

# LEGAL NOTICE

## NOTICE TO THE PUBLIC OF A JOINT PETITION BY AMERICAN WATER WORKS COMPANY, INC., ALPHA MERGER SUB, INC., ESSENTIAL UTILITIES, INC., AND AQUA VIRGINIA, INC., FOR APPROVAL OF AN ACQUISITION OF CONTROL OF A PUBLIC UTILITY PURSUANT TO CHAPTER 5 OF TITLE 56 OF THE CODE OF VIRGINIA CASE NO. PUR-2025-00229

On December 22, 2025, American Water Works Company, Inc. ("American Water"), Alpha Merger Sub, Inc. ("Merger Sub"), Essential Utilities, Inc. ("Essential"), and Aqua Virginia, Inc. ("Aqua VA") (collectively, the "Joint Petitioners"), filed with the State Corporation Commission ("Commission") a joint petition ("Joint Petition") for approval of the indirect acquisition of control of Aqua VA by American Water, to be effected by the merger ("Merger") of Merger Sub with and into Essential, with Essential as the surviving corporation becoming a wholly-owned subsidiary of American Water. The Joint Petitioners seek approval pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"), which provides, in part, that "[n]o person . . . shall, directly or indirectly, acquire or dispose of control of . . . [a] public utility within the meaning of this chapter, or all of the assets thereof, without the prior approval of the Commission."

The Joint Petitioners represent that Aqua VA is a public service corporation that provides water and wastewater service to over 35,000 connections, or approximately 100,000 people, within its certificated service territories throughout Virginia. The Joint Petition further reflects that: (a) Aqua VA is a wholly owned subsidiary of Essential; (b) Essential is a publicly traded public utility holding company incorporated and headquartered in Pennsylvania, providing water, wastewater, and natural gas service to approximately 5.5 million people through subsidiaries in New Jersey, Pennsylvania, Ohio, North Carolina, Illinois, Kentucky, Texas and Virginia; (c) American Water is a public utility holding company organized and existing under the laws of Delaware and headquartered in New Jersey, providing water and wastewater services to approximately 14 million people with regulated operations in 14 states and on 18 military installations; (d) American Water's subsidiary Virginia-American Water Company ("VAWC") currently provides water and wastewater services to over 84,000 customer connections, or over 350,000 people in Virginia; and (e) Merger Sub is a Pennsylvania corporation and a wholly owned subsidiary of American Water that was formed for the sole purpose of effecting the Merger.

According to the Joint Petitioners, on October 26, 2025, American Water, Merger Sub, and Essential entered into a Merger Agreement providing that, upon the terms and subject to the conditions set forth in the Merger Agreement, Merger Sub would merge with and into Essential, with Essential surviving the Merger as a wholly owned subsidiary of American Water. Following consummation of the Merger, Aqua VA would become an indirect wholly owned subsidiary of American Water and American Water would remain the ultimate corporate parent of VAWC. The Joint Petition states that the Merger would be an allequity transaction, with Essential shareholders receiving 0.305 shares of American Water common stock for each share of Essential common stock that they hold.

The Joint Petitioners assert that following the Merger, Aqua VA's utility business would remain unchanged and day-to-day operations of Aqua VA would continue to be locally managed by dedicated local employees. Joint Petitioners state that they are not seeking a change of rates in this proceeding and that Aqua VA's Commission-approved rates and tariffs in effect at the close of the Merger would remain unchanged as a result of the Merger. Additionally, Joint Petitioners commit that Aqua VA would not seek recovery in rates of any transaction costs incurred in connection with the Merger or any acquisition adjustment (i.e., goodwill) associated with the Merger. Joint Petitioners assert that the Merger would enable Joint Petitioners to achieve efficiencies in the future, the benefits of which would accrue to Aqua VA and ultimately flow to customers in future rate cases. According to the Joint Petition, those economies would help offset future increases in the costs of providing regulated water and wastewater service and are expected to give rise, over time, to lower rates than otherwise would be the case. In support of the Merger, the Joint Petitioners assert that the combined expertise, experience, and resources of American Water and Essential would permit the sharing of best practices and lead to operational efficiency and a long-term capital investment profile to support continued investment in critical infrastructure and solutions to infrastructure challenges across the combined company's expanded footprint, including in the territories served by Aqua VA in the Commonwealth.

Additional details are set forth in the Joint Petition. Interested persons are encouraged to review the Joint Petition and supporting exhibits.

The Commission entered an Order for Notice and Comment that, among other things, directed the Joint Petitioners to provide notice of their Joint Petition and provided interested persons an opportunity to comment or request a hearing on the Joint Petition.

To promote administrative efficiency and timely service of filings upon participants, the Commission will, among other things, direct that all pleadings, briefs, or other documents required to be served in this matter be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 et seq. ("Rules of Practice"). Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. At this time, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange delivery.

Pursuant to 5 VAC 5-20-140, Filing and service, of the Commission's Rules of Practice, the Commission directs that service on parties and the Commission Staff ("Staff") in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, the parties and Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

Electronic copies of the public version of the Joint Petition and the Commission's Order for Notice and Comment may be obtained by submitting a written request to counsel for Joint Petitioners: Timothy E. Biller, Esq., Andrea D. Gardner, Esq., Hunton Andrews Kurth LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219, [tbiller@hunton.com](mailto:tbiller@hunton.com), [agardner@hunton.com](mailto:agardner@hunton.com) and John K. Byrum, Jr., Esq., Woods Rogers Vandeventer Black PLC, 901 E. Byrd Street, Suite 1600, Richmond, Virginia 23219, [john.byrum@woodsrogers.com](mailto:john.byrum@woodsrogers.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/case-information](https://scc.virginia.gov/case-information).

On or before March 24, 2026, any interested person may file comments on the Joint Petition by following the instructions found on the Commission's website: [scc.virginia.gov/case-information/submit-public-comments](https://scc.virginia.gov/case-information/submit-public-comments) or by filing such comments with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2025-00229.

On or before March 24, 2026, any interested person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at the address above or at: [scc.virginia.gov/clk/efiling](https://scc.virginia.gov/clk/efiling). Such notice of participation shall include the email addresses of such parties or their counsel. Pursuant to Rule 5 VAC 5-20-80 B, Participation as a respondent, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent known; and (iii) the factual and legal basis for the action. Any organization, corporation, or governmental body participating as a respondent must be represented by counsel as required by Rule 5 VAC 5-20-30, Counsel, of the Rules of Practice. All filings shall refer to Case No. PUR-2025-00229.

On or before March 24, 2026, any interested person or entity may file with the Clerk of the Commission at [scc.virginia.gov/clk/efiling](https://scc.virginia.gov/clk/efiling) a request that the Commission convene a hearing on the Joint Petition. Those unable, as a practical matter, to file the hearing request electronically may file such hearing request by U.S. mail to the Clerk of the Commission at the address listed above. Requests for a hearing shall include: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All filings shall refer to Case No. PUR-2025-00229.

Copies of any notices of participation and requests for hearing shall be served electronically on counsel for Joint Petitioners, Staff and any respondents.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Comment, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The public version of the Joint Petition, the Commission's Rules of Practice, and the Commission's Order for Notice and Comment may be viewed at the Commission's website: [scc.virginia.gov/case-information](https://scc.virginia.gov/case-information).

**AMERICAN WATER WORKS COMPANY, INC.,**  
**ALPHA MERGER SUB, INC., ESSENTIAL UTILITIES, INC., AND**  
**AQUA VIRGINIA, INC.**