companies and Pennsylvania American Water Company ("PAWC") (collectively, the "Pennsylvania Utilities" or "PA Utilities").

- A commitment for the Joint Applicants to a three-year stay-out on Section 1329 acquisitions, other than for troubled water and wastewater utility systems, should be required.

- Joint Applicants commit that the merger will not interfere with Aqua's or PAWC's ability to finance or pursue acquisitions of troubled PUC regulated Pennsylvania water and wastewater utilities and that Aqua PA and AW on behalf of its subsidiary PAWC commit to continuing to pursue such acquisitions.

- Recording of Goodwill and Protection from "Push Down" Accounting: No Pennsylvania public utility shall record any goodwill resulting from the transaction on its books. The JAs and each of the Pennsylvania public utilities shall also ensure that such Goodwill does not impact rates charged to any Pennsylvania public utility customers, or the capital structure of any Pennsylvania public utilities.

- All of the Pennsylvania utility assets acquired by American Water from Essential Utilities, including all rate base includable assets of Aqua and Peoples, shall be recorded at the depreciated net book value on Aqua's

and Peoples' books. None of those acquired Pennsylvania utility assets shall be recorded at higher "fair value' amounts on Aqua's or Peoples' books as a result of the proposed transaction.

- No acquisition premium or Goodwill amount associated with the Transaction will be recorded on the books of any Pennsylvania public utility. Nor will any acquisition premium or Goodwill amount associated with the Transaction be included in the utility rates of any of the PA Utilities.

- The Joint Applicants agree and commit that any acquisition premium or Goodwill amounts resulting from the Transaction will be excluded from the ratemaking capital structures for Aqua PA and the Peoples Companies and AW on behalf of its subsidiary PAWC agree and commit that any acquisition premium or Goodwill amounts resulting from the Transaction will be excluded from the ratemaking capital structures for PAWC.

- The Joint Applicants shall file a Report of Action within one hundred and twenty (120) days after closing of the Merger. The Report of Action shall contain: (1) the closing date of the Merger; (2) the actual total EU stock sale price; and (3) the actual accounting entries on each company's books to reflect the Merger. The Merger-related accounting entries in Aqua and Peoples' books shall include: all Transaction Cost and Transition Cost accounting entries for Aqua and Peoples that are recorded on the books of each entity; all Merger related fair value, Goodwill, and/or Acquisition Premium accounting entries for Aqua and Peoples and their subsidiaries; all Merger-related tax accounting entries for Aqua and Peoples and their subsidiaries; all Merger-related debt and equity financing accounting entries for Aqua and Peoples and their subsidiaries

- The Joint Applicants shall ensure that Merger accounting is rate-neutral for all Pennsylvania public utility customers. The Joint Applicants shall ensure that any accounting treatments associated with transaction accounting do not affect rates charged to Pennsylvania public utility customers. American Water shall not record any of the impacts of purchase accounting on the books of any Pennsylvania public utility, thereby maintaining historical cost accounting at each Pennsylvania public utility. No Goodwill or other fair value adjustments shall be recorded at any Pennsylvania public utility upon consummation of the Merger. No Goodwill shall be recorded on any Pennsylvania public utility's books or included in any rates charged to any Pennsylvania public utility customers.

- None of the Pennsylvania public utilities shall seek recovery in rates of any Transaction Costs incurred in connection with the Acquisition or Merger. The categories of "Transaction Costs" incurred in connection with consummation of the Merger that shall not be recovered from utility customers are: (1) consultant, investment banker, legal, and regulatory support fees, (2) change in control or retention payments, executive severance payments, and the accelerated portion of supplemental executive retirement plan payments, (3) costs associated with the shareholder meetings and a proxy statement related to the Merger approval by Joint Applicants' respective shareholders, (4) costs associated with the imposition of conditions or approval of settlement terms in other state jurisdictions, (5) costs associated with shareholder litigation concerning the Merger, (6) costs associated with paying off existing debt, and (7) any other costs related to the Transaction that would not be incurred but for the proposed Transaction.

- All Transaction Costs shall be recorded on the books of American Water and shall be specifically tracked to facilitate verification that none of the Transaction costs are being included directly or indirectly in the cost of service of any Pennsylvania public utility.

- No Transaction costs shall be recorded on the books of any Pennsylvania public utility.

- Joint Applicants commit that all Transition Costs that are incurred prior to the closing of the proposed transaction should be borne by shareholders. No pre-merger closing Transition Costs should be allocated to any Pennsylvania utility operating entities.

- The Joint Applicants agree that if the transaction is not consummated all costs related to pursuing the Acquisition including all termination fees are the "responsibility of shareholders" (i.e. the costs will be borne by the respective applicant companies themselves and will not be recovered from Pennsylvania utility ratepayers).

- American Water commits that no pre-merger closing Transition Costs shall be included in the cost of service of any Pennsylvania utilities in any Pennsylvania rate case. "Transition costs" as used in this condition are incremental costs that are incurred to facilitate the integration of the companies and include, but are not necessarily limited to, all of the types of costs that are listed in the response to OCA-JA-I-18(a) and (e) (expenses incurred to realize anticipated benefits such as consulting fees, IT system changes, restructuring expenses, IT integration, process alignment and workforce restructuring).

- Neither the Joint Applicants nor any of their Pennsylvania jurisdictional utilities will seek recovery of any "golden parachute," change-in-control, separation or severance, retention, or re-branding costs related to the merger from Pennsylvania jurisdictional customers. These costs will be specifically identified as part of any future rate review proceeding for each owned Pennsylvania jurisdictional utility and shall be borne by shareholders.

- Joint Applicants confirm that the merger does not and will not impact the accumulated deferred income tax ("ADIT") or Excess ADIT ("EADIT") balances on any Pennsylvania utility's financial statements (including balance sheets).

- All Transition Costs shall be recorded on the books of American Water. No Transition Costs shall be recorded on the books of any Pennsylvania Utility.

- American Water shall track and account for Transition Costs and costs to achieve synergy savings in sufficient detail so the parties can review such costs and verify that none of the costs have been included in the cost of service of any Pennsylvania Utility.

- Each Pennsylvania Utility currently under the ownership of American Water or Essential Utilities shall refrain from filing a new base rate case for three years from the date of effective rates in its last base rate case filing as of the date of closing.

- In each of its subsequent rate cases, each Pennsylvania Utility shall report and quantify the impacts resulting from any constraints on their ability to monetize otherwise available tax benefits due to their affiliation with American Water and its post-merger participation in a U.S. consolidated federal income tax return with American Water subsidiaries.

- Joint Applicants shall ensure that consummation of the Merger shall not affect accounting and ratemaking treatments of the Peoples Companies' accumulated deferred income taxes, including excess deferred income taxes, accumulated deferred tax credits and net operating losses (including net operating loss carrybacks and net operating loss carryforwards). No tax elections or accounting methods shall be employed related to the Merger that would in any way result in any reduction to the Peoples Companies' net accumulated deferred income tax balances that are used to reduce rate base in the Peoples Companies' rate cases.

- Joint Applicants shall ensure that consummation of the Merger shall not affect accounting and ratemaking treatments of the Aqua PA's accumulated deferred income taxes, including excess deferred income taxes, accumulated deferred tax credits and net operating losses (including net operating loss carrybacks and net operating loss carryforwards). No tax elections or accounting methods shall be employed related to the Merger that would in any way result in any reduction to the Aqua PA's net accumulated deferred income tax balances that are used to reduce rate base in Aqua PA rate cases.

- A commitment by the JA's to present a 50/50 hypothetical debt/equity capital structure in the Pennsylvania utilities' base rate cases for 10 years following the merger consummation. Having information on such a 50/50 capital structure in the utility rate cases, can help protect Pennsylvania utility customers from indirect, return-increasing efforts by holding company executive management, such as double leveraging or other parent company tactics to issue debt and infuse the debt into the utility subsidiary equity, increasing rates for ratepayers.

- Joint Applicants and their Pennsylvania subsidiaries and affiliates shall, during the ten-year period following Merger Close, provide for the next ten years annual contributions to public 501(c)(3) charities, that are not industry associations or donor-advised funds, of at least their highest annual amount during the five years pre-merger. American Water shall file by April 30 of each year an annual report on the contributions made in the prior calendar year, which shall at minimum specify which company(ies) made the contribution (e.g. Aqua PA, the Peoples Companies, PAWC, affiliated service companies, etc.), the amount of the contribution, and the recipient of the funds. These charitable contributions shall not be recovered in rates.

- Report deviations from Aqua's and the Peoples Companies budgeted capital and O&M expenditures made in anticipation of American Water ownership, and similar reporting deviations from Aqua's and the Peoples Companies budgeted capital and O&M expenditures that are made after transaction consummation and the reasons for those deviations.

- Ensure that transaction accounting is rate-neutral for the Aqua and Peoples Companies Pennsylvania utility customers.

- Require that Joint Applicants provide a side-by-side comparison by function of pre- and post-Acquisition shared-services cost allocations

to Aqua and to the Peoples Companies for five pre- and post-Acquisition years.

- Require tracking of affiliated service company charges for services provided to Aqua and to the Peoples Companies on a comparable basis for tracking transaction-related Savings.

- Require reporting of key credit metrics including Funds from Operations ("FFO")/debt, FFO/interest, and debt/capitalization for Essential Utilities and each Pennsylvania utility that has its own bond credit rating, and requiring that Joint Applicants use reasonable efforts to maintain the Essential Utilities, Aqua and Peoples Companies' credit ratings at investment-grade for each of their publicly-traded debt securities.

- American Water shall commit to safely operating all of the Pennsylvania natural gas companies that it would acquire in the proposed transaction.

- American Water shall assure that the executive management of the Peoples Companies continue to possess substantial experience at a natural gas utility and with pipeline safety issues and gas utility pipeline integrity management. American Water shall assure that turnover of Peoples Companies executive management and key employees does not present public safety risks to the public, and that executive management and personnel in key positions who leave the Peoples Companies are promptly replaced with qualified and knowledgeable replacements.

- Joint Applicants commit to maintaining field office staffing for the Peoples Companies and for Aqua at least at the levels approved in the most recent base rate case for the next five years. American Water and the Peoples Companies and Aqua shall provide annual reports to the Commission, I&E, OSBA, and OCA regarding field offices and staffing levels in its service territory for a period of five years following the Transaction.

- The proposed transaction will have no impact to current office locations and staffing levels at each Pennsylvania utility.

- There will be no reductions in the JA's current Pennsylvania employment for at least three years from the merger consummation date.

- The Essential Utilities, Aqua PA, Peoples Gas headquarters shall remain in Pennsylvania for at least five years from merger consummation.

- Aqua's state-of-the-art testing facility that Aqua recently opened in Bryn Mawr shall continue to be maintained at that location for at least 10 years from merger consummation.

- American Water commits to maintaining a qualified management team that will continue to operate the Peoples Companies after the proposed transaction occurs.

- The Joint Applicants commit to adhere to the collective bargaining agreements in effect as of Closing.

- American Water will have a board of directors consisting of at least one member who possesses substantial experience at a natural gas utility and with pipeline safety issues and gas utility pipeline integrity management.

- The American Water Board of Directors and Executive Committee shall include the Pittsburgh, PA area and service area of the Peoples Companies among the locations of their meetings.

- The American Water Board of Directors and its committees shall meet with the Peoples Companies executive management at least once per month for the first three years post-merger and shall meet at least once per year in the Pittsburgh, PA headquarters office and/or at a location in the utility service area of the Peoples Companies.

- American Water will continue to maintain the Aqua and Essential Utilities corporate headquarters in Bryn Mawr for a least five years from merger consummation.

- American Water agrees not to move Aqua and Essential Utilities corporate headquarters in Bryn Mawr after Closing and can only do so after that time upon application to and approval by the Commission.

- American Water will continue to maintain the Peoples Companies' corporate headquarters at 375 North Shore Drive in Pittsburgh, PA until the lease expires (January 31, 2029) at which point the Company will evaluate whether to exercise the option to extend the lease by 5 more years or negotiate a new lease.

- Peoples agrees not to move its headquarters outside of the Peoples Companies' Pennsylvania service territory after Closing and can only

do so after that time upon application to and approval by the Commission.

- Aqua will continue to maintain its corporate headquarters in Pennsylvania and agrees not to move its headquarters outside of the Aqua Pennsylvania service territory after Closing for at least five years and can only do so after that time upon application to and approval by the Commission.

- American Water commits to continue tracking and fulfilling the Peoples Companies' commitments that are listed in the settlement in Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063 (the Aqua-Peoples merger dockets) that have not yet been fulfilled prior to the consummation of the proposed merger.

- If, on a per-customer basis, the benefits in any other state regulatory jurisdiction that must approve the proposed Transaction are materially more beneficial than the terms of this Order with respect to the same category of benefits, then American Water shall increase the amount of the benefit in each such respective category that is to be provided to Pennsylvania public utility customers of Aqua PA and the Peoples Companies in an amount equivalent (on a per-customer basis) to the value provided in the other jurisdiction. In no event shall the operation of this condition cause the Pennsylvania rate credit amount or any other financial or non-financial benefit to be reduced. In the event that any benefits are to be increased pursuant to this condition, the Commission shall retain the authority to allocate any such additional benefits, credits, or payments in any manner that is consistent with the public interest.

- PNG currently issues debt on behalf of the Peoples Companies and Aqua PA currently issues its own debt. The Peoples Companies outstanding debt is currently expected to remain in place following the acquisition. In the future, PNG will continue to issue debt on behalf of the Peoples Companies. The Peoples Companies and Aqua PA will issue and maintain their own long term debt held by investors and by affiliates, unless the Commission authorizes to the contrary.

- The Peoples Companies and Aqua PA will not guarantee the debt of Funding, American Water, or any of their affiliates; grant liens upon its property other than in conjunction with obtaining financing for their own utility operations; or make loans or extend credit for a term of more than one year, without prior Commission approval if required by the Pennsylvania Public Utility Code.

- Under American Water ownership, the Peoples Companies' cost of financing will be absolutely transparent. Its cost of debt will reflect its actual underlying credit, without the effect of less than arms-length affiliated transactions.

- Under American Water ownership, Aqua's cost of financing will be absolutely transparent. Its cost of debt will reflect its actual underlying credit, without the effect of less than arms-length affiliated transactions.

- Aqua and Peoples will maintain the existing terms and conditions of employment and expects that all management and operating employees, other than the officers listed as expected to leave or retire will remain with the Peoples Companies after the acquisition.

- Concerning employee compensation and benefits of the Aqua and Peoples Companies, American Water shall commit to maintain levels of total compensation and benefits for the Aqua and Peoples existing employees at levels comparable to those in effect immediately prior to closing for at least one year after the closing date. American Water has also offered to retain Peoples' existing day-to-day management team and honor existing employment agreements. Aqua and Peoples will continue in effect its current collective bargaining agreement. In addition, its existing pension plans will be maintained.

- The Peoples Companies and Aqua will continue to maintain separate books and records, each in accordance with the applicable Uniform System of Accounts for their type of utility.

These conditions are in addition to those recommended by OCA witness Barbara Alexander.

Q. Did the Joint Applicants' agree with any of your recommendations?

A. Yes. The Joint Applicants submitted with the rebuttal testimony of Ms. Cheryl Norton their Exhibit CN-1R, which presents an updated listing of commitments for approval of the proposed transaction that are being made by the Joint Applicants up

to that stage of the proceeding. The Joint Applicants have agreed with and accepted some of my recommendations but disagreed with or failed to incorporate others. While the Joint Applicants accepted some of those recommended conditions in their rebuttal testimony and exhibits, many of the recommended conditions which are considered to be very important were not accepted by the Joint Applicants, and some of the recommendations were only accepted by the Joint Applicants in a watered-down, unenforceable manner.

Q. Based on your review of the Joint Applicants' rebuttal testimony, are you recommending that the proposed transaction be approved?

A. No. Based on my review of the Joint Applicants' rebuttal testimony, I continue to recommend that the proposed transaction be rejected. Only if the remaining recommended commitments are required would the proposed transaction provide substantial affirmative public benefits and only under those circumstances should it be approved. The JA's through testimony are trying to change the standard to something less than having substantial affirmative public benefits. This is a higher standard than the "do no harm" criteria that is applied in some of the other jurisdictions that are required to approve the proposed transaction. Only if all of my important commitments are adopted it would result in substantial affirmative public benefits.

Q. Will you be addressing in your surrebuttal testimony some of the important recommended commitments that the Joint Applicants did not accept in their

rebuttal testimony and explaining why those are important and should be required for approval of the proposed transaction?

A. Yes. My surrebuttal testimony will focus on a number of important recommended commitments that the Joint Applicants did not accept in their rebuttal testimony. My surrebuttal testimony will provide further explanation of why those commitments are important and should be required for approval of the proposed transaction.

II. RESPONSE TO THE JOINT APPLICANTS' REBUTTAL

Q. JA witness Bowler states at page 3 of his rebuttal testimony that: "Overall, the Merger positions the combined company to finance and execute significant, long-term infrastructure investment programs at a lower cost with greater financial flexibility, providing durable benefits to customers in the form of safe, reliable, and affordable utility service." Have the Joint Applicants demonstrated this?

A. No. They have claimed this but not demonstrated it.

The idea that bigger is necessarily better and needing to become a larger company to provide benefits to customers is contradicted by American Water's own past history of selling off its water and sewer utilities in other states. Previously, all of the American Water owned water and sewer utility operations in Ohio were sold off to Aqua. Only now is American Water attempting to reacquire those previously sold water/sewer utilities and to acquire the other utilities currently owned by Essential Utilities, including a major Pennsylvania natural gas utility. Presumably, bigger was not better when American Water divested those utilities to Aqua.

Moreover, Ohio is not the only state in which American Water had previously sold off all its jurisdictional water and sewer utilities. American Water previously divested its water/sewer utilities in other states including Arizona and New York. Smaller was apparently better then, but the Joint Applicants are claiming that bigger is better now. The fact that American Water had previously sold off its water and sewer utilities in other states is evidence in itself that bigger is not always better.

The long-term commitment of American Water to own and operate a natural gas utility, such as Peoples, is questionable. If Peoples is ultimately divested or sold off by American Water, the size of the remaining American Water company would obviously be less than what the Joint Applicants have represented in their proposed transaction.

Thus, the Joint Applicants claims that "bigger is better" has not been demonstrated. Nor have the Joint Applicants' claims that the proposed transaction would benefit Pennsylvania ratepayers been demonstrated. Risks to the Aqua PA and Peoples ratepayers of increased rates are enhanced, not reduced, under American Water ownership.

It has not been demonstrated that these EU-owned utilities need the proposed transaction or American Water ownership to provide safe and reliable utility service. Aqua PA and Peoples are already providing safe and reliable utility service to their Pennsylvania ratepayers. This demonstrates that the merger would be a continuation of the status quo and it has not been demonstrated by the Joint Applicants that the proposed transaction would provide substantial affirmative public benefits to the Aqua PA or Peoples ratepayers or to existing PAWC utility customers.

Moreover, the proposed transfer of control of those EU utilities to American Water presents risks of more frequent and more aggressive rate increases from those utilities under American Water ownership. This creates a risk to Pennsylvania ratepayers of higher rates for the acquired utilities once they come under American Water's control. In Pennsylvania and some of the other states in which American Water and Essential Utilities each own water and sewer utilities, the American Water-owned utilities have generally been more aggressive at seeking rate increases and filing more frequently for increased rates. In its most recent base rate case, Docket No. 2025-3057983, et al, PAWC was admonished for their aggressive rate case filing frequency. Moreover, the Commission indicated that there are growing concerns regarding affordability. With American Water ownership of Aqua PA and Peoples, the more aggressive, more frequent rate increase requests associated with American Water utility ownership could become part of the new regulatory strategy for Aqua PA and Peoples, thus inflicting more frequent and higher rate increases onto the Pennsylvania ratepayers of those utilities as a result of the change in control.

The proposed transaction, by acquiring a natural gas utility, rather than simply continuing to operate regulated water and sewer utilities, could add risks to American Water that do not currently exist. Moreover, if Peoples is ultimately divested from the combined company, the transaction costs related to integrating Peoples into the American Water business systems and attempting to find synergies between American Water and the Peoples natural gas utilities could end up being a waste of money, which is another reason why transition costs through the merger

consummation date should be the responsibility of shareholders and should not be charged to Pennsylvania ratepayers. .

While American Water projects that the proposed transaction would enhance earnings per share for the combined company under American Water ownership, that is a benefit to shareholders, not to Pennsylvania ratepayers.

Commitments made to having shareholders bear transition costs that were part of the Aqua-Peoples merger transaction are lacking from the Joint Applicants through the date of their rebuttal testimony in the current proceeding. The Settlement in the Aqua-Peoples proceeding included the following commitments related to transition costs:

> i. Aqua America commits that no Transition costs (incremental costs incurred to facilitate integration of companies, including all costs listed in Settlement Parties Joint Exhibit No. 2 (confidential), shall be included in Aqua PA's or Peoples Companies' cost of service in any rate case.
>
> ii. Aqua America will track and account for Transition costs in sufficient detail to permit parties to review and verify no such costs have been included in cost of service for Aqua PA or the Peoples Companies.
>
> iii. Aqua America will ensure the acquisition accounting is rate-neutral for Peoples Companies' customers.

No similar commitment has been agreed to by the Joint Applicants in the current case, which is another reason why their proposed transaction should be rejected.

Unfortunately, the Joint Applicants have refused to adopt several recommended commitments that would reduce upward pressure on rates to Pennsylvania ratepayers. Recommended conditions on the proposed transaction in

the form of moratoriums on base rate case filings for three years and moratoriums on Section 1329 acquisitions for three years, and for shareholder responsibility for all transition costs incurred through the date of merger consummation, are necessary to protect Pennsylvania ratepayers and should therefore be required.

Nor have the Joint Applicants quantified dollar amounts of benefits to the Pennsylvania utility ratepayers which would be impacted by their proposed transaction, which include not only Aqua PA and Peoples customers, but also PAWC ratepayers.

PAWC is currently the largest investor-owned water/sewer utility operating in Pennsylvania, and is also the largest subsidiary of American Water. It is disappointing and has interfered with the complete analysis of the impacts of the proposed transaction that the Joint Applicants are continuing to stake out a position that their proposed transaction does not affect PAWC or PAWC's ratepayers, and have generally refused to provide requested information on how their proposed transaction is expected to impact PAWC and that utility's ratepayers.

Since PAWC is currently the largest investor-owned water/sewer utility in Pennsylvania and PAWC will obviously be affected by the proposed transaction, consideration of the impacts on PAWC should be part of this case. Accordingly, I recommend that the Commission consider imposing the recommended conditions on PAWC as well as the Essential Utilities subsidiaries.

Through their rebuttal filing, while the Joint Applicants have agreed to eliminate future requests for recovery of transaction related costs such as Goodwill and transaction costs, the Applicants have ultimately failed to demonstrate

affirmative benefits to Pennsylvania ratepayers of the affected utilities, and, therefore, the proposed transaction should be rejected.

Q. How is the remainder of your response to the Joint Applicants' rebuttal organized?

A. My remaining surrebuttal testimony in response to the Joint Applicants' rebuttal is organized by subject matter. I generally do not address recommended commitments to which the Joint Applicants have agreed, and focus on important recommended commitments with which the Joint Applicants have not agreed. I will first address the lack of quantified benefits presented by the Joint Applicants.

Continuing Lack of Quantified Benefits Expected to Result from the Proposed Transaction

Q. Have the Joint Applicants to-date quantified the benefits or synergy savings that they expect will be produced by the proposed transaction?

A. No. While the Joint Applicants continue to claim that there will be benefits and synergy savings resulting from the proposed transaction, no reliable quantifications of anticipated benefits or expected synergy savings were provided with the Joint Applicants' rebuttal testimony. Instead of identifying estimated synergy savings, Joint Applicant witness Norton states in her rebuttal testimony at page 10 that: "the Merger will generate synergies and result in overall aggregate cost savings opportunities for the combined company in the long term." On page 11 of her rebuttal testimony, Ms. Norton states that: "it is too early in the integration process

to quantify those cost savings." At page 11, Ms. Norton states further that: "the Joint Applicants have not yet quantified projected cost savings or efficiencies that will be reflected in base rates in the future."

Q. Given the continuing lack of quantified cost savings by the Joint Applicants through their rebuttal testimony filing, is there a heightened need for other commitments to render the proposed transaction to be in the public interest and to provide substantial affirmative public benefits?

A. Yes. Given the continuing and current lack of quantified cost savings by the Joint Applicants, and a lack of quantified customer bill credit commitments from the Joint Applicants, through their rebuttal testimony filing, there is a heightened need for other commitments, including having a "Most Favored Nation" provision for Pennsylvania and for base rate case moratoriums for their Pennsylvania regulated public utilities. However, the Joint Applicants' rebuttal testimony has disagreed with having a "Most Favored Nation" provision for Pennsylvania and for base rate case moratoriums for their Pennsylvania utilities.

<u>"Most Favored Nation" Commitment</u>

Q. What is a "Most Favored Nation" Commitment?

A. A "Most Favored Nation" commitment would assure that Pennsylvania obtains benefits from the proposed transaction that the Joint Applicants have not yet agreed to provide in this proceeding but which the Joint Applicants would agree to provide, or which would be ordered to provide, in merger approval related proceedings in other jurisdictions. Commitments made by the Joint Applicants in other state merger

approval related proceedings that are beyond the commitments they have made to-date in Pennsylvania can be an important source of providing public benefits to the proposed transaction. Illustrative examples would include requiring customer bill credits and base rate case moratoriums and additional identification of categories of costs related to the transaction that are required to be borne by shareholders.

Q. Post-merger, how would Pennsylvania rank in terms of regulated utility operations of the combined company?

A. Post-merger, Pennsylvania would have the largest single state concentration of regulated public utilities, including water, sewer and natural gas utilities, of any state under the combined ownership.

Q. What concern has been stated by the Joint Applicants regarding having a "Most Favored Nation" commitment?

A. Joint Applicant witness Norton's rebuttal testimony at page 14 states that the proposed transaction requires approval in multiple jurisdictions. Had the proposed transaction only required approval in Pennsylvania as a single jurisdiction, there would be no need for a "Most Favored Nation" commitment since there would be no other state regulatory jurisdictions issuing their decisions on the proposed transaction after Pennsylvania.

Q. Have the Joint Applicants provided an updated status on the approval of their proposed transaction in each state regulatory jurisdiction in which approval is required?

A. Yes. In response to OCA-JA-10-03, the Joint Applicants provided an updated status on the approval of their proposed transaction in each state regulatory jurisdiction in

which approval is required. A copy of that response is included in Attachment RCS-6, attached to my surrebuttal testimony. The table provided with that response showing approval status is also summarized below:

State	Status
Illinois	Initial briefs due July 29
Kentucky	Order Issued
New Jersey	Public Input hearing scheduled for August 3
North Carolina	Staff/Intervenor testimony due July 31; evidentiary hearings scheduled to begin September 21
Ohio	Order Issued
Pennsylvania	Staff/Intervenor surrebuttal testimony is due July 23; evidentiary hearings scheduled for August 4-6
Texas	Settlement reached in principle
Virginia	Order Issued
Source: American Water response to OCA-JA-10-03	

Q. Does it appear that Pennsylvania will be the last state regulatory commission to render a decision on the proposed transaction?

A. No. The timing of a Pennsylvania decision on the proposed transaction is not expected to occur after all of the other state regulatory jurisdictions that must approve the proposed transaction have ruled. Thus, preserving and improving benefits made from commitments made by the Joint Applicants in other jurisdictions for Pennsylvania should be required by having a "Most Favored Nation" commitment as a requirement for transaction approval in this jurisdiction.

Q. **Ms. Norton also states at pages 14-15 of her rebuttal testimony that the "Most Favored Nation" commitment could lead to overlapping or inconsistent conditions, and creates uncertainty. Please respond.**

A. The purpose of having the "Most Favored Nation" commitment is to assure that Pennsylvania ratepayers obtain benefits at least equal to those received in other jurisdictions, particularly in ones rendering decisions after Pennsylvania. Currently, there is uncertainty and a lack of quantified synergy benefits and ratepayer bill credit information that has been presented by the Joint Applicants so far in this Pennsylvania case. To the extent that information becomes available and results in quantified customer bill credits in other jurisdictions, those commitments should also be applicable to Pennsylvania via implementation of the "Most Favored Nation" commitment. Working out how beneficial commitments, such as, but not limited to customer bill credits, would be applied to the Pennsylvania regulated utilities is not a valid reason for avoiding having a "Most Favored Nation" commitment.

Q. Have other parties to this proceeding recommended that a "Most Favored Nation" commitment be required?

A. Yes. CAUSE-PA witness Cicero has recommended that a "Most Favored Nation" commitment be required.

Q. In your experience with other utility acquisition and merger proceedings, is it appropriate for a state that is required to render a decision on a proposed transaction before other jurisdictions to require a "Most Favored Nation" commitment?

A. Yes. In my experience with utility acquisition and merger proceedings where approval by state utility regulatory commissions in multiple states is required, it can be appropriate for states that are required to render their decisions earlier than other jurisdictions to require such a provision.

Q. Do you recommend requiring a "Most Favored Nation" commitment for approval of the proposed transaction in the current docket?

A. Yes. Because of the lack of quantified merger synergy savings information presented by Joint Applicants in the current case through the date of their rebuttal testimony filing and because the proposed transaction remains pending in other states that appear to have procedural schedules having a decision process that is to follow Pennsylvania, I recommend that a "Most Favored Nation" commitment for approval of the proposed transaction be required in the current docket. To minimize uncertainty, the "Most Favored Nation" commitment can be limited to (1) providing customer bill credits to Pennsylvania regulated utility customers equal to the highest per-customer amounts committed by the Joint Applicants in other jurisdictions addressing approval of the proposed transaction, (2) excluding from customer rates in future Pennsylvania rate cases any additional categories of costs in other jurisdictions beyond those specifically covered in the current Pennsylvania merger case, (3) requiring shareholder funded charitable donations at a per-customer dollar amount per year that are higher than the Joint Applicants' commitment in the current Pennsylvania case, and (4) requiring implementation of ring-fencing provisions that are more protective of ratepayers than the ones made by Joint Applicants in the current Pennsylvania case.

Base Rate Case Moratorium

Q. Should approval of the Proposed Transaction require a commitment to postpone the next rate cases of any of the Pennsylvania public utilities of Essential Utilities and American Water?

A. Yes. I recommend a requirement that, as a condition to approval of the proposed transaction, there be a commitment for a moratorium on rate case filings for each of the Joint Applicants Pennsylvania public utilities of three years from the date of each of their most recent rate case filing before the Commission. A three-year moratorium on rate case filings by the Joint Applicants' owned Pennsylvania public utilities will provide a period of base rate stability for the customers of those utilities. Noting again that the JAs have failed to provide quantified synergy estimates in their application or rebuttal testimony, a rate case moratorium is one way to help ensure that ratepayers will receive at least some benefit as a result of any approval of the merger.

Q. Have the Joint Applicants agreed with a rate case moratorium?

A. No. The rebuttal testimony of Joint Applicant witnesses disagree with a rate case moratorium. At pages 35-36 of her rebuttal testimony, Joint Applicant witness Norton states that: "an arbitrary moratorium on rate case filings ignores well established regulatory principles that utilities are entitled to recover prudent and reasonable costs, and an opportunity to earn a reasonable return." She also states that the utilities would continue to make capital investments, which cannot be deferred. At page 15 of his rebuttal testimony, JA witness Bowler also disagrees with this recommendation for similar reasons.

Q. Please respond to Ms. Norton's claim that the recommended rate case moratorium filing is arbitrary.

A. The recommended base rate case filing moratorium is not arbitrary. It is for three years from the date of each utility's most recent rate case filing. A three-year moratorium on rate case filings by the Joint Applicants' owned Pennsylvania public utilities will also provide time for the Joint Applicants to implement best practices and achieve synergies that would be enabled by their proposed transaction.

Q. Does a three-year base rate case moratorium prevent the utilities from making needed investment in utility plant?

A. No. While realizing merger-enabled synergies and cost savings, the utilities can and should continue to make needed investments in utility plant and continue to provide safe and reliable utility service. The moratorium would also give the JA's time to quantify the savings resulting from the merger.

Q. Has the OCA identified other Pennsylvania change-in-control transaction proceedings where a base rate case filing moratorium was included to ensure affirmative public benefits?

A. Yes. The OCA has identified the following as illustrative examples of this:

1.Peoples – Equitable and Dominion Docket Nos. A-2013-2353647; A-2013-2353649; A-2013-2353651.

2.First Energy and West Penn Power Company/Allegheny Power, Trans-Allegheny Interstate Line Company A-2010-2176520; A-2010-2176732.

Q. Does a three-year base rate case moratorium prevent the utilities from requesting recovery for prudently made capital investments that qualify for inclusion in DSIC filings?

A. No. The Pennsylvania regulated utilities have DSIC filings available which can address qualifying capital investment in utility plant between rate cases. Thus, there is no basis to assume that having a three-year base rate moratorium would prevent or discourage the utilities from continuing to invest in DSIC eligible utility plant between rate cases.

Q. Could a three-year base rate case moratorium also provide a benefit to the Joint Applicants and/or motivate the Joint Applicants to fully seek out and implement synergy based cost saving measures?

A. Yes. It would allow the combined company to focus fully on implementing best practices and realizing synergy savings, without the distraction of base rate cases during the integration period.

Q. Would a three-year base rate case moratorium provide a tangible public benefit to Pennsylvania ratepayers?

A. Yes. The regulated utilities owned by American Water, particularly PAWC, have been filing base rate cases frequently. Under American Water ownership, there are concerns that the base rate case filing frequency of Aqua PA and Peoples would accelerate. Allowing three years for the combined company to focus on realizing merger-enabled cost savings without additional base rate cases, thus provides a benefit to ratepayers while enabling the larger, combined company to have time to integrate operations and implement best practices and realize synergy savings. A rate

case moratorium would give the Joint Applicants time to quantify any synergies that result from the transaction and would ensure that interested parties and the Commission has an opportunity to reasonably analyze any synergies.

Three-year Stay-out on Section 1329 Acquisitions

Q. Have the Joint Applicants agreed with your recommendation for a stay-out on Section 1329 acquisitions?

A. No. In my direct testimony I recommended that a commitment for the JAs to a three-year stay-out on Section 1329 acquisitions, other than for troubled water and wastewater utility systems, should be required. At pages 37-38 of her rebuttal testimony, Ms. Norton disagrees with this commitment on the basis that it is not related to evaluating the proposed Merger for approval. She claims that future acquisitions should not be restricted. At page 11 of his rebuttal testimony, JA witness Bowler also disagrees with this recommendation for similar reasons.

Q. Why are Section 1329 acquisitions of particular concern?

A. Section 1329 acquisitions are of particular concern because they typically entail large increases in the rate base of the utilities that are acquired, and can also involve subsidization of acquired sewer utility systems by existing water utility ratepayers. In summary, acquisitions under Section 1329 can entail substantial rate base increases and cross-subsidization, and thus contribute to the upward pressure on utility rates.

Q. Are increases in rate base under the Section 1329 acquisition provisions similar in some respects to change-of-ownership costs such as Goodwill?

A. Yes. The increase in rate base under Section 1329 cases due to the change of control, is similar to Goodwill, in that it is a result of the change-of-ownership transaction. However, in the Section 1329 acquisitions, that increase caused by the change in ownership becomes a part of rate base, and thus contributes to the upward pressure on utility rates. In the current proceeding, the Joint Applicants have agreed to have shareholders be responsible for the Goodwill and transaction costs that would result from their proposed transaction, which involves a change in control of the current EU-owned public utilities.

In contrast to that treatment of Goodwill and transaction costs associated with this proposed transaction, in Section 1329 acquisition proceedings, it is the Pennsylvania ratepayers, and not shareholders, that end up bearing the cost of rate base increases, and related transaction costs, that result from the change of ownership.

Thus, avoiding Section 1329 acquisitions for a three-year period following merger consummation would allow the Joint Applicants to focus on integrating their existing utilities, and obtaining synergy savings, while not incurring the rate increase to existing ratepayers resulting from substantial increases to rate base due to change of ownership. Having a reasonable post-merger consummation period with no Section 1329 acquisitions would also avoid the cross-subsidization of sewer utility cost of service by existing water utility ratepayers that is at high risk of occurring with Section 1329 "fair value" rate base acquisitions. In sum, having a moratorium on Section 1329 acquisitions, other than for troubled water and sewer utilities, would benefit the Joint Applicants' existing Pennsylvania ratepayers by avoiding

transactions that have a high risk of putting additional upward pressure on rates when the utilities file their next base rate cases.

Transition Costs through the Merger Consummation Date Should Be Borne By Shareholders

Q. Please summarize your recommendations concerning transition costs.

A. For this proposed transaction, I am recommending that all Transition costs that are incurred through the date of merger consummation be accounted for in detail and be permanently excluded from the rates of all of the Pennsylvania utilities that would be owned by American Water after the merger. Specifically, I am recommending the following conditions concerning transition costs:

- All Transition Costs that are incurred prior to the closing of the proposed transaction should be borne by shareholders. No pre-merger closing Transition Costs should be allocated to any Pennsylvania utility operating entities.

- American Water shall track and account for Transition Costs and costs to achieve synergy savings in sufficient detail so the parties can review such costs and verify that none of the costs have been included in the cost of service of any Commission regulated utilities in any Pennsylvania rate case.

Q. Have the Joint Applicants agreed with your recommendations concerning transition costs?

A. The Joint Applicants agree with the tracking and accounting recommendation but not with the recommendation that all Transition Costs that are incurred prior to the closing of the proposed transaction should be borne by shareholders. As explained on page 18 of his rebuttal testimony, JA witness Bowler states that "American Water

is not asking for authorization now to recover transition costs, but rather that the Commission not pre-determine an exclusion from rates." Mr. Bowler wants to preserve an opportunity to request recovery of pre-merger closing transition costs from Pennsylvania ratepayers in future rate cases.

Q. What Transition Costs are addressed by this recommendation?

A. Transition costs are sometimes referred to as "costs to achieve" and can be associated with efforts to integrate and combine the operations of the acquired companies with the operations or the acquiring company. The JA's response to OCA-JA-I-18(a), (c) and (e) provided the following definitions:

> ***Costs to achieve***: Expenses incurred to realize anticipated benefits from a transaction or strategic initiative, such as cost savings or synergies. These are typically one-time costs, like consulting fees, IT system changes, or restructuring expenses.
>
> ***Transition costs***: Transaction costs include costs to achieve (see above) and merger integration costs (see below).
>
> ***Merger integration costs***: Costs of combining two businesses into a single entity post-merger. These include IT integration, process alignment, and workforce restructuring.

As I explained in my direct testimony at pages 63-64:

> Costs-to-achieve (referred to as "transition costs") represent incremental out-of-pocket costs rather than simply redeployed costs already existent within the business. In an acquisition and merger transaction, these costs would include expenditures in areas such as communications, facilities, information technology and certain corporate costs, among others. The costs-to-achieve may be incurred in the first years after the acquisition. "Transition costs" include costs incurred by the Applicants for costs to facilitate the integration of the companies.

Q. On which entity's books will the transition costs be recorded?

A. Transition costs could be recorded on the books of AW or on the books of Pennsylvania utilities, or on the books of affiliated companies, such as, but not limited to American Water Works Service Company.

Q. Why should Transaction Costs incurred prior to the consummation of the proposed transaction be borne exclusively by shareholders?

A. During the period prior to the consummation of the proposed transaction, the Joint Applicants are voluntarily incurring those costs on behalf of their respective shareholders. Shareholders should therefore be at risk and held responsible for the incurrence of those costs. It is reasonable and appropriate to require shareholders to bear full responsibility for costs that they are voluntarily incurring on their own behalf prior to consummation of the proposed transaction.

Q. Has a similar recommended condition for shareholder responsibility for Transaction Costs incurred prior to the consummation of a proposed merger transaction been agreed to in another merger proceeding of which you have knowledge?

A. As one illustrative example that is readily and recently available, in a current proposed merger case before the Montana Public Service Commission involving a proposed NorthWestern Energy and Black Hills merger, Docket No. 2025.10.078, a Settlement agreement in that case that was reached between the Joint Applicants in that case, the Montana Consumer Counsel and the Large Customer Group contains a provision requiring Transaction Costs incurred prior to the consummation of the proposed transaction be borne exclusively by shareholders, as well as related

reporting requirements. It should be noted that no decision has yet been issued and that other intervenors in the case, including but not limited to 350 Montana (one of the intervenors), have continued to oppose that proposed merger, even with the agreed upon conditions that are covered in the Settlement that was reached by the aforenoted settling parties.

Charitable Contributions

Q. Please summarize your recommended commitment for Charitable Contributions.

A. As stated at page 75 of my direct testimony, the following commitment is recommended:

- American Water, Essential Utilities and their Pennsylvania public utilities shall, during the ten-year period following Merger Close, provide for the next ten years at least $10 million in annual contributions to public 501(c)(3) charities, that are not industry associations or donor-advised funds, $8.84 million of which must go to an organization providing services in Pennsylvania. American Water shall file by April 30 of each year an annual report on the contributions made in the prior calendar year, which shall at minimum specify which company(ies) made the contribution (e.g. Aqua, the Peoples Companies, American Water Service Company, PAWC, etc.), the amount of the contribution, and the recipient of the funds. These charitable contributions shall not be recovered in rates.

Q. How have the Joint Applicants responded to that recommendation?

A. At pages 39-41 of her rebuttal testimony, JA witness Norton attempts to avoid committing to a dollar amount of charitable donations and suggests that the JA's may decide to reduce their shareholder funded charitable contributions, particularly

if a commitment with a specified time frame and a specified dollar amount is not required. The Joint Applicants offer a lesser commitment and for only two years.

Q. Is the $10 million based on historical information on charitable contributions?

A. Yes. The $10 million is based on historical information on charitable contributions, as discussed in my direct testimony.

Q. Have the Joint Applicants committed to a dollar amount or a specific period for continuing shareholder-funded charitable donations?

A. The Joint Applicants' revised commitment is presented at page 6 of Exhibit CN-1R, which was attached to Ms. Norton's rebuttal testimony. No dollar amount is specified there. The Joint Applicants only propose this commitment for Aqua PA and Peoples, not for either American Water or PAWC. Their proposed time frame is only "for the next two years after completion of the Merger" with any amounts after that being unspecified and only subject to being "at levels consistent with American Water's contributions in the areas it serves."

Q. Why should a dollar amount and time frame for this commitment be specified?

A. Without having a dollar amount and time frame for this commitment specified, the commitment is aspirational only, and the amount and time frame are left to the discretion of American Water management. Also, without specifically stating the dollar amount as part of this commitment, parties would have to dig through materials to try to ascertain what level of charitable contributions are actually being committed to by the Joint Applicants. To use Ms. Norton's own words (from page 41, lines 9-11): "these long-term contribution commitments provide a substantial benefit to the community at no cost to customers since the cost is borne by

shareholders." At page 41, line 7 of her rebuttal testimony, Ms. Norton refers to having such contributions "at lower levels than the first two years …" A commitment of only two years is not a long-term commitment. Moreover, allowing American Water to lower the historical dollar amount after the first two years reduces that benefit.

Q. Why should the commitment be for ten years, and not the two years proposed by Ms. Norton?

A. The commitment for shareholder funded charitable donations is intended to be a long-term benefit to Pennsylvania resulting from the proposed transaction. It is one of the commitments, but not by any means the only one, to assure that the proposed transaction provides a substantial, affirmative public benefit. A ten-year period is long-term, whereas a two-year period is not. The commitment should be for ten years to assure sustained shareholder-provided funding continues at the specified dollar amount for the combined companies' Pennsylvania service area.

<u>Capital and O&M Budget Variance Reporting Requirements</u>

Q. What Capital and O&M Budget Variance Reporting Requirements have you recommended?

A. In my direct testimony, I recommended the following reporting requirement:

- reporting deviations from Aqua's and the Peoples Companies budgeted capital and O&M expenditures made in anticipation of American Water ownership, and similarly reporting deviations from Aqua's and the Peoples Companies budgeted capital and O&M expenditures that are made after transaction consummation and the reasons for those deviations.

Q. What was the Joint Applicants' response to this recommended reporting requirement?

A. Page 30 of JA witness Norton's rebuttal states that this reporting is not necessary or appropriate.

Q. Please explain why the condition concerning reporting deviations from the Aqua and the Peoples Companies' capital and O&M expenditures is needed.

A. This condition is needed because it should help to ensure that the Aqua and Peoples Companies' capital and O&M expenditures are not curtailed by American Water in the years following the transaction. Moreover, it will ensure that American Water has been put on notice to retain and have available the needed information to enable parties to review variations that could occur post-merger to the Aqua PA and Peoples pre-merger planned capital and O&M spending.

<u>Capital Structure Commitment</u>

Q. Have the Joint Applicants agreed with your recommendation for presenting information in subsequent rate cases showing a 50/50 debt/equity capital structure?

A. No. The Joint Applicants have indicated that, in their opinion, this reporting requirement is not necessary.

Q. Where there are multiple layers of organizational entities above the regulated utilities in a corporate organization, does that raise issues about the utilities' capital structure?

A. Yes. As explained in my direct testimony, at pages 70-71, where there are multiple layers of additional entities above a utility in a corporate organizational structure, particularly when some of those entities above the utility are issuing debt, that raises issues about whether the controlling parent companies are actually financing the common equity capital on the utility's books with debt that has been issued at the higher level entities in the corporate organizational structure. With additional large amounts of Goodwill, which is an intangible asset on the parent company's books that does not produce a return, there could be additional motivation for executive management to attempt to earn higher net operating income at the utilities by indirect means, such as earning a common equity return at the utility with equity that is effectively being financed with debt at other entities above the utility in the organizational structure.

Q. Could the concern about utility capital structure be addressed by a merger commitment?

A. Yes, by a commitment by the JAs to present a 50/50 hypothetical debt/equity capital structure in the Pennsylvania utilities' base rate cases for 10 years following the merger consummation. Having information on such a 50/50 capital structure in the utility rate cases can help protect Pennsylvania utility customers from indirect, return-increasing efforts by holding company executive management, such as double leveraging or other parent company tactics to issue debt and infuse the debt into the utility subsidiary equity, increasing rates for ratepayers.

Preservation of Pennsylvania Utility Work Force and Office Locations

Q. Should there be a commitment to retain current Pennsylvania office locations and employment levels?

A. Yes. There should be a commitment from Joint Applicants that the proposed transaction will have no impact to current office locations and staffing levels at each Pennsylvania utility and that there will be no reductions in the JA's current Pennsylvania employment for at least three years from the merger consummation date.

Q. Have the Joint Applicants provided information about their current work force levels in Pennsylvania?

A. Yes. In response to OCA-JA-10-06, American Water stated that:

> As of June 30, 2026, there were 1,391 employees located at an AW office location in Pennsylvania, including 2 part-time employees. The full-time equivalent positions located in Pennsylvania are as follows:
>
> Pennsylvania American Water: 1,272
>
> Service Company: 118
>
> The conversion for a part-time employee to full-time equivalent is: 1 Part-time = 0.5 Full-time

A copy of that AW response is included in Attachment RCS-6 to my surrebuttal testimony.

EU's response to OCA-JA-X-7 provided similar information for EU employees in Pennsylvania in Attachment I to that response, which is also included in Attachment RCS-6 to my surrebuttal testimony.

Q. Have the Joint Applicants generally agreed with recommended commitments about maintaining office locations and Pennsylvania work force levels?

A. As stated on page 20 of Ms. Norton's rebuttal testimony, the Joint Applicants have proposed four commitments regarding operations, quality of service and employees. At page 21 of her rebuttal testimony, Ms. Norton states that:

> The Joint Applicants endorse the commitments identified above, and those recommendations made by the other parties that are consistent with those commitments.

Q. Are the commitments made by the Joint Applicants consistent with the commitments recommended by other parties, such as by the OCA as stated in your direct testimony?

A. No. While the commitments offered by the Joint Applicants cover some of the same general subject areas, the Joint Applicants' proposed commitments are generally less specific and more vague, and thus less meaningful, than the related recommendations stated in my direct testimony for Pennsylvania offices and work force. Moreover, at page 23 of her rebuttal testimony, JA witness Norton claims that such commitments "are not necessary or appropriate conditions for approval of the Merger." At page 23, lines 12-13, Ms. Norton states that: "… Joint Applicants do not commit to maintaining any specific number of employees in … Pennsylvania." Instead, Joint Applicants offer a non-quantified statement that "day-to-day operations will continue to be locally managed by dedicated local employees serving our customers and living in and giving back to our communities." At page 24 of her rebuttal testimony, Ms. Norton states, concerning an employment commitment for the Peoples gas utility, that:

> … while the Joint Applicants do not currently have any plans to reduce Peoples' workforce, they cannot guarantee that all Peoples' employees will maintain their employment – some

> may leave of their own volition. However, staffing will remain at levels required to deliver safe, reliable, and affordable service to customers, consistent with Commission regulations.

Since American Water has no previous experience operating a natural gas utility, without having the existing Peoples work force remaining in place for a specified post-merger period, it is unclear how American Water would know whether Peoples staffing has remained at levels required to deliver safe, reliable, and affordable service to customers, consistent with Commission regulations. Again, the purpose of the quantified and measurable commitment for Peoples staffing is not to prevent people from leaving Peoples service of their own volition, which no one is reasonably trying to prevent or could prevent, but rather assuring that essential Peoples work force who do leave are promptly replaced and that staffing is not reduced below levels needed to safely operate the gas utility. Since American Water has no prior experience with safely and reliably operating a gas utility, the current Peoples work force in Pennsylvania is the best available indication of the work force needed. Thus, the recommended commitment is quantified and measurable by referring to the existing workforce.

Q. Have the Joint Applicants agreed with some version of maintaining existing Aqua PA and Peoples offices?

A. Yes. As discussed on pages 28-29 of Joint Applicant witness Norton's rebuttal testimony, the Joint Applicants agreed with some version of maintaining existing Aqua PA and Peoples offices, but with commitments that are not as strong as the ones that were recommended in my direct testimony.

Q. Ms. Norton states at page 28 of her rebuttal testimony that: "The Joint Applicants should not be precluded from evaluating their headquarters or office needs from time to time as changes could be beneficial for employees and customers." Please respond.

A. The recommended commitments to maintain Pennsylvania headquarters and office locations and staffing have specific time frames. Subsequent to those specific time frames, there is no prohibition on the Joint Applicants to make changes that could be beneficial for employees and customers.

Q. After reviewing the Joint Applicants rebuttal, what commitments to maintain Pennsylvania headquarters and office locations do you recommend, and for what specific time frames?

A. I recommend that the Essential Utilities, Aqua PA, Peoples Gas headquarters shall remain in Pennsylvania for at least five years from merger consummation. Aqua's state-of-the-art testing facility that Aqua recently opened in Bryn Mawr shall continue to be maintained at that location for at least ten years from merger consummation.

<u>Board Composition and Continuing Need for Gas Utility Expertise</u>

Q. What recommendations concerning Board of Directors did you make in your direct testimony?

A. In my direct testimony I made the following recommendations, which are quoted on page 32 of Ms. Norton's rebuttal testimony.

• American Water will have a board of directors consisting of at least one member who possesses substantial experience at a natural gas utility and with pipeline safety issues and gas utility pipeline integrity management.

• The American Water Board of Directors and Executive Committee shall include the Pittsburgh, PA area and service area of the Peoples Companies among the locations of their meetings.

• The American Water Board of Directors and its committees shall meet with the Peoples Companies executive management at least once per month for the first three years post-merger and shall meet at least once per year in the Pittsburgh, PA headquarters office and/or at a location in the utility service area of the Peoples Companies.

Q. Have the Joint Applicants agreed with those recommendations?

A. No. At pages 32-33 of her rebuttal testimony, Ms. Norton claims they are not warranted.

Q. At page 34 of her rebuttal testimony, Ms. Norton states that if a board member with gas utility experience is nominated to the board, their election to the Board would be subject to shareholder approval. Do you agree?

A. Yes. Election to the post-merger American Water board of directors for all nominated directors would be subject to receiving shareholder approval. To facilitate obtaining such shareholder approval, American Water should state in its proxy statements the need for having at least one board member with extensive gas utility experience, identically at an executive or high management level. American Water should present applicable qualifications accordingly and should recommend that shareholders approve the nominated board candidate having the extensive gas utility experience and expertise. It is common for the proxy statement of a publicly traded

company to contain statements of the qualifications and experience of each proposed board of director member. It is also common in solicitations of shareholder votes that the company recommend shareholder approval of its proposed slate for board of director membership. It is expected that American Water would follow similar procedures post-merger.

Q. In her rebuttal testimony at page 33 lines 1-3, JA witness Norton states that Michael Huwar will remain as the President of Peoples. Is that the same as having a seat on the post-merger American Water board of directors?

A. No, it is not.

Q. Are there risks of water utility oriented executive management owning and operating a natural gas utility that can be mitigated by those recommendations?

A. Yes. As explained in my direct testimony and above, American Water currently does not own or operate any gas distribution utilities. Risks to public safety from leaking gas pipes differ from risks related to leaking water pipes. There are concerns regarding American Water's board and executive management overseeing a gas distribution utility, including concerns regarding public safety risks. Having at least one member on the Board of Directors who possesses substantial experience at a natural gas utility and with pipeline safety issues and gas utility pipeline integrity management is a way of assuring that gas utility safe operation gets appropriate attention at the combined company board level. Moreover, requiring a periodic board meeting to be held in the Peoples' service area, was one of the requirements of the Aqua-Peoples merger that ultimately resulted in Essential Utilities, and is a good way of assuring that the combined company board members have visibility and are

aware of the gas utility operation. This requirement should be continued under American Water ownership.

Adherence to Prior Commitments of the Peoples' Companies

Q. Have there been previous commitments that have been made by the Peoples Companies?

A. Yes. In prior dockets there have been a list of previous commitments that have been made by the Peoples Companies and requirements for how they are being tracked.

Q. Have the Joint Applicants agreed to comply with and continue all of the previous commitments that have been made by the Peoples Companies and requirements for how they are being tracked?

A. No, not specifically.

Q. Are you recommending a condition requiring that previous commitments made by the Peoples Companies continue to be tracked and fulfilled?

A. Yes. However, I note that continuation of previous commitments is merely re-enforcement of the status quo. Regardless, I recommend the following condition to require that previous commitments made by the Peoples Companies continue to be tracked and fulfilled:

> American Water commits to continue tracking and fulfilling the Peoples Companies' commitments that are listed in the Settlement in Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063 (the Aqua-Peoples merger dockets) that have not yet been fulfilled prior to the acquisition/merger.

VII. CONCLUSIONS AND RECOMMENDATIONS

Q. Please summarize your conclusions and recommendations.

A. I continue to recommend that the Joint Application should be denied as amended in the Joint Applicants' rebuttal testimony. Even with the commitments that have been added in their rebuttal testimony, the Joint Applicants have not satisfied their burden to demonstrate that the joint application should be approved through substantial evidence. As I noted in my direct testimony and continue to call attention to, Pennsylvania has a high standard for approval of transactions specifically involving utility companies: a substantial affirmative public benefit must arise as a result of the transaction or the transaction should be denied. This is much different than simply doing no harm or maintaining the status quo which may be the standard for utility proceedings in other jurisdictions. This merger involves the two largest water and wastewater companies in the state, and a major natural gas distribution company serving the Pittsburgh area. While the Joint Applicants have agreed in their rebuttal filing to some additional commitments, they have not adequately mitigated risks associated with significant additional costs that are being incurred, including transition costs being incurred through the date of merger consummation. The proposed transaction continues to present significant risks to Pennsylvania ratepayers. Moreover, the proposal by the Joint Applicants through their rebuttal filing still does not quantify synergy savings. As stated in their response to OCA-JA-10-09, as of July 13, 2026: "The integration team has not prepared a report that identifies, quantifies and explains merger synergies and cost savings."[1], The Joint

[1] A copy of that response is included in Attachment RCS-6 to my surrebuttal testimony.

Applicants' proposal also has no provision for ratepayer bill credits, does not accept the recommended moratoriums for base rate case filings or for Section 1329 based acquisitions – both of which harm existing ratepayers by increasing rates. Consequently, I recommend that the Commission should not approve the transaction as revised by Applicants through their rebuttal filing. This is especially important to consider given the sheer size of the acquisition, as this is the largest water and wastewater acquisition in the history of Pennsylvania, to the best of my knowledge. Given my experience in previous acquisitions, I note that the alleged benefits offered by the Joint Applicants in this transaction are deficient in relation to substantial affirmative public benefits when compared to smaller acquisitions relatively. The size of the transaction should require greater scrutiny and evidence than smaller acquisitions, not less scrutiny and evidence.

I recommend that the Commission should approve the proposed acquisition only if sufficient conditions are met to clearly establish substantial affirmative benefits of the acquisition, to limit ratepayer exposure to the risks of the acquisition, and to ensure that ratepayers receive a fair allocation of the benefits of the acquisition. The Commission should put in place sufficient conditions to bring substantial affirmative public benefits to customers and to the Commonwealth. My surrebuttal testimony addresses many of the commitments that have not been adopted by the Joint Applicants through their rebuttal filing and which should be required, at minimum, for transaction approval. By requiring the commitments discussed in my direct and surrebuttal testimony, and the conditions recommended by OCA witness Alexander, the Commission can try to assure that Pennsylvania

ratepayers and the interests of the Commonwealth are protected from the risks and harm presented by the acquisition, that affirmative benefits are provided as a result of the acquisition and that the transaction is in the public interest.

Q. Does this conclude your surrebuttal testimony at this time?

A. Yes, it does. Should additional information become available through the discovery process, I will supplement this testimony as appropriate.

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.
Docket Nos. A-2025-3058927, A-2025-3059828, and A-2025-3058929
Attachment RCS-6
Copies of Non-Confidential Material Referenced in the Surrebuttal Testimony of Ralph C. Smith

Document	Subject	Confidential	No. of Pages	Page No.
OCA-JA-10-03	Status of approval process in other jurisdictions.	No	2	2 - 3
OCA-JA-10-06	American Water corporate offices in Pennsylvania and subsidiary Pennsylvania work locations and staffing levels.	No	2	4 - 5
OCA-JA-X-7	Essential Utilities, Aqua and Peoples locations and staffing levels in Pennsylvania.	No	4	6 - 9
OCA-JA-10-09	Lack of quantified Merger Synergies and Cost Savings.	No	1	10
	Total Pages Including this Page		10	

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
AMERICAN WATER WORKS COMPANY, INC - SET X
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 10

OCA-JA-10-03

Results from other jurisdictions

a. For each other jurisdiction where the proposed merger is being addressed, provide a status update on the requested merger approval in each such jurisdiction.
b. Identify and provide all settlements, draft/proposed orders and regulatory commission final orders that have been issued in each jurisdiction that has addressed the JA's proposed merger.
c. For each jurisdiction in which the JA's proposed merger is still pending, identify the status and remaining procedural timeline and provide a copy of the related procedural orders.
d. Identify and explain the commitments that the JA have made in each jurisdiction in which the proposed merger has been approved. Include with your response a copy of the documents filed by the JA in each jurisdiction containing those commitments.
e. To date, have any regulatory jurisdictions rejected the JA's proposed merger? If so, which ones?

Response:

a.-c. See chart below for the status of each case. Links to dockets with the requested information are in the footnotes.

State	Status
Illinois[1]	Initial briefs due July 29
Kentucky[2]	Order Issued
New Jersey[3]	Public Input hearing scheduled for August 3
North Carolina[4]	Staff/Intervenor testimony due July 31; evidentiary hearings scheduled to begin September 21
Ohio[5]	Order Issued
Pennsylvania[6]	Staff/Intervenor surrebuttal testimony is due July 23; evidentiary hearings scheduled for August 4-6

[1] https://icc.illinois.gov/docket/P2025-1057

[2] https://psc.ky.gov/Case/ViewCaseFilings/2025-00408

[3] https://publicaccess.bpu.state.nj.us/CaseSummary.aspx?case_id=2114118

[4] https://starw1.ncuc.gov/NCUC/page/docket-docs/PSC/DocketDetails.aspx?DocketId=5694b7e3-b2d4-47e5-9833-6670cd02928a

[5] https://dis.puc.state.oh.us/CaseRecord.aspx?CaseNo=25-1200

[6] https://www.puc.pa.gov/docket/A-2025-3058927

Texas[7]	Settlement reached in principle
Virginia[8]	Order Issued

d. This response is provided without waiver of any future objections Joint Applicants may have, including but not limited to requests that seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving these objections, Joint Applicants respond as follows: All commitments made by the Joint Applicants in the jurisdictions in which the Merger has been approved are set forth in the corresponding orders approving the Merger, and are available at the links provided.

e. No.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer
Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: July 13, 2026

[7] https://interchange.puc.texas.gov/search/filings/?ControlNumber=59020&UtilityType=W&ItemMatch=Equal&DocumentType=ALL&DateFiledFrom=11%2F25%2F2025%2000%3A00%3A00

[8] https://www.scc.virginia.gov/docketsearch#caseDetails/146691

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PRODUCTION OF DOCUMENTS ON
AMERICAN WATER WORKS COMPANY, INC - SET X
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 10

OCA-JA-10-06

American Water corporate offices in Pennsylvania and subsidiary Pennsylvania work locations.

a. How many employees are currently (as of 6/30/2026) located at each American Waters and subsidiary office location in Pennsylvania? Identify the number of full time equivalent positions at that location in total and by each affiliated entity, including (1) Pennsylvania American Water, (2) American Water Works Service Company, and (3) each other affiliated entity that uses that office location.

b. Does AW commit to maintaining the current Pennsylvania work force? If not, explain fully why not. If so, explain the commitment that AW is making to maintain jobs in Pennsylvania.

c. Does AW commit to increasing the current Pennsylvania work force? If not, explain fully why not. If so, explain the commitment that AW is making to increase jobs in Pennsylvania.

d. Does AW have any plans to move Aqua, Peoples and/or Essential Utility employees from work locations outside of Pennsylvania into Pennsylvania? If not, explain fully why not. If so, explain the plans and indicate whether the plans are different (1) if the proposed merger is approved and (2) if the proposed merger is not approved.

e. Does AW have any plans to move Aqua, Peoples and/or Essential Utility employees from work locations inside of Pennsylvania to work locations outside of Pennsylvania? If so, explain the plans.

Response:

This response is provided without waiver of any future objections American Water may have, including but not limited to requests that seek information concerning affiliates that are not involved in the subject transaction, or which seek information that is not relevant to any matter at issue in this merger proceeding. Subject to and without waiving such future objections, American Water responds as follows:

a. As of June 30, 2026, there were 1,391 employees located at an AW office location in Pennsylvania, including 2 part-time employees. The full-time equivalent positions located in Pennsylvania are as follows:

Pennsylvania American Water: 1,272
Service Company: 118

The conversion for a part-time employee to full-time equivalent is: 1 Part-time = 0.5 Full-time

b. As indicated in Exhibit C to the Joint Application, "American Water commits to maintaining sufficient workforce, operational facilities, and offices to continue to provide clean, safe, reliable and affordable essential utility services to customers." This commitment extends to American Water's existing Pennsylvania regulated utilities in addition to Aqua PA and Peoples. As part of the integration planning process, the Joint Applicants will evaluate all positions to determine the appropriate organizational structure for the combined company.
c. See response to subpart b. above.
d. As part of the integration planning process, the Joint Applicants will evaluate all positions to determine the appropriate organizational structure for the combined company. The Joint Applicants do not expect any material changes to work locations, but final determinations have not been made.
e. See response to subpart d. above.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer
Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: July 13, 2026

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS ON
THE JOINT APPLICANTS - SET X
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

Joint Applicants Response to OCA Set X

OCA-JA-X-7 **Essential Utilities, Aqua and Peoples locations in Pennsylvania**.

a. How many employees (full time equivalent positions) are currently (as of 6/30/2026) located at each Essential Utilities, Aqua and Peoples work location in Pennsylvania? Identify the number of full time equivalent positions at each Pennsylvania work/office location in total and by each affiliated entity, including (1) Aqua Pennsylvania, (2) Essential Utilities, (3) Peoples Gas, and (4) each other affiliated entity that currently uses an Pennsylvania office location.

b. As a condition of merger approval, do EU and AW commit to maintaining the current EU, Aqua and Peoples, Pennsylvania work force? If not, explain fully why not. If so, explain the commitment that EU is making to maintain jobs in Pennsylvania.

c. Do AW and EU commit to increasing the current EU, Peoples and Aqua Pennsylvania work force? If not, explain fully why not. If so, explain the commitment that AW and EU are making to increase the current level of Aqua, Peoples and EU jobs in Pennsylvania.

d. Does AW or EU have any plans to move Aqua, Peoples and/or Essential Utility employees from work locations outside of Pennsylvania into Pennsylvania? If not, explain fully why not. If so, explain the plans and indicate whether the plans are different (1) if the proposed merger is approved and (2) if the proposed merger is not approved.

e. Does AW or EU have any plans to move Aqua, Peoples and/or Essential Utility employees from work locations inside of Pennsylvania to work locations outside of Pennsylvania? If so, explain the plans.

Response:

a. Please see OCA-JA-X-07_EU_Attachment 1.

b. Please see American Water's response to OCA-JA-X-06_AW.

c. Please see American Water's response to OCA-JA-X-06_AW.

d. Please see American Water's response to OCA-JA-X-06_AW.

e. Please see American Water's response to OCA-JA-X-06_AW.

Responsible Witness(es):

Colleen Arnold

Michael Huwar

Date: 07/13/2026

OCA-JA-10-7_EU_Attachment 1
Page 1 of 2

Company/Location	Count of Positions
Aqua Pennsylvania, Inc.	**643**
PA Beaver Falls	8
PA Bristol	6
PA Bryn Mawr	124
PA Crawford	1
PA Crum Creek	16
PA DuBois	10
PA Emlenton	2
PA Fern Hill	6
PA Gettysburg Plant	1
PA Great Valley	55
PA Greenville	8
PA Greenville Plant	4
PA Greenville WW	4
PA Honesdale	16
PA Ingrams Mill	6
PA Iron Works	1
PA Kennett Square (New Garden)	10
PA Limerick	9
PA Marienville	1
PA Media Plant	6
PA Neshaminy	15
PA Pickering Creek	40
PA Pittsburgh	3
PA Ridley	8
PA Roaring Creek Local Office	23
PA Roaring Creek Plant	7
PA Royersford	2
PA Sayre	6
PA Sharon Local Office	20
PA Sharon Plant	11
PA Shenandoah Local Office	1
PA Shenandoah Plant	4
PA Springfield	110
PA White Haven	23
PA Willow Grove	76
Aqua Services, Inc.	**122**
PA Bryn Mawr	111
PA NORTH SHORE - 375	4
PA Pittsburgh	1
PA Springfield	6

Essential Utilities, Inc.	**229**
PA AQUA REMOTE	4
PA Bryn Mawr	161
PA NORTH SHORE - 375	59
PA PEOPLES REMOTE	3
PA Springfield	2
Peoples Natural Gas Co LL	**1114**
PA ALTOONA	49
PA APOLLO	4
PA BUTLER DISTRICT	44
PA DICE STATION	4
PA GIBSONIA	117
PA GINGERHILL	53
PA GIRTY STATION	7
PA GREENSBURG	105
PA GROVE CITY	20
PA HOPEWELL	45
PA INDIANA DISTRICT	32
PA JEFFERSON DISTRICT	12
PA JOHNSTOWN	63
PA KINTER COMPRESSOR STATION	4
PA KISKI	86
PA MCKEESPORT	63
PA MONONGAHELA	34
PA NORTH SHORE - 375	40
PA VALLEY	49
PA VALLEY STATION	12
PA WAYNESBURG SHOP	26
PA WILKINSBURG	150
PA WILKINSBURG B	95
PNG Companies LLC	**374**
PA BUTLER DISTRICT	2
PA BUTLER WAREHOUSE	1
PA GIBSONIA	1
PA GINGERHILL	1
PA INDIANA DISTRICT	2
PA JOHNSTOWN	1
PA KISKI	3
PA MCKEESPORT	3
PA MCKEESPORT TRAINING CENTER	5
PA NORTH SHORE - 375	331
PA PEOPLES REMOTE	4
PA WILKINSBURG	20
Grand Total	**2482**

OFFICE OF CONSUMER ADVOCATES
INTERROGATORIES AND REQUESTS FOR
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AMERICAN WATER WORKS COMPANY, INC - SET X
Docket Nos. A-2025-3058927, A2025-3059828 and A-2025-3058929

AW Response to OCA Set 10

OCA-JA-10-09

Merger Synergies and Cost Savings.

a. Identify, quantify and explain all merger synergies and cost savings that have been identified by or for the Joint Applicants to date. Include the supporting calculations in Excel with formulas intact.
b. Identify and provide a copy of each report prepared to date by AW and EU integration teams.

Response:

a. See responses to OCA-JA-I-14, OCA-JA-I-15.
b. The integration team has not prepared a report that identifies, quantifies and explains merger synergies and costs savings.

Responsible Witness: David Bowler, Executive Vice President and Chief Financial Officer
Cheryl Norton, Executive Vice President and Chief Operating Officer

Date: July 13, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Essential Utilities 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., and Peoples Natural Gas Company LLC	:	Docket Nos. A-2025-3058927 A-2025-3058928 A-2025-3058929

VERIFICATION

I, Ralph C. Smith, hereby state that the facts above set forth in my Surrebuttal Testimony, OCA Statement 1SR, are true and correct to the best of my knowledge, information, belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: July 23, 2026

Signature: Ralph C. Smith

Ralph C. Smith

Address: 15278 Farmington Road
Livonia, MI 48154

COMMONWEALTH OF PENNSYLVANIA

BEFORE THE 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

Docket Nos. A-2025-3058927, A-2025-3059828, and A-2025-3058929

SURREBUTTAL TESTIMONY OF BARBARA R. ALEXANDER

Barbara Alexander Consulting LLC

(Customer Service, Service Quality, and Universal Service)

ON BEHALF OF THE

OFFICE OF CONSUMER ADVOCATE

July 23, 2026

I. INTRODUCTION AND PURPOSE OF SURREBUTTAL

Q. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.

A. My name is Barbara R. Alexander. I am the sole member/owner of Barbara Alexander Consulting LLC. I am a consultant on consumer protection and customer service issues associated with utility regulation. My address is 44 Beech St., Hallowell, ME 04347. I appear in this case as a witness on behalf of the Pennsylvania Office of Consumer Advocate (OCA).

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS PROCEEDING?

A. Yes. I submitted direct testimony on behalf of the OCA in this proceeding on May 21, 2026.

Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?

A. I am filing surrebuttal testimony in response to the rebuttal testimony filed on behalf of the Joint Applicants (JA) in this application of American Water Works Company, Inc. (American Water), and Essential Utilities, Inc. f/k/a Aqua America, Inc., Aqua Pennsylvania, Inc. (Aqua PA) and Aqua Pennsylvania Wastewater (Aqua PA WW) (collectively, Aqua), Peoples Natural Gas Company LLC (Peoples) to merge. I will respond specifically to the rebuttal testimony filed by Cheryl Norton (JA Statement No. 1-R), Michael Huwar (JA Statement No. 4-R), Daniel Schuller (JA Statement No. 5-R), and Matthew Prine (JA Statement No. 6-R). My testimony addresses the customer service, service quality, and affordability and low-income program implications for this transaction if it is approved.

Q. IS YOUR TESTIMONY COMPLIMENTARY TO THAT OF OCA WITNESS RALPH SMITH?

A. Yes. My overall perspective is to consider the potential risks and rewards to the captive customers of PAWC, Aqua, and Peoples if this transaction is approved, specifically focusing on service quality, customer service performance, and delivery of programs to address the affordability of essential water, wastewater, and natural gas service.

Q. DO YOU HAVE ADDITIONAL EXHIBITS?

A. No.

Q. PLEASE SUMMARIZE YOUR RESPONSE TO THE REBUTTAL TESTIMONY SUBMITTED BY THE JOINT APPLICANTS IN RESPONSE TO YOUR RECOMMENDATIONS.

A. The Joint Applicants continue to reject any of the conditions I recommended to protect PAWC customers from the potential impacts of this merger, but accept some, but not all, of my recommendations that impact Peoples and Aqua customers. I will discuss the implications of the Joint Applicants approach to this merger and identify where additional conditions are justified based on my analysis in my direct testimony and the risks associated with the financial aspects of this merger as identified by Mr. Smith in his Surrebuttal testimony. Furthermore, it is not sufficient to have the Joint Application approved to simply "do no harm" or even maintain the status quo. Rather, there must be substantial record evidence that demonstrates that substantial affirmative benefits will arise as a result of the merger, or the merger must be rejected. Even after reading the rebuttal testimony, the Joint Applicants have still failed to satisfy that standard.

Q. DO YOU HAVE ANY REASON TO CHANGE YOUR OVERALL RECOMMENDATIONS AS SET FORTH IN YOUR DIRECT TESTIMONY?

A. No.

II. RESPONSE TO JOINT APPLICANT WITNESSES CHERYL NORTON AND MATTHEW PRINE WITH REGARD TO THE IMPACTS OF THE MERGER ON PAWC'S CUSTOMERS

Q. DOES YOUR TESTIMONY REFLECT THE VIEW STATED BY JA WITNESS NORTON THAT PAWC IS NOT A PARTY TO THIS PROCEEDING?

A. I do not agree with that assertion, but I defer to the OCA's response to that position in its briefs. I continue to establish the basis for the need to address PAWC's service quality and customer assistance programs in this surrebuttal and continue to recommend the commitments that should be imposed on PAWC as set forth in my direct testimony. My recommendations reflect the stated intent of American Water to assume ownership of Aqua and Peoples and conduct integration of key customer service obligations. Such integration, including potential organizational changes, call centers, management, and billing systems carry risks of deterioration to PAWC as well as Aqua and Peoples, a risk that Ms. Norton and other JA witnesses completely ignore.

Q. DOES JA WITNESS PRINE ACCEPT ANY OF YOUR PROPOSALS THAT WILL HOLD AMERICAN WATER RESPONSIBLE FOR THE FUTURE IMPACT OF THIS MERGER ON PAWC CUSTOMERS?

A. No. JA Witness Prine rejects my recommendations for PAWC's service quality performance and low-income assistance programs. He does not propose any commitments for service quality and universal service programs and performance applicable to PAWC customers. He argues that the merger itself is between American Water and Essential utilities (Peoples and Aqua). And that any potential benefits or changes that impact any of the customers of PAWC, Peoples and Aqua will occur through future integration of best practices that are not yet defined:

> However, as part of the integration planning process, both American Water and Essential are evaluating how to best integrate the two companies, including their respective customer service functions, following completion of the Merger. While integration efforts are underway and American Water and Essential are working diligently through that process, no definitive decisions have yet been made on how to combine the customer service function. Post-Merger, American Water and Essential will share learnings and best practices so that over the long term, the combined company will provide a customer service solution that is more efficient and incorporates the best practices of both organizations in the best interest of customers.[1]

Q. DO YOU AGREE THAT THE COMMISSION SHOULD APPROVE THIS MERGER THAT WILL POTENTIALLY UNIFY THE CUSTOMER SERVICE FUNCTIONS OF PAWC, PEOPLES, AND AQUA WITHOUT ANY COMMITMENTS ON ACTUAL PERFORMANCE?

A. No. While the Joint Applicants accept some, but not all of my proposed conditions applicable to Peoples and Aqua, JA Witness Prine rejects any proposed conditions on the essential customer service and universal service programs applicable to PAWC customers. I reject his apparent assumption that the future merger related initiatives and unidentified "synergies" and "best practices" might provide benefits to PAWC customers.[2] For example, he identifies that Essential provides a better call center performance than PAWC, but refuses to actually make any commitment to improve PAWC's performance as I recommended in my direct testimony by stating:

> Similarly, the CSO will gather learnings from Essential's customer service team to facilitate improvement in any areas where Essential's customer service performance is currently stronger. For example, in 2025, the CSO met its goal for customer care agents ("CCAs") to answer 80% of calls received within 60 seconds. In 2025, Essential's customer service team answered 86.67% of calls received within 30 seconds. The CSO is interested in working with Essential's customer service team to understand what tools and processes they used to

[1] JA St. No. 6-R, pages 5-6.
[2] Mr. Prine's typical approach is that: "Once the Merger is approved and Aqua PA and Peoples join the American Water family, the CSO and Essential's customer service teams will cross-train and adopt each other's best practices where appropriate." JA St. No. 6-R, page 7, lines 11-13.

> achieve this call answer rate. This cross-training and sharing of best practices between two sophisticated water and wastewater customer service teams is an important benefit of this transaction.[3]

The same approach is relied upon to justify the lack of any improvements in or benefits to low-income customers as a result of this merger. Mr. Prine plainly states that no changes to any of the PAWC, Peoples, or Aqua low income programs are promised in this proceeding: "To be clear, no changes are proposed as part of this Merger to PAWC's or Aqua PA's customer assistance programs or to Peoples' universal service programs."[4] And, again, he promises that post-merger further examination and consideration of how or whether these programs can be coordinated or modified will occur without any recognition of the potential impact of any change or promise of improved funding or more targeted assistance:

> Post-Merger, American Water and Essential will explore whether their expanded Pennsylvania customer base can create more streamlined assistance program enrollment opportunities, particularly in geographic areas where the Peoples and PAWC service territories overlap. In addition, American Water will learn from Peoples' expertise offering universal service programs in Pennsylvania, which differ from the customer assistance programs required under Pennsylvania law for water and wastewater utilities, to evaluate whether similar programs should be developed for PAWC's customer base in the future.[5]

Finally, Mr. Prine does not even acknowledge the potential that any changes to the billing systems, integration of customer service personnel, customer service programs, universal service delivery and program details put all the customers of these American Water affiliates at risk, whatever the benign intent of American Water. It is unreasonable to assume otherwise, and I urge the Commission to impose customer

[3] JA. St. No. 6-R, page 8, lines 2-10.
[4] JA St. No. 6-R, page 8, lines 14-15.
[5] JA St. No. 6-R, pages 8-9, lines 17-22, 1-2.

service performance and universal service benefits that will ensure substantial affirmative benefits to all PAWC, Peoples, and Aqua customers.

Q. DO YOU HAVE FURTHER CONCERNS WITH MR. PRINE'S TESTIMONY PARTICULARLY WITH REGARD TO THE IMPACT OF THESE UNIDENTIFIED INTEGRATION ACTIONS?

Q. Joint Applicants' Witness Prine states that as part of the integration planning process, "both American Water and Essential are evaluating how to best integrate the two companies, including their customer service functions, following completion of the Merger."[6] And, that "no definitive decisions have been made on how to combine the customer service function…" but that "over the long term the combined company will provide a customer service solution that is more efficient and incorporates the best practices of both organizations in the best interest of customers."[7] This statement raises serious potential concerns about (1) whether there is any commitment to actually improve customer service or (2) ignores the real possibility that attempts to integrate these functions will result in deterioration of service to the customers of one or more Pennsylvania public utility, particularly since there is no promise or commitment that the best and highest level of service quality will govern the results of this integration process. Certainly, this statement is not evidence in support of any substantial affirmative public benefits.

Q. TURNING SPECIFICALLY TO YOUR PROPOSED COMMITMENTS TO ENSURE BENEFITS TO PAWC CUSTOMERS, PLEASE RESPOND TO JA WITNESS PRINE'S REJECTION OF YOUR RECOMMENDED CUSTOMER SERVICE AND

[6] JA. St. No. 6-R, page 5, lines 19-22,
[7] Ibid., page 6, line 2-4.

LOW-INCOME PROGRAM COMMITMENTS.

A. First, Mr. Prine rejects any effort to maintain even the current service quality performance and program design and spending for PAWC's customer assistance programs. He states, "No customer service or universal service changes are proposed by the Joint Applicants in this proceeding. Accordingly, neither additional reporting requirements nor non-compliance credits are reasonable conditions for this Merger."[8] I address the need for reporting and the process for responding to non-compliance below since these commitments are crucial to the monitoring of any of the recommended service quality and assistance programs that I have proposed. Taking Mr. Prine's approach as given, what he is stating is that the Joint Applicants refuse to adopt any commitments with regard to the current or future service quality performance or their customer assistance programs and that the Commission should not track and evaluate the vague and high level promises made by the Joint Applicants.

Q. DO YOU AGREE WITH JA WITNESS PRINE'S EXCUSE THAT THE COMMISSION RETAINS ITS JURISDICTION OVER PAWC'S SERVICE QUALITY PERFORMANCE AND DESIGN AND FUNDING OF LOW-INCOME PROGRAMS[9]?

A. I agree the Commission retains its current regulatory authority to consider PAWC's service quality performance and universal service programs in base rate cases or in formal investigations. However, that begs the question as to who bears the risk of deterioration or the risk that no merger related "synergies" or "best practices" improves customer service quality or low-income program benefits. Under Mr. Prine's. approach, customers bear the risk of deterioration if such deterioration is sufficient to justify a

[8] JA St. No. 6-R, page 10, lines 3-5.
[9] JA St. No. 6-R, page 10, lines 5-14.

resource intensive and lengthy investigation or litigation in a lengthy base rate case. One can ask what level of deterioration might result in a formal investigation in which residential customers can participate? Furthermore, he offers no recompense if this merger does not have any beneficial impact on ratepayers but only on American Water's shareholders.

Q. HOW DO YOU RESPOND TO MR. PRINE'S REJECTION OF YOUR RECOMMENDATION THAT PAWC IMPROVE ITS CALL CENTER PERFORMANCE?

A. Mr. Prine states that my recommendation would "arbitrarily change the CSO's targeted call center performance metrics when, in a contemporaneous proceeding, the OCA has already argued that the CSO's call center performance metrics are an appropriate performance metric."[10] Mr. Prine confuses the stated recommendation in the pending PAWC base rate case that focuses on an analysis of PAWC's historical and current call center performance with the current proceeding that explicitly identifies the potential for "synergies" and 'best practices" when American Water assumes ownership of Aqua PA and Peoples. The latter requires substantial and affirmative public benefits, none of which Mr. Prine offers.

Q. HOW DO YOU RESPOND TO THIS LACK OF ANY BENEFITS OFFERED TO PAWC CUSTOMERS?

A. As I included in my direct testimony, my recommendations reflect the recent analysis of PAWC's customer service performance and universal service programs and impacts of rate increases on low-income customers in PAWC's pending rate case. This rate case

[10] Ibid., page 12.

provides a complete analysis of these programs and performance that should be relied upon to ensure substantial affirmative public benefits if this merger is approved. In addition, like my recommendations for Peoples and Aqua (many of which are accepted by those witnesses in their Rebuttal), my recommended benefits should be extended for a five year period. These recommendations should provide the floor upon which additional merger related "best practices" can be evaluated and implemented should American Water implement these unknown synergies and best practices as promised.

Q. DO YOU HAVE ANY CHANGES TO THE RECOMMENDATIONS TO ENSURE BENEFITS TO PAWC CUSTOMERS AS SET FORTH IN YOUR DIRECT TESTIMONY?

A. No. I repeat them here to provide a comprehensive summary:

PAWC has a pending base rate case before the Commission in Docket Nos. R-2025-3057983 (W) and R-2025-3058051 (WW). I recommend the following customer service performance conditions for this application based on my exploration of PAWC's customer performance and recommendations in that proceeding.

- As reflected in Exhibit BA-5 attached to my direct testimony, PAWC's internal performance goals for its call center only address the percentage of calls answered within 60 seconds rather than 30 seconds and do not reflect any abandonment service level. PAWC should be held to a performance level that is no less than the call center performance agreed to by Aqua PA and Peoples in their prior merger and recent rate case settlements, namely answering a minimum of 80% of the calls with a customer service representative within 30 seconds with an abandonment rate of 2.5%. This commitment will require an improved performance compared to PAWC's current call

center performance, particularly with respect to the abandonment rate.

- PAWC should be required to undertake an annual audit and investigation of customer call center compliance with Pennsylvania's regulations by not only investigating customer complaints but affirmatively reviewing a valid sample of customer calls and subsequent transactions to find and respond to potential violations or improperly handled calls. Such audits with their findings and responses in the form of internal action undertaken should be included in the annual compliance filing I recommend below.
- PAWC should be required to conduct a proper root cause analysis[11] of customer disputes, informal, and formal complaints to identify complaint trends, underlying causes, and reforms or other steps undertaken to respond to these findings. PAWC should share its plan to conduct, and methodology for, a root cause analysis with stakeholders prior to undertaking such analysis. A root cause analysis that complies with this commitment should be completed within six months of the final order in this proceeding and submitted annually as part of my recommended annual compliance filing.
- I recommend that PAWC be required to amend its contracts for its third-party call centers to require specific performance standards and penalty provisions relating to answering calls in a timely manner, abandonment rate, and compliance with Pennsylvania regulations governing consumer protections.
- American Water's current marketing of non-basic services to PAWC customers

[11] A "proper root cause analysis" is one that complies with the overall content and analytical techniques recommended by the American Society for Quality. See, https://asq.org/quality-resources/root-cause-analysis

should be reformed to eliminate the use of the similar name of American Water Resources (and use the name of the correct corporate entity offering such services) and revise its bill presentation of non-basic services to a separate page from the presentation of regulated utility services.

- American Water should require PAWC, Peoples, and Aqua to affirmatively solicit alternative providers of non-basic services and offer to bill and collect such services for any qualified vendor.
- PAWC's internal goals for reliability of service, field operations appointments, outage response time, and compliance with water quality requirements as described in Exhibit BA-5 should also be included as specific commitments in this proceeding.

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS FOR PAWC'S CUSTOMER ASSISTANCE PROGRAM THAT SHOULD BE APPLICABLE TO PAWC IF THIS MERGER IS APPROVED.

A. I recommend the following commitments should be adopted for PAWC's customer assistance programs and funding:

- Bill Discount Program: PAWC should adopt an internal process to identify its low-income customers with enhanced screening process at the time of the customer's enrollment, expand its enrollment in bill payment assistance program by directing customers to the program before they enter into a payment agreement or before they are subject to disconnection for nonpayment. PAWC shall coordinate its outreach and enrollment efforts with its low-income enrollment group to increase enrollment in the Bill Discount Program and its Arrears Management Program. The enrollment target should be set at 20% per year of PAWC's estimated low-income customer

counts until at least a 75% enrollment level is reached.

- PAWC's Arrears Management Program should be modified to allow customers to earn a monthly arrearage forgiveness credit for each complete payment by the customers, regardless of timeliness, and retroactive credits should be provided once the household pays its in program balance in full. The program should be modified to expand the monthly credit provided by a timely payment or for a cured missed or late payment to give complete forgiveness in a pro rata fashion over a 24-month period. Furthermore, PAWC should enroll all Bill Discount Program new and current participants that have qualifying arrears in the Arrears Management Program without additional application or additional steps.
- PAWC should develop screening protocols and enhanced outreach and educational efforts to increase enrollment in the Bill Discount Program and Arrears Management Program in collaboration with its low-income advisory group.
- PAWC should develop a low-income comprehensive conservation and leak repair/replacement assistance program, including actual leak repair and line replacement, available to all customers under 150% of federal poverty level to reduce wasteful and expensive usage and control water usage costs.
- PAWC should increase its shareholder contribution to the Hardship Fund and expand the grants available for that program to $750 for water and $750 for wastewater.
- PAWC should develop a comprehensive Universal Service Plan designed to coordinate and enhance customer awareness of and enrollment opportunities for its low-income programs in available programs.
- The deadlines for implementation of these commitments should be within six months

after the final order in this proceeding.

Q. PLEASE RESPOND TO MR. PRINE'S CLAIM THAT MY RECOMMENDATION FOR MORE CLEARLY IDENTIFYING NON-BASIC SERVICES BILLED BY PAWC CONFLICTS WITH COMMISSION REGULATIONS.

A. Mr. Prine states that my recommendation that PAWC bill its non-basic services on a separate page of their bill should be rejected because the line item for these services that is included with the list of regulated services is consistent with Commission regulations.[12] In fact, the Commission's regulations on the billing of non-basic services states that such charges "must appear after charges for basic services and appear distinctly separate."[13] There is no language in this regulation that suggests that a line item disclosure is somehow more appropriate or required compared to a separate page on the customer bill. My recommendation is more clearly consistent with the plain language of this directive than PAWC's approach which is to list the non-basic charges in the same grouping as the regulated charges which leads to a customer's conclusion that such charges are in fact regulated or endorsed by the Commission.

Q. PLEASE RESPOND TO MR. PRINE'S REJECTION OF PROPOSALS TO PROVIDE INCREASED SHAREHOLDER FUNDING FOR ASSISTANCE PROGRAMS.[14]

A. Mr. Prine is correct that the Commission does not typically have the authority to order an investor-owned public utility to contribute shareholder funds to the utility's approved and regulated customer assistance programs. And I recognize the significant level of

[12] "Consistent with the Commission's regulations, PAWC includes charges for these services as a separate line item on customers' monthly bills." JA St. No. 6-R, page 15, lines 7-8. "The Commission's regulations are clear that charges for non-basic services should appear on a separate line of the bill, not an entirely separate page." Ibid., page 16, lines 6-8.
[13] 52 Pa. Code Sec. 56.263.
[14] JA St. No. 6-R, page 27, lines 10-21.

shareholder funding that PAWC already contributes to its hardship funds. At a minimum, that level of contribution should continue. However, I bring this matter to the Commission's attention to emphasize the lack of response by the Joint Applicants witnesses in this merger proceeding who allege that the customers will benefit from the merger without identifying any specific means to identify or track such empty promises and do not identify any additional or continued contribution to ratepayer funded assistance programs in the justification for their application that will certainly benefit shareholders. Certainly, a commitment from the Joint Applicants to contribute shareholder funds to customer assistance programs could help support a finding of substantial affirmative public benefits, along with other such commitments, sufficient to warrant approving the merger.

III. CUSTOMER SERVICE PERFORMANCE AND UNIVERSAL SERVICE PROGRAM COMMITMENTS PROPOSED BY THE JOINT APPLICANTS FOR AQUA AND PEOPLES CUSTOMERS

Q. WHAT DO THE JOINT APPLICANTS PROPOSE IN RESPONSE TO YOUR RECOMMENDATIONS APPLICABLE TO AQUA AND PEOPLES CUSTOMERS?

A. In contrast to Ms. Norton and Mr. Prine on behalf of American Water and PAWC, Joint Applicant Witness Daniel Schuller[15] proposes specific commitments for Aqua and Peoples customers if this merger is approved. He agrees to a five-year commitment to meet several of the customer service performance objectives I recommended in my direct testimony for Peoples and Aqua PA. He also describes and confirms the implementation of the universal service and customer assistance programs previously agreed upon,

[15] JA St. No. 5-R.

including the shareholder funding reflected in prior settlements. Joint Applicant Witness Michael Huwar[16] on behalf of Peoples commits to tracking field operations appointments, continuing its standard of meeting 99% of all appointments for another five years and maintaining an average emergency response time of 27.5 minutes.

Q. PLEASE IDENTIFY YOUR RECOMMENDATIONS THAT JA WITNESSES SCHULLER AND HUWAR DO NOT ACCEPT AND RESPOND TO THE BASIS FOR THEIR REJECTION.

A. These witnesses object to several of my recommendations primarily on the grounds that they have been implemented or funded and should not continue beyond the initial five-year commitment that has expired. I do not agree with the basis for their rejection of these recommendations. First, the intent of my direct testimony on these commitments was to extend the time frame during which these performance objectives and financial commitments should be implemented and monitored in the annual reports. This proposed merger should not only prevent deterioration or harms based on prior commitments, but should demonstrate affirmative customer benefits directly associated with the proposed merger. Second, these performance objective and financial commitments should form the basic floor against which future integration and adoption of best practices can be measured.

Q. PLEASE IDENTIFY REMAINING ISSUES WITH REGARD TO MERGER RELATED COMMITMENTS APPLICABLE TO AQUA PA AND PEOPLES.

A. While the Joint Applicant Witnesses Schuller and Huwar agree to meet several of the existing service quality performance objectives and continue their current assistance

[16] JA St. No. 4-R.

programs at the current level of funding for a five-year period, the reporting obligation is not accompanied by any specific means to ensure compliance. The annual reports should be considered and ordered as compliance filings as a condition of any approval of the merger. While I assume that American Water on behalf of Aqua and Peoples will explain or attempt to justify any failure to meet these standards and program commitments in any such filing, the parties to this proceeding should be offered an opportunity to further explore the cause and remediation of such failure and participate in the resolution of such lack of compliance. My approach retains the Commission's explicit authority to oversee and assure compliance with these vital commitments for the five-year period without putting the burden on any party to initiate a formal investigation. With regard to my proposal that serious failures should require a customer credit that should be calculated based on the nature of and scope of the failure in question, I continue to recommend that the Commission explicitly state that such a response may be appropriate, leaving to the Commission the discretion to link the level of noncompliance and the length of time that such as occurred to the proper remedy. However, it is important to ensure that American Water's shareholders bear some level of risk for the failure to ensure a reasonable level of customer service performance and affordability for Pennsylvania's most vulnerable customers in this application for proposed merger. This explicit identification of a potential remedy is particularly important in light of the unknown nature of the future integration of the customer service function for these public utilities, as well as the future design and funding for their respective customer assistance programs by American Water.

Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Essential Utilities 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., and Peoples Natural Gas Company LLC	:	Docket Nos. A-2025-3058927 A-2025-3058928 A-2025-3058929

VERIFICATION

I, Barbara Alexander, hereby state that the facts above set forth in my Surrebuttal Testimony, OCA Statement 2SR, are true and correct to the best of my knowledge, information, belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: July 23, 2026

Signature: /s/ Barbara Alexander
Barbara Alexander

Address: 44 Beech St.,
Hallowell, ME 04347