



## **Philadelphia Suburban Subsidiary Purchases North Carolina Goss Utility Company**

BRYN MAWR, Pa., May 30, 2002 (BUSINESS WIRE) -- Hydraulics Ltd., a subsidiary of Philadelphia Suburban Corporation (NYSE:PSC), has acquired by merger Goss Utility Company, a private utility serving approximately 850 residents in Durham, Chatham, and Person counties in the Triangle area of North Carolina.

Hydraulics acquired the troubled water company at the encouragement of the Public Staff of the North Carolina Utilities Commission. The acquisition was valued at \$212,000 including planned upgrades to the utility, which is made up of six separate water systems including Brentwood, Carden Creek, Cedar Terrace, Lake Ridge, Timber Lake and Willow Hills.

PSC Chairman Nicholas DeBenedictis said, "The acquisition of Goss Utility Company is our second North Carolina acquisition this year. We are committed to continued growth in the region and look forward to bringing our water quality expertise to a growing number of area residents."

PSC entered the North Carolina region in 2000 with the \$1.1 million purchase of MidSouth Utilities, Inc., Sherrills Ford, N.C. The company expanded its presence in the region in 2001 with the \$4.5 million acquisition of Hydraulics, Ltd., in Greensboro. Last month, Hydraulics acquired Piedmont Water Company, Inc. and expanded its service to more than 25,000 residents and 22 counties in the region.

The Goss acquisition is the ninth growth venture announced by PSC this year. The others are listed below.

1. January 2002 - Philadelphia Suburban Water Company (PSW) agreed to provide water service to the Pennsylvania State Correctional Institute (SCI Forest) that is under construction near Marienville in Jenks Township, Forest County. The prison will house up to 2,000 inmates.
2. February 2002 - PSW purchased the water system assets of Citizens Water Company of Wapwallopen, which serves approximately 180 residents in Conygham Township, Luzerne County.
3. February 2002 - Consumers New Jersey Water Company completed the purchase of the water system assets of the Bunnvale Mutual Water Association, which serves approximately 300 residents in Lebanon Township, Hunterdon County
4. March 2002 - PSC's Consumers Pennsylvania Water Company subsidiary purchased the water and wastewater system assets of the White Haven Municipal Authority, serving nearly 3,000 residents in Luzerne and Carbon counties.
5. April 2002 - PSC's Suburban Environmental Services (SES) subsidiary entered into a one-year contract with Foster Township, Luzerne County, to provide operations and maintenance services for the Hickory Hills wastewater collection and treatment facilities (approximately 850 residents) the Ag-Mar Village Estates wastewater collection and treatment facilities (approximately 300 residents).
6. April 2002 - Hydraulics Ltd., PSC's North Carolina subsidiary acquired by merger Piedmont Water Company, Inc., a private utility serving more than 10,000 residents in Iredell and Catawba counties in North Carolina. The acquisition is valued at \$1.36 million.
7. April 2002 - PSC and Pennichuck Corporation (NASDAQ: PNNW) of Nashua, NH announced they have entered a definitive agreement to merge in a stock transaction which, including the assumption of \$27 million of debt, has a total enterprise

value of approximately \$106 million. Pennichuck currently serves approximately 30,000 customers (120,000 residents) in 23 communities throughout southern New Hampshire.

8. May 2002 - Consumers Pennsylvania Water Company (CWC) purchased the water system assets of the Schickshinny Lake Property Owner's Association, which serves 350 residents in Union Township, Luzerne County. CWC had been operating the system since September 2001 under an operations and management agreement.

PSC is the holding company for regulated public utilities that provide water and wastewater services to approximately two million residents in Pennsylvania, Ohio, Illinois, New Jersey, Maine, and North Carolina. PSC's common shares are traded on both the New York and Philadelphia Stock Exchanges under the ticker symbol "PSC".

The company 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 benefits of the acquisition and future growth.

While these forward-looking statements represent our judgments and future expectations concerning the development of our business and the 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, the risk that anticipated benefits from the acquisition will not be obtained or not obtained within the time anticipated; and other key factors that 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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