



Philadelphia Suburban Enters Sixth State With Purchase of North Carolina Water Utility; Company Forms New 'Consumers North Carolina Water Company' Subsidiary

BRYN MAWR, Pa. Dec. 4, 2000 - Philadelphia Suburban Corporation (NYSE:PSC) today announced that it has formed a new company, Consumers North Carolina Water Company, which has completed the \$1.1 million purchase of MidSouth Utilities, Inc. of Sherrills Ford, NC.--a public water and wastewater utility that currently will serve approximately 1,000 residents in Iredell County, North Carolina.

This is a significant venture for our company as it marks our first entry into a growing southeastern US state, said PSC Chairman Nicholas DeBenedictis. We now have a foothold in one of the fastest-growing areas of one of the fastest-growing states in the country - North Carolina. We are very pleased to be doing business in North Carolina. With the state's strong economic outlook and concern for the environment, we are looking forward to expanding our water and wastewater business in the area as well as adapting our nationally-recognized water quality expertise to benefit its residents. Iredell County is a part of the rapidly growing Lake Norman area where several residential and commercial developments are planned. Currently under construction is the River Park commercial shopping development that will become a customer of Consumers North Carolina upon completion of construction. PSC noted that its wastewater plant has adequate capacity to accommodate the rapid development that is expected in the area.

The MidSouth purchase is the most recent of 15 growth ventures announced by PSC this year.

1. 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.
2. April 2000 - PSW's wastewater division purchased the Twin Hills wastewater system that serves approximately 750 residents in West Pikeland Township, Chester County.
3. May 2000 - PSW purchased the Fulmor Heights water system that serves approximately 1,000 residents in Hatboro Borough, Montgomery County.
4. May 2000 - PSC's Consumers Illinois subsidiary was awarded a 10-year contract with the city of Kankakee to provide billing for municipal services including wastewater and solid waste removal.
5. 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.
6. August 2000 - PSW entered into 25-year bulk water sales agreement with Liberty Electric Power, LLC (Liberty)--a subsidiary of Columbia Electric Corporation-valued at \$43 million. Liberty, is scheduled to begin startup operations at the 568-megawatt gas-powered plant in the fall of 2001.
7. August 2000 - PSC's Consumers Ohio subsidiary acquired the Summit County water system, serving approximately 4,200 residents in the City of Green.
8. 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.
9. August 2000 - PSC's Consumers Illinois subsidiary announced an agreement of sale to purchase the Ivanhoe water and wastewater systems, which provide water and wastewater service to approximately 400 residents in the gated golf community in Ivanhoe, Lake County.
10. August 2000 - PSW received approval from the Pennsylvania Public Utility Commission to serve Honeybrook Township, Chester County.
11. October 2000 - PSW's wastewater subsidiary--Little Washington Wastewater Company--purchased the Plumsock at Willistown wastewater system, which serves 120 residents.
12. October 2000 - PSW purchased the Chatwood water system, which serves approximately 250 residents in West Goshen

Township, Chester County.

13. November 2000 - PSC announced that its Consumers Illinois Water Company subsidiary had acquired the water and wastewater collection system serving Calumet Gardens, a development of approximately 100 residents in Crete Township, Will County.

14. November 2000 - PSW purchased a collective of three (referred to as the West Chester Collective) community homeowner water systems (Circle Avenue, Elizabeth Manor and Orchard's) that serve 135 residents in West Goshen and Westtown Townships, Chester County.

PSC is one of the nation's largest investor-owned water utilities serving nearly two million residents in Pennsylvania, Ohio, Illinois, 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.