



Philadelphia Suburban Corporation Newly-Formed Pennsylvania Subsidiary Receives A+ Credit Rating From Standard & Poor's

BRYN MAWR, Pa., Jan 2, 2002 (BUSINESS WIRE) -- Philadelphia Suburban Corporation (NYSE:PSC) announced today that Standard and Poor's (S&P) has assigned a corporate credit rating and first mortgage bonds credit rating to its newly-formed largest subsidiary, Pennsylvania Suburban Water Company.

S&P assigned it's A+ corporate credit rating and AA- senior secured debt rating to the company's first mortgage bonds and described the company's outlook as "stable."

In assigning Pennsylvania Suburban Water Company its ratings, S&P referenced the company's above average service territory, supportive regulatory environment, ample and quality water supplies, efficient operations and disciplined management team that focuses on growth through acquisitions.

Pennsylvania Suburban Water Company is the new entity formed to consolidate PSC's Pennsylvania subsidiaries; Philadelphia Suburban Water Company and the Consumers Pennsylvania Water Company's Roaring Creek, Susquehanna, Shenango Valley and Waymart divisions. For operational purposes, these entities will continue to do business under their former names.

PSC Chairman Nicholas DeBenedictis said he was particularly pleased with S&P's rating decision. "We are pleased with the ratings from S&P for our new unified Pennsylvania company," said DeBenedictis. "Pennsylvania Suburban Water Company represents our largest state utility operation--more than 60 percent of PSC's customer base. The new S&P rating indicates that our Consumers' operations, which were merged into PSC in 1999, have achieved a level of efficiency similar to Philadelphia Suburban Water Company, reaffirming the success of this merger. From a practical perspective, the new legal entity-- Pennsylvania Suburban Water Company--and its excellent credit rating will allow for more cost-effective capital formation at all of our operations in the Commonwealth of Pennsylvania."

PSC is the nation's second largest investor-owned water utilities serving nearly two million residents in Pennsylvania, Ohio, Illinois, New Jersey, Maine and North Carolina.

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.

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