



Philadelphia Suburban Awarded Regulatory Approval by Connecticut DPUC to Acquire AquaSource Properties; Company Has Regulatory Approvals from Nine of 10 States

BRYN MAWR, Pa.--(BUSINESS WIRE)--April 30, 2003--Philadelphia Suburban Corporation (NYSE:PSC), the nation's largest investor-owned water utility based in the U.S., has received approval from the Connecticut Department of Public Utility Control to acquire the stock of AquaSource Utility Inc. and the resulting transfer of a controlling interest in Eastern Connecticut Regional Water Company, Inc., which owns the Connecticut water systems of AquaSource, Inc. (AquaSource), a subsidiary of DQE, Inc. (NYSE:DQE).

AquaSource and its subsidiaries collectively serve a resident population of approximately 18,000 in Connecticut via direct water and wastewater service to more than 2,100 customers and various water and wastewater contract operations through which another 4,000 customers are served.

In July 2002, PSC agreed to purchase AquaSource's investor-owned water and wastewater systems--representing 130,000 customers--from DQE and to assume responsibility for selected integrated operating and maintenance contract operations. AquaSource provides service to more than 500,000 residents in 11 states. To date, PSC has received regulatory approval in nine of 10 states requiring regulatory approval.

Utility commissions in Texas, Florida, South Carolina, North Carolina, Virginia, New York, Kentucky, Missouri and Connecticut have approved the transaction in their states and only New Jersey remains.

"We very much appreciate the cooperative attitude and due diligence effort of the Connecticut commissioners in approving our application. This approval puts us one step closer to being able to complete the AquaSource acquisition by mid-year," said PSC Chairman Nicholas DeBenedictis.

When this transaction is completed, the states where AquaSource's investor-owned utilities operate will add more than 20 percent to PSC's customer base, which will be approximately 750,000 customer accounts serving two-and-a-half million residents in 15 states.

PSC is the largest U.S.-based investor-owned water utility serving 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.

This press release contains forward-looking statements. These forward-looking statements are found in various places throughout this press release and include, without limitation, statements regarding the expected timing and benefits of the acquisition. While these forward-looking statements represent our judgments and future expectations concerning the development of our business and the timing and benefits of the acquisition, a number of risks, uncertainties, and other important factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, regulatory approvals for the transaction; the risk that the acquired company's business will not be successfully integrated into PSC; the inability to obtain or meet conditions imposed for governmental approvals for the transaction; and other key factors that we have indicated could adversely affect our business and financial performance contained in our past and future filings and reports, including those filed with the Securities and Exchange Commission.

PSC is not under any obligation (and each expressly disclaims any such obligation) to update or alter its forward-looking statements whether as a result of new information, future events, or otherwise

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