



## **Philadelphia Suburban Awarded Regulatory Approval from Sarasota County Florida to Acquire AquaSource Properties**

### **Company has nine of 12 regulatory approvals in hand**

BRYN MAWR, Pa.--(BUSINESS WIRE)--March 18, 2003--Philadelphia Suburban Corporation (NYSE: PSC), the nation's largest investor-owned water utility based in the U.S., has received approval from Sarasota County Florida regarding its acquisition of the Florida investor-owned water and wastewater systems of AquaSource, Inc. (AquaSource), a subsidiary of DQE, Inc. (NYSE:DQE). The Sarasota County approval completes three approvals in Florida needed by PSC to acquire the AquaSource operation in Florida which serves approximately 21,000 customers in that state. In total, AquaSource serves 130,000 customers in 11 states.

To date, PSC has received regulatory approval in seven of 10 states requiring regulatory approval. In total, 12 regulatory approvals are required as Florida requires approval from its utility commission as well as Sarasota and Citrus counties. Texas, Florida, South Carolina, North Carolina, Virginia, New York, and Kentucky have approved the transaction in their states and only New Jersey, Connecticut, and Missouri remain.

"We are very pleased with the pace at which these very important regulatory approvals have taken place and are gratified by the expeditious manner in which the Sarasota County commissioners and their staffs worked to approve our applications," said PSC Chairman Nicholas DeBenedictis. "We began the entire regulatory approval process in October 2002 and are more than 75 percent through the regulatory process in less than six months with only three additional approvals outstanding."

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. Closing of the deal, which was originally announced in July 2002, is expected to close in mid 2003 and is contingent upon receipt of outstanding regulatory approvals.

PSC is currently the largest U.S.-based, investor-owned water utility in the country, serving approximately two million residents in six states: Pennsylvania, Ohio, Illinois, New Jersey, North Carolina and Maine.

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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