



## **Aqua America's Pennsylvania Deep Dig Making Significant Strides Replacing Aging and Underperforming Pipe and Reducing Breaks**

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Speaking before an audience at the National Association of Regulatory Utility Commissioners (NARUC) Winter Committee Meeting today in Washington, DC, Aqua Pennsylvania, Inc. Senior Project Engineer Frank Grablutz said the company's robust capital program is making a measurable difference where it counts: providing customers with increased reliability and better water quality.

Grablutz said that the company has perfected its approach to pipe replacement by using technology, primarily a new asset information management system (AIMS), coupled with a strategic and practical approach to the "real world" activities that sometimes interfere with the best made plans.

"Our AIMS software has allowed us to compile data in a central location so we can better manage our 5,500-mile pipe inventory," said Grablutz. "We know how much of what type of pipe we have, where it's located and its performance history data. This has enabled us to develop a renewal strategy that considers all of these factors."

Aqua America, Inc. (NYSE: WTR) Chairman and CEO Nicholas DeBenedictis said that the Commonwealth of Pennsylvania has been "leading the way," in demonstrating the key role private, investor-owned water and wastewater utilities can play in fixing the deteriorating water and wastewater infrastructure. "Pennsylvania has been a leader in addressing the necessary replacement of aging water mains in particular through its Distribution System Improvement Charge (DSIC). The DSIC can be credited with enabling companies like Aqua Pennsylvania to make necessary main replacements of pipe, much of which is undersized, leaking, rusty pipe composed of dated material like unlined cast iron and cement. Our replacement program has resulted in a reduction in lost water, fewer service interruptions, and minimized the amount of traditional rate requests," said DeBenedictis.

Since 1997, the first full year of the DSIC through 2011, Aqua Pennsylvania has increased the investment in its pipe renewal/replacement program from \$9.5 million to \$120.7 million, replacing a total of 913 miles of main for an average of just more than one percent annually. Eighty percent of Aqua Pennsylvania's distribution system is located in southeastern Pennsylvania where prior to the DSIC, ductile iron pipe—the material of choice for this area of the country—represented just 23 percent of the distribution system, with the majority composed of unlined cast iron pipe. At the end of 2011, the company had doubled its ductile pipe in this area to 46 percent and reduced its cast iron inventory from 57 percent to 41 percent. Further, the pipe renewal program helped the company reduce the number of leaks in southeastern Pennsylvania from nearly 1,000 per year in 2000 to less than 600 in 2011.

DeBenedictis said, "Since Pennsylvania's adoption of the DSIC, Illinois, Ohio, New York and Indiana have followed suit with similar programs that have enabled private water companies in to accelerate their efforts to address the much-needed replacement of aging and underperforming water distribution in those states.

"The results we are achieving demonstrate that an ounce of prevention is worth a pound of cure. Customers are the ultimate beneficiaries of this work because it has enhanced our reliability and improved water quality, particularly where the iron buildup on the interior of the unlined cast iron pipe has caused discolored water."

Aqua America is a publicly traded water and wastewater utility holding company with operating subsidiaries serving approximately three million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, New York, Florida, Indiana, Virginia, Maine, Missouri, South Carolina and Georgia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR.

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