

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 PARAGRAPH 7 REPORT

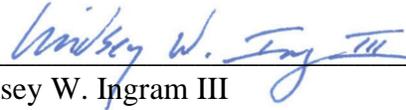
By Order of September 9, 2025, the Commission approved the requested merger in this case. In that Order at Ordering Paragraph 7, the Commission directed the Joint Applicants to file notice of the receipt of other regulatory and judicial decisions pending as of September 9, 2025 within ten days of receipt of them. Joint Applicant American Water Works Company, Inc. (“AWWC”) hereby provides notice that the requested approval from the Maryland Public Service Commission was obtained on March 6, 2026.¹

At this time, approvals are still pending in Illinois, Pennsylvania, 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 A copy of the Maryland decision is attached.

Dated: March 10, 2026

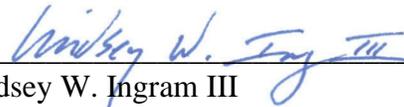
Respectfully submitted,



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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 March 10, 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

KUMAR P. BARVE
CHAIR

FREDERICK H. HOOVER, JR.
BONNIE A. SUCHMAN
ODOGWU OBI LINTON
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PUBLIC SERVICE COMMISSION

#7, 10/29/25 AM; ML# 319276, S-2236

March 6, 2026

David W. Beugelmans
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Dear Mr. Beugelmans:

In this Letter Order, the Commission approves the joint merger application of Maryland-American Water Company (“MAWC”), American Water Works Company, Inc. (“AWWC”), Maryland Water Service, Inc. (“MWS”), and Nexus Regulated Utilities, LLC (“Nexus”) (the “Joint Application”). Specifically, the Joint Application requests the Commission’s approval of: (1) the transfer of a controlling interest in MWS from Nexus to AWWC via stock transfer (the “Stock Transfer”); (2) the transfer of MWS’s franchise to MAWC (the “Franchise Transfer”) which flows from the merger of MWS with and into MAWC, with MAWC as the surviving corporation (the “Merger”); and (3) MAWC tariffs incorporating the rates in MWS’s existing tariffs for the former MWS customers and merging the remaining terms, conditions and charges of MWS with MAWC’s existing tariff, all pursuant to Annotated Code of Maryland, Public Utilities Article (“PUA”) §§ 5-202, 5-203, 5-205, and 6-101, as applicable, and Code of Maryland Regulations (“COMAR”) 20.07.04.04 and 20.07.04.05.

I. BACKGROUND

On May 30, 2025, MAWC, AWWC, MWS, and Nexus (collectively, the “Applicants”) filed a Joint Application for approval of the transfer of controlling interest and franchise transfer with the Commission. On July 28, 2025, Harford County, Maryland (“Harford County”) filed comments recommending acceptance of the application. On October 27, 2025, the Office of People’s Counsel (“OPC”) filed comments recommending denial of the application. On October 28, 2025, MAWC filed a response to OPC’s comments. The application and related filings were discussed at the Commission’s October 29, 2025, Administrative Meeting. In response, on November 19, 2025, Staff filed proposed language on behalf of itself, Applicants, and OPC (collectively the “Parties”) to facilitate the approval of the application. On January 21, 2026, the

Allegany County Board of Commissioners (“Allegany County”) filed comments opposing the application.

II. COMMENTERS’ POSITIONS

1. PARTIES

On November 19, 2025, the Parties proposed language to resolve outstanding issues and facilitate MAWC’s merger application moving forward. The Parties' collective proposal stated the following:

Joint Staff-OPC-MAWC Proposed Condition Language for Order on MAWC Acquisition of MWS

1. The Commission approves the Joint Application of Maryland Water Service, Inc. (“MWS”), American Water Works Corporation, Inc. and Maryland-American Water Company (“MAWC”) pursuant to Md. Public Utilities Article (“PUA”) §§ 5-202, 5-203, 5-205, and 6-101 (and applicable COMAR provisions), and makes no determination related to the applicability of Title 6, Subtitle 3 (PUA § 6-301, et seq.) to the Joint Application.

2. MAWC, and its successors and assigns, are barred in any Commission or judicial proceeding from:

- a. Asserting that the Commission’s approval was granted under PUA §6-301 et seq.; or
- b. Asserting that MWS assets received by MAWC were valued in accordance with the Fair Market Value (“FMV”) provisions contained in PUA § 6-306(b).

3. MAWC shall record on its balance sheet the original cost of MWS’s utility plant in service less accumulated depreciation (“net book value,” which was \$20,623,978 as of 12/31/2024) as of the acquisition closing date. On the closing date of the acquisition, MWS’ utility plant in service as of that date shall be incorporated into the rate base of MAWC without any adjustments for goodwill, transaction costs, or other acquisition related intangible assets or costs. MAWC is prohibited from recovering, and shall not seek to recover in customer rates, any goodwill or transaction costs associated with the acquisition.

2. HARFORD COUNTY

Harford County filed comments supporting the Commission’s approval of the Joint Application. Harford County stated that the proposed Joint Application would be in the best interest of communities, “both in terms of water service reliability and long-term infrastructure investment.” Additionally, Harford County observed that MAWC had a proven record of providing high-quality water service to ratepayers. Harford County emphasized that the Joint Application would facilitate: 1) Increased operational efficiency, 2) Proactive infrastructure investment, and 3) Enhanced water quality oversight.

3. ALLEGANY COUNTY

Allegheny County filed comments opposing the Joint Application. Allegheny County expressed affordability concerns. Furthermore, Allegheny County explained that high water utility prices are causing ripple effects in the local housing market. As a result, Allegheny County recommended that the Commission conduct a hearing before approving the Joint Application. Allegheny County concluded its comments by highlighting the need for increased scrutiny of the Joint Application.

COMMISSION DECISION

The Commission has reviewed the Joint Application, the Parties' Proposed Condition Language, and filed comments. The Commission acknowledges the concerns raised by Allegheny County regarding the Joint Application, particularly those related to customer affordability and potential impacts on the local housing market. While the Commission appreciates Allegheny County's request for a hearing and its interest in protecting residents from potential rate impacts, the Commission finds that the record in this proceeding, including the Proposed Conditional Language submitted by the Parties, sufficiently addresses the principal issues in dispute. As such, the Commission denies Allegheny County's request for a hearing and finds that approval of the transfer of controlling interest in MWS, the associated franchise transfer, merger of MWS with and into MAWC, and related tariff integration satisfy the requirements of the PUA and applicable COMAR provisions. The Commission further finds that the Parties' proposed conditions appropriately address ratemaking, valuation, and consumer protection concerns raised during the proceeding.

The Commission adopts and incorporates the Parties' jointly proposed conditions as part of this Order and approves the Joint Application pursuant to PUA §§ 5-202, 5-203, 5-205, and 6-101 and COMAR 20.07.04.04 and 20.07.04.05. As recommended in the Proposed Condition Language, the Commission makes no determination whether Title 6, Subtitle 3 of PUA § 6-301 et seq. applies to the Joint Application. The Commission also finds reasonable the condition that MAWC, and its successors and assigns, are barred in any Commission or judicial proceeding from asserting that the Commission's approval was granted under PUA § 6-301 et seq., or from asserting that the MWS assets received by MAWC were valued in accordance with the fair market value provisions contained in PUA § 6-306(b).

In accordance with the Proposed Condition Language, MAWC shall record on its balance sheet the original cost of MWS's utility plant in service less accumulated depreciation (net book value), which was \$20,623,978 as of December 31, 2024, as of the acquisition closing date. On the closing date of the acquisition, MWS's utility plant in service shall be incorporated into MAWC's rate base without adjustment for goodwill, transaction costs, or any other acquisition-related intangible assets or costs. MAWC is prohibited from recovering, and shall not seek to recover in customer rates, any goodwill or transaction costs associated with the acquisition. Subject to these conditions and the terms set forth herein, the Commission approves the Joint Application and authorizes the proposed stock transfer, franchise transfer, merger, and tariff integration.

David W. Beugelmans

March 6, 2026

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The Commission hereby grants the Joint Application filed by Maryland-American Water Company (“MAWC”), American Water Works Company, Inc. (“AWWC”), Maryland Water Services, Inc. (“MWS”), and Nexus (collectively, the “Applicants”) for approval of the transfer of controlling interest, franchise transfer, merger, and related tariff integration and accepts and adopts the Joint Staff-OPC-MAWC Proposed Condition Language filed on November 19, 2025, and incorporates those conditions into this Order. The Commission makes no determination regarding the applicability of Title 6, Subtitle 3 of the Public Utilities Article (PUA § 6-301 et seq.) to the Joint Application denies Allegany County’s request for a hearing.

By Direction of the Commission,

/s/ Andrew S. Johnston

Andrew S. Johnston
Executive Secretary

ASJ/st