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## **Aqua America Chairman Supports Government Mandates and State Grants to Fuel Demand for Compressed Natural Gas**

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE: WTR) Chairman and CEO Nicholas DeBenedictis said he supports the use of efficiency mandates for vehicle manufacturers to increase the use of clean-burning compressed natural gas (CNG) for cars and trucks. The remarks were made during today's Natural Gas Vehicle Seminar in Valley Forge, Pennsylvania and sponsored by the DEP.

"CNG is a clean, sustainable fuel and the bounty of shale gas found in Pennsylvania, Ohio and other states offers a sizeable step toward the energy independence America needs," said DeBenedictis who is also a former DEP and Economic Development Secretary for the Commonwealth. "Currently, however, the higher initial purchase price of CNG vehicles has limited the transition of vehicle fleets to CNG. I support the government efficiency and performance mandates that create a demand pull and hence, the increased manufacture of such vehicles. The production of more CNG vehicles will drive down the initial purchase price—which can currently cost as much as 50 percent more than traditional vehicles—improve sales and create a demand for the construction of the filling stations needed to support the fleet."

The company made a commitment earlier this year to turn over much of the company's Pennsylvania fleet to CNG. Aqua Pennsylvania has been piloting CNG vehicles for more than a year and recently opened a time-fill station at its Springfield Operations Center in Delaware County for its fleet. Time-fill stations are less expensive and fuel vehicles from existing natural gas lines. The company can accommodate the longer period needed to refuel because the vehicles are housed at the facility overnight and have longer periods of inactivity during which they can be refueled.

Aqua Pennsylvania plans to begin the transition with its 20 dump trucks and 60 vans initially, as there are not many CNG passenger car models available currently. However, as it begins to turn over its vehicles, those that have original equipment manufacturer (OEM) CNG alternatives, will be transitioned to CNG vehicles.

"I also see this as an opportunity to create demand for this clean burning fuel, which is priced right because of the current surplus," said DeBenedictis. "The up-front investment has a relatively quick payback, which accrues to benefit Aqua's ratepayers through reduced expenses. With an anticipated cost of under \$2 per gas gallon equivalent, it will be nearly half the cost of conventional fuels. Further, the maintenance costs of CNG fueled engines are lower."

DeBenedictis said that company's like Aqua Pennsylvania, which made the decision to invest in CNG ahead of DEP's grant regulations, should not be penalized for taking a progressive stance on green energy. "We made the commitment to CNG because it is the right thing to do," said DeBenedictis. "As a result, we should not be denied eligibility for State grants that have recently been enabled via legislation." DEP's proposed rules do not allow for grants to be awarded for recently purchased CNG vehicles.

Aqua America is one of the largest U.S.-based, publicly-traded water utilities and serves almost 3 million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana, Florida, Virginia, and Georgia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR.

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