



September 15, 2026

Via E-Mail Only

The Honorable Emily I. DeVoe, Administrative Law Judge
The Honorable Ann Quimby, Administrative Law Judge
Pennsylvania Public Utility Commission
301 Fifth Avenue, Suite 220
Pittsburgh, PA 15222
edevoe@pa.gov
aquimby@pa.gov

Re: Joint Application of American Water Works Company, Inc., et al., 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

Greetings, Your Honors,

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE PA) files this Letter to convey its position of non-opposition to the Joint Petition for Non-Unanimous Settlement (Settlement or Joint Petition) in the above-noted proceeding related to the Merger of American Water and Essential Utilities (Merger).¹

¹ On November 26, 2025, the American Water Works Company, Inc., Essential Utilities, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC and Alpha Merger Sub, Inc. (Joint Applicants) filed applications (Joint Applications) to obtain the approval of the Commission under Chapters 11 and 22 of the Public Utility Code for a change of control of Aqua Pennsylvania, Inc., Aqua

CAUSE-PA is unable to affirmatively support the proposed Settlement in this proceeding, which would provide for the Merger of American Water and Essential Utilities. CAUSE-PA cannot join the proposed Settlement because it does not provide for more meaningful provisions which CAUSE-PA has recommended in this proceeding to prevent harm and ensure substantial affirmative public benefits as a result of the Merger. Nevertheless, CAUSE-PA does not affirmatively oppose the proposed Settlement either, as it recognizes that the proposals contained therein will help to protect low and moderate income customers of American Water and Essential Utilities Pennsylvania Companies – Pennsylvania American Water Company (PAWC), Peoples Natural Gas (Peoples), and Aqua Pennsylvania, Inc. Water and Wastewater (Aqua PA).

While CAUSE-PA stands by its litigated positions, it does not oppose proposed Settlement because of the Joint Applicants’ agreement to the terms set forth in the proposed Settlement, including providing for elimination of reconnection fees for Aqua PA and PAWC and a range of universal service program reforms which will help low income customers to better afford and stay connected to services.

The Pennsylvania Public Utility Code provides that a public utility must obtain a certificate of public convenience (CPC) prior to acquiring or transferring any tangible or intangible property used or useful in the public service,² and that a CPC application shall be granted “only if the [C]ommission shall find or determine that the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public.”³ The Pennsylvania Supreme Court has held that Section 1103(a) requires that the proposed transaction “affirmatively promote the ‘service, accommodation, convenience or safety of the public’ in some substantial way.”⁴

The Joint Applicants claimed the Merger would generate a series of purported benefits.⁵ Many of these purported benefits amounted to generalized assurances that American Water would maintain certain status quo if the Merger is approved – or to mitigate harm that would otherwise result from the Merger itself.⁶ As CAUSE-PA detailed through testimony, the Joint Applicants’ proposals were illusory at best, and did not amount to an

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).

² 66 Pa. C.S. § 1102(a)(3).

³ 66 Pa.C.S. § 1103(a).

⁴ City of York v. Pennsylvania Public Utility Commission, 295 A.2d 825, at 828 (Pa. 1972).

⁵ CAUSE-PA St. 1 at 9-12.

⁶ CAUSE-PA St. 1 at 13-23.

affirmative public benefit necessary to meet the applicable standard in this case.⁷ In addition, CAUSE-PA presented extensive evidence that the proposed Merger, if approved, is likely to lead to considerable harm to the Companies' customers – further underscoring that it is inappropriate to approve the proposed Merger based on the Joint Applicants' proposals set forth through their filings.⁸

While the Joint Applicants' proposed Merger will provide substantial financial benefits to themselves and their shareholders, there are significant numbers of low income customers⁹ served by the Joint Applicants that are struggling to afford and stay connected to basic services in their home.¹⁰ The Companies' confirmed low income customers carry significant utility burdens – even before the most-recent rate proceedings for PAWC and Peoples,¹¹ and there are several indicators that the Companies' low income customers are facing stark affordability issues, including disproportionate arrearage levels and service termination rates faced by low income customers compared to residential customers as a whole.¹² It is squarely contrary to the public interest to approve a proposed Merger when the Companies' low income customers are struggling to afford and stay connected to services – and when these affordability challenges impact customers' families and their surrounding communities.¹³

CAUSE-PA continues to be concerned about the impacts of the proposed Merger on Pennsylvania's consumers, including low income utility consumers who are already struggling to afford and stay connected to essential water, wastewater, and gas services.¹⁴ Nonetheless, the Settlement provides important provisions that will assist low and moderate income consumers, including:

⁷ CAUSE-PA St. 1 at 12; 13-23.

⁸ CAUSE-PA St. 1 at 23-32.

⁹ CAUSE-PA St. 1 at 35: Table 3. While Mr. Cicero explained that the Companies confirmed low income (CLI) definition varies to some extent, by either the Companies CLI or ELI definitions, the Companies has a significant number of low income customers – comprising between 6-18% based on CLI customers of all residential customer; and between 16-25% based on estimated low income (ELI) customers of all residential customers.

¹⁰ CAUSE-PA St. 1 at 34-39.

¹¹ CAUSE-PA St. 1 at 37; Table 5.

¹² CAUSE-PA St. 1 at 37-39.

¹³ CAUSE-PA St. 1 at 42: 1-5.

¹⁴ CAUSE-PA St. 1 at 35-39.

- Rate Credits and Hardship Funds:
 - American Water will apply a one-time rate credit of \$40 for PAWC, Aqua PA, and Peoples’ customers, totaling approximately \$82 million.¹⁵
 - American Water will make an additional annual contribution to Aqua PA’s and Peoples’ hardship funds totaling \$600,000 each year for at least 3 years post-closing.¹⁶
- Rate Case Stay Out:
 - PAWC will not file for another general rate increase under Section 1308(d) of the Code prior to April 1, 2028, and Aqua PA will not file for another general rate increase under Section 1308(d) prior to June 1, 2027.¹⁷
- Most Favored Nations Status:
 - If the Joint Applicants agree to benefits in any other state regulatory jurisdiction that must approve the proposed Transaction that are materially more beneficial than the terms of this Order with respect to the same category of benefits, then American Water shall increase the benefit in each such respective category that is to be provided to Pennsylvania public utility customers as set forth in the Settlement – and that, 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.¹⁸
- Billing System Integration:
 - As part of any billing system conversion or integration, Aqua PA, PAWC, and Peoples will standardize enrollment criteria for its universal service

¹⁵ Proposed Settlement at ¶ 10.

¹⁶ Proposed Settlement at ¶ 51.

¹⁷ Proposed Settlement at ¶ 11-12.

¹⁸ Proposed Settlement at ¶ 89. The proposed Settlement further provides that, “Specifically, this condition will only apply to the following categories of benefits: (1) providing customer bill credits to Aqua PA and Peoples customers equal to the highest per-customer amounts committed to by the Joint Applicants in other jurisdictions that approve the proposed transaction, (2) offering 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 for the Aqua PA and Peoples service areas, and (3) requiring implementation of ring-fencing provisions that the Joint Applicants agree to that are more protective of ratepayers than the ones made by Joint Applicants in the current Pennsylvania case.”

programs and low income customer assistance programs, and develop a combined application. This application will be available to customers within 1 year after the launch of the Companies' integrated and standardized customer information and billing system.¹⁹

- Reconnection Fees:

- Within 60 days of the closing of the Merger, Aqua PA and PAWC will file a tariff supplement effective on 60 days' notice, that waives reconnection fees for all residential households with income at or below 150% of the federal poverty level customers.²⁰

- Local Presence and Employee Commitments:

- Aqua PA's, PAWC's, and Peoples' day-to-day operations will continue to be locally managed by dedicated local employees serving their customers and living in and giving back to their communities.²¹
- American Water, on behalf of PAWC, Peoples, and Aqua PA agree to provide annual reports to the Commission, I&E, OSBA, OCA, and CAUSE-PA regarding field offices and staffing levels in its service territory until the first rate case filed by each Pennsylvania utility following the Merger.²²

- Charitable Contributions and Community Support:

- American Water shall ensure that Aqua PA, Peoples, and PAWC provide for the next three years annual contributions to 501(c)(3) charities or municipalities/government bodies, of at least their respective three-year average annual amount based on the three 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

¹⁹ Proposed Settlement at ¶ 55. See also Proposed Settlement at ¶ 54 (Billing system integration following the Merger will allow Aqua PA, PAWC, and Peoples to share information related to low income status and program enrollment.)

²⁰ Proposed Settlement at ¶ 63. The proposed Settlement further provides that Aqua and PAWC agree to work in conjunction with their respective assistance advisory groups to develop a plan for how to inform customers about this change. Aqua PA and PAWC will be permitted to create a regulatory asset to track reconnection fees that they otherwise would have been able to recover from customers that they can then present for recovery in their next respective base rate proceedings following completion of the Merger.

²¹ Proposed Settlement at ¶ 67.

²² Proposed Settlement at ¶ 70.

specify which company(ies) made the contribution (Aqua PA, PAWC, or Peoples), the amount of the contribution, and the recipient of the funds. These charitable contributions shall not be recovered in rates.²³

CAUSE-PA also recognizes that several provisions within the proposed Settlement attempt to respond to its affordability concerns of the Companies' customers raised by CAUSE-PA in this proceeding, including:

- Arrearage Forgiveness -- In its next filed rate case, Aqua PA and Peoples will propose to transition their respective arrearage forgiveness assistance for low income customers so that participating customers are eligible for full forgiveness over a period of no more than 24 months.²⁴ The Companies will work with their respective assistance advisory groups to discuss an appropriate plan for informing customers about this change, and consider feedback of advisory group members in good faith.²⁵
- Peoples Low Income Usage Reduction Program (LIURP) -- The Joint Applicants agree to increase Peoples LIURP budget by \$500,000 to a total of \$4,000,000 annually, as well as increasing its Emergency Furnace and Line Repair Program (ERP) budget by 10%.²⁶
- PAWC Conservation and Leak/ Line Repair Program -- In its next filed rate case, PAWC will seek Commission approval to implement a conservation and leak and line repair/replacement program available to all customers enrolled in PAWC's bill discount program. Prior to this filing, PAWC will consult with its customer assistance advisory group related to the contents of this proposal, and consider members' feedback in good faith.²⁷
- Universal Service Program Coordination -- Within one year of closing, PAWC, Aqua PA, and Peoples agree to coordinate with its respective assistance advisory groups to develop a plan to more broadly coordinate their usage reduction and repair services. This coordination should eliminate customers providing duplicative information across the Companies, including information related to household income and renter status. This plan should also include coordination with specified programs so that eligible customers can be referred to across these programs. This increased coordination should include a plan for how low income customers can receive additional measures to improve efficiency/conservation

²³ Proposed Settlement at ¶ 76.

²⁴ The proposed Settlement further provides that PAWC will make this change consistent with the PAWC Rate Case Order.

²⁵ Proposed Settlement at ¶ 52.

²⁶ Proposed Settlement at ¶ 58.

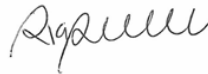
²⁷ Proposed Settlement at ¶ 57.

which are not duplicative of current conservation and kit offerings, including line repair services.²⁸

These reforms do not fully address the myriad of concerns raised by CAUSE-PA in this proceeding, but they will help to improve the ability of the Companies' low and moderate income households to stay connected to life essential services.

Considering the relative support for the proposed Settlement among a range of active parties, including the Office of Consumer Advocate (OCA) and Commission's Bureau of Investigation and Enforcement (I&E), CAUSE-PA does not believe that further litigation would constitute a reasonable expenditure of its limited resources. Thus, as a matter of prudence, CAUSE-PA has elected to take a position of non-opposition to the proposed Settlement. Ultimately, while CAUSE-PA does not affirmatively support the proposed Settlement, it has concluded that the Settlement's relative benefits warrant a position of non-opposition.

Respectfully Submitted,



Ria M. Pereira, Esq.
Counsel for CAUSE-PA

CC: *Secretary Matthew L. Homsher (via E-file only)*
Cadi Eberly, Legal Assistant, caeberly@pa.gov (via email only)
Certificate of Service

²⁸ Proposed Settlement at ¶ 56.

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water	:	
Works Company, Inc., Essential	:	
Utilities, Inc., Aqua Pennsylvania,	:	
Inc., Aqua Pennsylvania Wastewater,	:	Docket Nos. A-2025-3058927
Inc., Peoples Natural Gas Company	:	A-2025-3058928
LLC, and Alpha Merger Sub, Inc. for	:	A-2025-3058929
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		

Certificate of Service

I hereby certify that I have this day served copies of the **Letter indicating CAUSE-PA's position of non-opposition to the Joint Petition for Non-Unanimous Settlement** upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54.

VIA EMAIL ONLY

Kenneth M. Kulak, Esq.
Mark A. Lazaroff, Esq.
Catherine G. Vasudevan, Esq.
Brooke E. McGlinn, Esq.
Morgan Lewis and Bockius LLP
2222 Market Street
Philadelphia, PA 19103-2921
ken.kulak@morganlewis.com
mark.lazaroff@morganlewis.com
catherine.vasudevan@morganlewis.com
brooke.mcglinn@morganlewis.com

Anthony D. Kanagy, Esq.
Garrett P. Lent, Esq.
Hayley E. Wilburn, Esq.
Emily Grecu, Esq.
17 North 2nd Street, 12th Floor
Harrisburg, PA 17101-1601
akanagy@postschell.com
glent@postschell.com
hwilburn@postschell.com
egrecu@postschell.com

Alexander R. Stahl, Esq.
Kimberly A. Joyce, Esq.
762 W. Lancaster Ave.
Bryn Mawr, PA 19010
astahl@aquaamerica.com
kajoyce@essential.co

Scott B. Granger, Esq.
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120
sgranger@pa.gov

Steven C. Gray, Esq.
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
sgray@pa.gov

Thomas Wyatt, Esq.
Matthew S. Olesh, Esq.
Matthew Selmasska, Esq.
James G. Pringle, Esq.
Obermayer Rebmann Maxwell & Hippel
LLP Centre Square West
1500 Market Street, Suite 3400
Philadelphia, PA 19102
thomas.wyatt@obermayer.com
matthew.olesh@obermayer.com
matthew.selmasska@obermayer.com
james.pringle@obermayer.com

Alex J. Baumler, Esq.
Sean Kilkenny, Esq.
Lamb McErlane PC
24 East Market Street, Box 565
West Chester, PA 19381
alex@skilkennylaw.com
sean@skilkennylaw.com

Meagan Moore, Esq.
Peoples Natural Gas Company LLC
375 North Shore Drive
Pittsburgh, PA 15212
meagan.moore@peoples-gas.com

Harrison W. Breitman, Esq.
Joel H. Cheskis, Esq.
Johnathan M. Longhurst, Esq.
Crystal M. Zook, Esq.
Office Of Consumer Advocate
Forum Place
555 Walnut Street, 5th Floor
Harrisburg, PA
hbreitman@paoca.org
jcheskis@paoca.org
jlonghurst@paoca.org
czook@paoca.org
PAWCAquaExternal@paoca.org

Maureen B. Carlton Esq.
Andrew Griffin, Esq.
Aaron Nelson, Esq.
Curtin & Heefner LLP
1040 Stony Hill Road
Yardley, PA 19067
mbc@curtinheefner.com
apg@curtinheefner.com
adn@curtinheefner.com

Kevin D. Kent, Esq.
Joseph W. Jesiolowski, Esq.
Clark Hill PLC
Two Commerce Square
2001 Market Street, Suite 2620
Philadelphia, PA 19103
kkent@clarkhill.com
jjesiolowski@clarkhill.com

Michael Maddren, Esq.
Murphy Maddren Ltd
6 Dickinson Drive, Suite 115
Chadds Ford, PA 19317
mike@murphymaddren.com

Samuel J. Pasquarelli, Esq.
Sherrard, German & Kelly, P.C.
535 Smithfield Street, Suite 300
Pittsburgh, PA 15222
Samuel.pasquarelli@sgkpc.com

Louis Agre, Esq.
1375 Virginia Drive
Ft. Washington, PA 19034
louagrelaw@gmail.com

Respectfully Submitted,
PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



Ria M. Pereira, Esq., PA ID: 316771
118 Locust Street
Harrisburg, PA 17101
(717) 710-3825
pulp@pautilitylawproject.org

September 15, 2026