



## **Philadelphia Suburban Corporation's Illinois Subsidiary Agrees to Purchase Ivanhoe Systems**

BRYN MAWR, Pa. Aug. 25, 2000 - Philadelphia Suburban Corporation (NYSE:PSC) today announced that its Consumers Illinois Water Company subsidiary will purchase the Ivanhoe water and wastewater systems, which provide water and wastewater service to approximately 400 residents in the gated golf community and golf clubhouse called Ivanhoe, near Chicago.

The acquisition of the recently built water and wastewater systems is the seventh growth venture announced by PSC this year and the first for Consumers Illinois Water Company.

Due to the complexity of running the water and wastewater systems, Ivanhoe requested that Consumers Illinois Water Company operate the systems and will transfer ownership and full responsibility once final approval by the Illinois Commerce Commission is received. Approval is anticipated before the end of the year. The original cost of the water system is approximately \$2 million.

PSC Chairman Nicholas DeBenedictis said During the past five years PSC has completed more than 50 acquisitions, allowing the company to grow rapidly and become one of the largest investor-owned water utilities in the United States.

Consumers Illinois Water Company President Terry Rakocy says, There are literally thousands of small water companies in the Midwest that are in need of professional management and environmental oversight. The PSC family of companies, including Consumers Illinois Water Company, stand ready to assume responsibility and ownership of the smaller water and wastewater facilities, as it makes sense for both parties from economic and environmental standpoints.

The Ivanhoe acquisition is the seventh growth venture PSC has announced this year for the entire company, which has operations in Illinois, Pennsylvania, Ohio, Maine and New Jersey. The other growth venture announcements made by PSC this year were:

- January 2000 - Consumers New Jersey Water Company was awarded a three-year contract to provide meter reading, billing and cash remittance services to the Winslow Township municipal water system in Camden County which provides water and wastewater services to approximately 30,000 residents.
- April 2000 - PSW's wastewater division purchased the Twin Hills wastewater system that serves approximately 750 residents in West Pikeland Township, Chester County. -- May 2000 - PSW purchased the Fulmor Heights water system that serves approximately 1,000 residents in Hatboro Borough, Montgomery County.
- June 2000 - PSC's Consumers Ohio subsidiary merged with Applegrove Water Company, which serves approximately 2,600 residents in Plain Township and the City of North Canton, both in Stark County, Ohio. -- August 2000 - PSC's Consumers Ohio subsidiary acquired the Summit County water system, serving approximately 4,200 residents in the City of Green.
- August 2000 - PSW purchased the White Horse Village retirement community water system that includes 500 residences and a 100-bed hospital in Edgmont Township, Delaware County.

Consumers Illinois Water Company is a subsidiary of PSC, one of the nation's largest investor-owned water utilities serving nearly two million residents in Illinois, Pennsylvania, Ohio, New Jersey and Maine. PSC is a publicly-traded company listed on both the New York and Philadelphia Stock Exchanges under the ticker symbol PSC and 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.

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