



Philadelphia Suburban Purchases Municipal Water System for \$4.6 Million

BRYN MAWR, Pa., Nov 1, 2001 (BUSINESS WIRE) -- Philadelphia Suburban Corporation (NYSE:PSC) today announced that its Philadelphia Suburban Water Company (PSW) subsidiary has purchased the water system assets of Chalfont Borough in Bucks County, Pennsylvania which serves approximately 8,000 residents in Chalfont Borough as well as New Britain Borough and New Britain Township for approximately \$4.6 million.

PSC Chairman Nicholas DeBenedictis said, "The acquisition of the Chalfont water system is significant because it is the first time PSW will serve customers in the northwestern part of Bucks County. Prior to now, the bulk of our customer base in Bucks County has been in the southern part of the fast-growing county."

Chalfont Borough President Joseph Atkinson expressed confidence in the Borough's decision to sell to PSW. "After thoroughly investigating the competitive offers of a number of water suppliers, we felt that the proposal made by PSW offered the highest continuing value to the customers and our residents," said Atkinson. "In addition to their commitment to invest a significant amount of capital in our system, PSW also has the resources and technical experience in water quality, operations and engineering that we believe are necessary to provide our residents and those in our neighboring communities with the quality of product and service they deserve."

PSW's first large entry into Bucks County took place in 1996 when it purchased the Bristol Borough water system, which served approximately 30,000 people. In 1999, PSW more than doubled the number of people it served in Bucks County with the purchase one of the largest municipally-owned systems--Bensalem Township--which served approximately 50,000 people.

PSW, which has a reputation for making capital investments necessary to maintain quality water and reliable service for its customers, has plans to invest approximately \$1 million in the Chalfont system over the next five years.

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

1. January 2001 - PSC's Consumers Pennsylvania subsidiary received approval from the Pennsylvania Public Utility Commission to provide service to more than 1,200 residents in an area of southern Mahoning Township, Lawrence County, Pennsylvania.
2. January 2001 - PSC's North Carolina subsidiary merged with Hydraulics, Ltd. of Greensboro, a public water utility that serves approximately 16,000 residents in 22 counties surrounding the towns of Greensboro, Hickory, Raleigh and Gastonia.
3. January 2001 - PSC's Consumers New Jersey subsidiary entered into a one-year professional services contract to operate and maintain the wastewater collection system and pumping station serving the first phase of the Greenwich Chase development that currently serves approximately 450 residents.
4. January 2001 - PSC's Consumers Maine subsidiary entered into a one-year management contract with the Port Clyde Water District.
5. January 2001 - Hydraulics, Ltd. Purchased the Creekside Water System, in Gastonia, North Carolina, serving approximately 470 residents
6. February 2001 - PSC's Consumers Illinois subsidiary purchased the assets of the Walnut Hill Well Association, a small groundwater system serving 40 residents in Vermilion County.
7. March 2001 - PSW purchased the water system assets of the Springton Court homeowner community, which serves approximately 100 residents in West Brandywine Township,

Chester County.

8. April 2001 - PSW acquired the water system assets of the Dresher Woods Condominium community located in Upper Dublin Township, Montgomery County, and serves approximately 400 residents.
9. April 2001 - PSW's wastewater subsidiary--Little Washington Wastewater Company (LWW), now doing business as Suburban Wastewater Company--purchased the Media Borough wastewater system in Delaware County, Pennsylvania which serves approximately 15,000 residents in Media Borough, and Upper Providence and Middletown Townships
10. May 2001 -Consumers Illinois Water Company (CIWC) purchased the Aroma Park municipal water system, which serves approximately 2,100 residents in Kankakee County (near Chicago)
11. June 2001 - PSW purchased the assets of the Geigertown Water Company that serves approximately 250 residents in Robeson and Union Townships, Berks County
12. July 2001 - PSW purchased the Icedale-Deer Run water system that serves 300 residents in Berks County, PA.
13. July 2001 - Consumers Illinois Water Company acquired the Glendale water system that serves 300 residents in Danville, Illinois.
14. August 2001 - PSW received permission from the Pennsylvania Public Utility Commission to serve additional territory in Pocopson Township, Chester County where it will provide water to a retirement home complex, Kendal at Coniston.
15. September 2001-Consumers Pennsylvania Water Company -Roaring Creek Division entered into an operation and management contract with the Schickshinny Lake Property Owner's Association, which serves 350 residents in Union Township, Luzerne County. The contract includes an "option-to-buy" clause, on which PSC expects to act.
16. September 2001-Consumers Pennsylvania Water Company -Roaring Creek Division entered into an operations and management contract with the Wilson Hills Community Association, which serves 250 residents in Palmyra Township, Pike County. The contract includes an "option-to-buy" clause, on which PSC expects to act.

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.

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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