



Philadelphia Suburban Corporation's Pennsylvania Subsidiary to Acquire Customers in Mahoning Township

Company works with Township to provide quality public water service and fire protection

BRYN MAWR, Pa. Jan. 22, 2001--

Philadelphia Suburban Corporation (NYSE:PSC) today announced that its Consumers Pennsylvania Water Company (CPWC) subsidiary has received approval from the Pennsylvania Public Utility Commission to serve an area of southern Mahoning Township, Lawrence County, Pennsylvania.

This approval authorizes immediate plans to provide service to more than 1,000 residents living from the Ohio state line to an area in and around the Village of Hillsville.

The approval concludes a longstanding effort by Mahoning Township officials to obtain water service and fire protection for Township residents and allows CPWC's Shenango Valley Division to provide public water service to residents that currently rely on poor quality private wells.

We look forward to serving the residents of Mahoning Township with reliable water service, said PSC Chairman and CEO Nicholas DeBenedictis. This is our first acquisition in western Pennsylvania this year, and we expect that this agreement will provide additional opportunities for growth in the area.

CPWC is installing a \$1.9 million, 48,000-foot water main that is expected to be completed in March. Funding for the pipeline is being provided through a contribution by the Township and CPWC, as well as a \$1.6 million low-interest Pennsylvania Pennvest Loan. Residents will begin receiving public water service from CPWC as soon as their homes can be connected to the water main via service lines and meters.

PSC is one of the nation's largest investor-owned water companies, and through its subsidiaries, serves nearly 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.

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.

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