



Philadelphia Suburban Awarded Regulatory Approval by Missouri Public Service Commission to Acquire Aquasource Properties; Company Has Regulatory Approvals from Eight of 10 States

BRYN MAWR, Pa.--(BUSINESS WIRE)--April 4, 2003--Philadelphia Suburban Corporation (NYSE:PSC), the nation's largest investor-owned water utility based in the U.S., has received approval from the Missouri Public Service Commission by a 5-0 vote to acquire the stock of AquaSource Development Company, a wastewater company owned by AquaSource, Inc. (AquaSource), a subsidiary of DQE, Inc. (NYSE:DQE). AquaSource Development and its subsidiaries provide water and wastewater service to more than 3,000 customers and operate water and wastewater plants that serve an additional 12,000 customers in Missouri.

PSC agreed with DQE in July 2002 to purchase AquaSource's investor-owned water and wastewater systems - representing 130,000 customers in 11 states - and to assume responsibility for selected integrated operating and maintenance contract operations. To date, PSC has received regulatory approval in eight of 10 states requiring regulatory approval. Utility commissions in Texas, Florida, South Carolina, North Carolina, Virginia, New York, Kentucky and Missouri have approved the transaction in their states and only New Jersey and Connecticut remain.

"With only two states left to approve the acquisition, we are on schedule to complete the transaction in mid-2003 as originally anticipated," said PSC Chairman Nicholas DeBenedictis. "We are very pleased with the attention and consideration the Missouri commissioners and their staff and the Office of the Public Counsel regulators have given to our application."

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 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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