

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE VERIFIED APPLICATION OF AMERICAN)
WATER WORKS COMPANY, KENTUCKY-)
AMERICAN WATER COMPANY, NEXUS)
REGULATED UTILITIES, LLC, AND WATER) CASE NO. 2025-00171
SERVICE COMPANY OF KENTUCKY FOR)
APPROVAL OF THE TRANSFER OF CONTROL)
OF WATER SERVICE COMPANY OF)
KENTUCKY)

ORDERING PARGRAPH 7 REPORT

By Order of September 9, 2025, the Commission approved the requested merger in this case. In that Order at Ordering Paragraph 7, the Commission directed the Joint Applicants to file notice of the receipt of other regulatory and judicial decisions pending as of September 9, 2025 within ten days of receipt of them. Joint Applicant American Water Works Company, Inc. (“AWWC”) hereby provides notice that the requested approval from the Virginia State Corporation Commission was not pending as of September 9, 2025 because the Virginia State Corporation Commission approved the requested merger prior to that on August 29, 2025. A copy of that August 29, 2025 Order is attached.

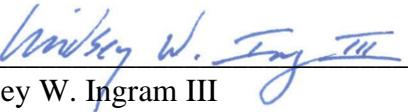
AWWC also hereby provides notice that, by Order of February 2, 2026, the Tennessee Public Utility Commission approved the requested merger.¹

At this time, approvals are still pending in Illinois, Indiana, Pennsylvania, Maryland, and New Jersey. AWWC will provide notice of those approvals as they are obtained as required by Ordering Paragraph 7 of the Commission’s September 9, 2025 Order.

¹ The Tennessee Order is here: <https://tpucdockets.tn.gov/archive/filings/2025/2500040ai.pdf>.

Dated: February 5, 2026

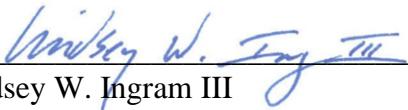
Respectfully submitted,



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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was submitted electronically to the Public Service Commission on February 5, 2026, and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding



Lindsey W. Ingram III

STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 29, 2025

*State Corporation Commission
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JOINT PETITION OF

VIRGINIA-AMERICAN WATER COMPANY,
AMERICAN WATER WORKS COMPANY, INC.,
NEXUS REGULATED UTILITIES, LLC, and
COLCHESTER UTILITIES, INC.

CASE NO. PUR-2025-00105

For approval of an affiliate transaction, change of control, and amended certificate under Chapters 4, 5, and 10.1 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On June 5, 2025, Virginia-American Water Company (“Virginia-American”), American Water Works Company, Inc. (“American Water”), Nexus Regulated Utilities, LLC (“Nexus”), and Colchester Utilities, Inc. (“Colchester”) (collectively, “Petitioners”), completed the filing of a Joint Petition (“Joint Petition”) with the State Corporation Commission (“Commission”). Pursuant to Chapters 4¹ and 5² of Title 56 of the Code of Virginia (“Code”), Petitioners request Commission approval of: (1) a transfer of control of Colchester from Nexus to American Water (“Transfer”), and (2) an immediate merger of Colchester into Virginia-American, with Virginia-American as the surviving entity (“Merger”) (collectively with Transfer, “Transaction”).³ In addition, pursuant to Chapter 10.1 of Title 56 of the Code, Virginia-American requests that the Commission issue an amended or new certificate of public

¹ Code § 56-76 *et seq.* (“Affiliates Act”).

² Code § 56-88 *et seq.* (“Utility Transfers Act”).

³ Joint Petition at 1.

convenience and necessity (“CPCN”) to Virginia-American, to permit it to provide wastewater services in the territory currently served by Colchester.⁴

Petitioners state that they have entered into a Purchase and Sale Agreement in which Nexus, Colchester’s parent company, has agreed to sell 100% of the issued and outstanding capital stock of Colchester to American Water, the parent company of Virginia-American.⁵ Upon the sale, and pursuant to Petitioners’ Proposed Merger Agreement, Colchester would be merged into Virginia-American, with Virginia-American being the surviving entity.⁶

Virginia-American is a Virginia public service company that provides water and wastewater service to several Virginia localities pursuant to CPCNs issued by the Commission.⁷ Colchester is a Virginia corporation that provides wastewater service to one subdivision in Fairfax County, called Harborview.⁸ Colchester does not bill the residents of Harborview; it sends one bill to Fairfax County for all wastewater service provided to Harborview residents.⁹ Per the Petitioners, in 1984, the Commission issued an order finding that Colchester had only one customer, Fairfax County, and that the Commission did not have jurisdiction to regulate service to Fairfax County.¹⁰ The Petitioners note that, as a result, the Commission cancelled Colchester’s CPCN and ordered it to amend its articles of incorporation to reflect that it was no

⁴ *Id.*

⁵ *Id.* at 2.

⁶ *Id.* at 4-5.

⁷ *Id.* at 2.

⁸ *Id.* at 3.

⁹ *Id.*

¹⁰ *Id.* See *Application of Colchester Public Service Corporation, to revise its tariffs, Case No. PUE-1981-00035, Final Order Canceling Certificate and Dismissing Application for Rate Relief*. 1984 S.C.C. Ann. Rept. 369, 1984 WL 1024759 (Feb. 28, 1984).

longer a public service corporation.¹¹ The Petitioners also state that the Commission subsequently determined that, as a “company which owns or operates facilities within the Commonwealth for the . . . furnishing of sewerage facilities or water,” Colchester is a “public utility” as that term is defined in the Utility Transfers Act, and the transfer of control of Colchester is therefore subject to Commission approval pursuant to the Utility Transfers Act.¹²

The Petitioners assert that if approved and upon completion of the Transaction, Virginia-American would not change the rates or terms and conditions of service that are currently in effect for Colchester customers.¹³ Likewise, the Petitioners aver, “[t]he Transaction will have no impact on the quality of service Virginia-American provides its jurisdictional customers in Virginia, nor will it affect the rates those customers pay for service.”¹⁴ The Petitioners also contend that Virginia-American’s acquisition of Colchester’s assets and facilities and assumption of Colchester’s responsibility to provide services require amendment or issuance of a new CPCN to permit Virginia-American to serve the area previously served by Colchester.¹⁵

On June 26, 2025, the Commission issued an Order for Notice and Comment, which docketed this matter as Case No. PUR-2025-00105; directed the Petitioners to provide public notice of the Joint Petition and file proof of service no later than July 23, 2025; provided

¹¹ Joint Petition at 3-4. *See Application of Colchester Public Service Corporation, to revise its tariffs, Case No. PUE-1981-00035, Final Order Canceling Certificate and Dismissing Application for Rate Relief*, 1984 S.C.C. Ann. Rept. 369, 1984 WL 1024759 (Feb. 28, 1984).

¹² Joint Petition at 4; *Petition of Colchester Utilities, Inc., for a finding that Transfers Act approval is not required in connection with its indirect change of control*, Case No. PUE-2012-00047, 2012 S.C.C. Ann. Rept. 446, 447, 2012 WL 5178687 at *3 (Oct. 15, 2012); *see also* Utility Transfers Act.

¹³ Joint Petition at 5-6.

¹⁴ *Id.*

¹⁵ *Id.* at 6.

interested persons an opportunity to participate as respondents in the proceeding, to file comments on the Joint Petition, and to request a hearing on the matter no later than July 25, 2025; and directed the Commission Staff (“Staff”) to investigate the Joint Petition and file a report containing Staff’s findings and recommendations (“Staff Report”) no later than August 6, 2025. On July 23, 2025, Petitioners filed proof of publication and notice and proof of service. No requests for hearing, notices of participation, or comments were filed in this case.

On August 6, 2025, Staff filed its Staff Report and concluded that, based on the Petitioners’ representations and Staff’s review of the Joint Petition, the Merger is in the public interest and adequate service to the public at just and reasonable rates will not be impaired or jeopardized by the Transfer.¹⁶ Therefore, Staff recommended that the Transaction should be approved subject to the requirements listed in Appendix A to the Staff Report, which Staff maintains are necessary to protect the public interest.¹⁷ Staff further recommended approval of Virginia-American’s request for amendment of its CPCN pursuant to Code §§ 56-265.2 and 56-265.3.¹⁸

On August 13, 2025, Petitioners filed their response (“Response”) to the Staff Report, stating that the Petitioners generally agree with Staff’s recommendations, although they request modification of Recommendation number (5) in Appendix A¹⁹ due to the possibility that changes

¹⁶ Staff Report at 7.

¹⁷ *Id.*

¹⁸ *Id.* at 7-8.

¹⁹ Recommendation number (5) in Appendix A of the Staff Report states, “The Commission’s approval should be contingent upon closing the Transaction pursuant to the terms and conditions (“Terms”) of the Proposed Merger Agreement and the Purchase and Sale Agreement provided in the Petition. No changes to the Terms of the Proposed Merger Agreement and the Purchase and Sale Agreement should be made before or at closing without prior Commission approval.”

to the terms of the Proposed Merger Agreement and the Purchase and Sale Agreement may be required in other jurisdictions where this multi-state Transaction is taking place.²⁰ Thereafter, on August 20, 2025, Staff filed a letter (“Staff’s Letter”) stating that the parties had reached agreement²¹ on revised language for Recommendation number (5).²²

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Merger is in the public interest under the Affiliates Act and adequate service to the public at just and reasonable rates will not be impaired or jeopardized by the Transfer pursuant to the Utility Transfers Act, and, therefore, the Transaction should be approved subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to Code §§ 56-77, 56-88.1 and 56-90, the Transaction is approved as described herein, subject to the requirements listed in the Appendix attached to this Order.
- (2) Virginia-American’s current wastewater CPCN No. S-98a is cancelled.
- (3) Pursuant to Code §§ 56-265.2 and 56-265.3 D, Virginia-American is granted amended wastewater CPCN No. S-98b, authorizing the Company to expand and add to its wastewater service territory the Harborview subdivision wastewater service territory that is currently served by Colchester, leaving Virginia-American as the surviving wastewater certificated provider for this service territory.

²⁰ Response to Staff Report at 1.

²¹ See Staff’s Letter.

²² As reflected in the attachments to Staff’s Letter and Paragraph (5) of the Appendix to this Order, the Commission has substantively adopted the agreed-upon language of the parties.

(4) Virginia American shall file a map to include the Harborview subdivision wastewater service territory that is currently served by Colchester with the Commission's Division of Public Utility Regulation within thirty (30) days from the date of this Order Granting Approval.

(5) This case is dismissed.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

APPENDIX

- (1) The Commission approves the Transaction, pursuant to the Affiliates Act and the Utility Transfers Act.
- (2) The Commission amends Virginia-American's CPCN, pursuant to Code § 56-265.3 D, to expand its service territory to include the Harborview subdivision currently served by Colchester.
- (3) The Commission's approval has no accounting or ratemaking implications.
- (4) The Commission reserves the right to examine the books and records of Virginia-American and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.
- (5) The Commission's approval is contingent upon closing the Transaction pursuant to the terms and conditions ("Terms") of the Proposed Merger Agreement and the Purchase and Sale Agreement provided in the Petition. No changes to the Terms of the Proposed Merger Agreement and the Purchase and Sale Agreement shall be made before or at closing, without prior Commission approval. However, to the extent non-material changes to the Terms become necessary prior to closing, the Petitioners shall provide Staff, at least three (3) business days prior to closing, the opportunity to review any proposed non-material changes to the Proposed Merger Agreement and the Purchase and Sale Agreement. Should Staff communicate concerns to Petitioners regarding any such proposed amendments that impact the acquisition of any assets in Virginia, Petitioners shall seek Commission approval of the non-material changes. Written notice of each non-material change shall be provided to the Director of the Utility Accounting and Finance Division ("UAF Director"), with a copy sent to accounting@scc.virginia.gov.

Petitioners shall include in the written notice, a redline copy of all asserted non-material changes, along with detailed explanations for each such non-material change. Petitioners shall include an itemized list of all changes in the Report of Action required by Paragraph (6) of this Order.

- (6) Within ninety (90) days of completing the proposed Transaction, Virginia-American shall file a Report of Action (“Report”) with the Commission and include in the Report the effective date of the Transaction and the actual accounting entries on Virginia-American’s books to reflect the Transaction. Such accounting entries shall be in accordance with the National Association of Regulatory Utility Commissioners’ Uniform System of Accounts (USOA) for wastewater.
- (7) Virginia-American shall include the Transaction in its Annual Report of Affiliate Transactions submitted to the Commission’s UAF Director at accounting@scc.virginia.gov on May 1 of each year, subject to administrative extension by the UAF Director.