



Philadelphia Suburban Illinois Subsidiary Buys Water and Wastewater Systems

BRYN MAWR, Pa., Dec 31, 2001 (BUSINESS WIRE) -- Philadelphia Suburban Corporation (NYSE:PSC) has announced that its Illinois water subsidiary has purchased a private water and wastewater system bringing to 20 the number of growth ventures the company has completed this year.

Consumers Illinois Water Company (CIWC) purchased the Village Woods water and wastewater system, which serves approximately 475 residents in Crete Township, Will County in a deal valued at more than \$450,000. CIWC will interconnect the Village Woods water system with its nearby Dixie Dells water system via a main extension.

The interconnection will increase reliability for both CIWC's Village Woods and Dixie Dells customers. In addition to the interconnection, CIWC plans to invest approximately \$65,000 in capital over the next year to improve water and wastewater service in Village Woods.

CIWC President Terry Rakocy said, "We are very pleased to have Village Woods customers among those we serve. Their proximity to our Dixie Dells system makes them a good fit as they can be easily integrated into our system."

PSC Chairman Nicholas DeBenedictis said that Village Woods secures PSC's four percent growth goal for the year. "We've completed 20 growth ventures this year, three more than we did last year, setting a new record," said DeBenedictis.

Village Woods is the fourth growth venture completed by CIWC. Following is a list of the other growth ventures completed by PSC's operating subsidiaries.

1. January 2001 - PSC's Consumers Pennsylvania subsidiary received approval from the Pennsylvania Public Utility Commission to provide service to more than 1,200 residents in an area of southern Mahoning Township, Lawrence County, Pennsylvania.
2. January 2001 - PSC's North Carolina subsidiary merged with Hydraulics, Ltd. of Greensboro, a public water utility that serves approximately 16,000 residents in 22 counties surrounding the towns of Greensboro, Hickory, Raleigh and Gastonia.
3. January 2001 - PSC's Consumers New Jersey subsidiary entered into a one-year professional services contract to operate and maintain the wastewater collection system and pumping station serving the first phase of the Greenwich Chase development that currently serves approximately 450 residents.
4. January 2001 - PSC's Consumers Maine subsidiary entered into a one-year management contract with the Port Clyde Water District.
5. January 2001 - Hydraulics, Ltd. Purchased the Creekside Water System, in Gastonia, North Carolina, serving approximately 470 residents
6. February 2001 - PSC's Consumers Illinois subsidiary purchased the assets of the Walnut Hill Well Association, a small groundwater system serving 40 residents in Vermilion County.
7. March 2001 - PSW purchased the water system assets of the Springton Court homeowner community, which serves approximately 100 residents in West Brandywine Township, Chester County.

8. April 2001 - PSW acquired the water system assets of the Dresher Woods Condominium community located in Upper Dublin Township, Montgomery County, and serves approximately 400 residents.
9. April 2001 - PSW's wastewater subsidiary--Little Washington Wastewater Company (LWW), now doing business as Suburban Wastewater Company--purchased the Media Borough wastewater system in Delaware County, Pennsylvania which serves approximately 15,000 residents in Media Borough, and Upper Providence and Middletown Townships
10. May 2001 -Consumers Illinois Water Company (CIWC) purchased the Aroma Park municipal water system, which serves approximately 2,100 residents in Kankakee County (near Chicago)
11. June 2001 - PSW purchased the assets of the Geigertown Water Company that serves approximately 250 residents in Robeson and Union Townships, Berks County
12. July 2001 - PSW purchased the Icedale-Deer Run water system that serves 300 residents in Berks County, PA.
13. July 2001 - Consumers Illinois Water Company acquired the Glendale water system that serves 300 residents in Danville, Illinois.
14. August 2001 - PSW received permission from the Pennsylvania Public Utility Commission to serve additional territory in Pocopson Township, Chester County where it will provide water to a retirement home complex, Kendal at Coniston.
15. September 2001-Consumers Pennsylvania Water Company -Roaring Creek Division entered into an operation and management contract with the Schickshinny Lake Property Owner's Association, which serves 350 residents in Union Township, Luzerne County. The contract includes an "option-to-buy" clause, which PSC intends to exercise.
16. September 2001-Consumers Pennsylvania Water Company -Roaring Creek Division entered into an operations and management contract with the Wilson Hills Community Association, which serves 250 residents in Palmyra Township, Pike County. The contract includes an "option-to-buy" clause, which PSC intends to exercise.
17. November 2001 - PSW purchased the water system assets of Chalfont Borough in Bucks County, Pennsylvania which serves approximately 8,000 residents in Chalfont Borough as well as New Britain Borough and New Britain Township.
18. November 2001 - PSW completed a merger with the Paupack Water Company, which serves approximately 2,150 residents in Palmyra and Blooming Grove townships, in Pike County.
19. November 2001 - Consumers Ohio Water Company (Consumers) entered into an operations agreement with the Muskingum Water Conservancy District (MWCD) to operate the 350-resident Sites Lake Cottage area in Richland County, Ohio.

PSC is the holding company for regulated public utilities that provide water and wastewater services to approximately two million residents in Pennsylvania, Ohio, Illinois, New Jersey, Maine, and North Carolina. PSC's common shares are traded on both the New York and Philadelphia Stock Exchanges under the ticker symbol "PSC".

The company has been committed to the preservation and improvement of the environment throughout its history, which spans more than 100 years.

Editors Note: This release contains certain forward-looking statements involving risks, uncertainties and other factors that may cause the 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 business conditions; the success of certain cost containment initiatives, changes in project schedules, project contingencies and variations in water purchases; changes in regulations or regulatory treatment; availability and cost of capital; and the success of growth initiatives.

CONTACT: Philadelphia Suburban Corporation
Donna Alston, 610/645-1095
alstond@suburbanwater.com