



CORRECTING and REPLACING Aqua Indiana and the City of Fort Wayne Negotiate Transition of "North" Water and Wastewater System

Both Parties Agree Customers and Employees Are Priority

FORT WAYNE, Ind., Jan 14, 2008 (BUSINESS WIRE) -- Fifth graph, first sentence of release should read: "...11,700 water customers and 11,700 sewer customers..." (sted "...21,000 water customers and 13,400 sewer customers...").

The corrected release reads:

AQUA INDIANA AND THE CITY OF FORT WAYNE NEGOTIATE TRANSITION OF "NORTH" WATER AND WASTEWATER SYSTEM

Both Parties Agree Customers and Employees Are Priority

Aqua Indiana, Inc. (Aqua) and the City of Fort Wayne jointly announced today that the two have reached an agreement that allows for a smooth transition of what is commonly known as Aqua's "North System" (Perry, Washington, Cedar Creek and St. Joseph townships in Allen County--a portion of which is located within the City) on February 12, 2008, and resolves the long-standing disputes between both parties.

"We are pleased to have been able to reach this agreement as it will allow for a smooth transition for our 9,200 North System water and 1,700 sewer customers as well as to know that the City will give our employees preferred treatment in job placement following the transition of ownership," said Aqua Vice President Bill Etzler. "Our customers and our employees have remained of paramount concern throughout the negotiation of this settlement and we are satisfied that both will be properly handled by the City."

As part of the agreement, Fort Wayne City Utilities will contract with Aqua to operate the north system for three months as the transition in operations takes place. The operations contract could be extended for an additional period. Aqua will continue to operate from its current headquarters.

Although Aqua is still contesting the final price of the water and wastewater system, the agreement allows for the parties to coordinate regulatory actions while allowing the change in ownership of the north system to proceed.

"This settlement will not affect our 11,700 water customers and 11,700 sewer customers in Aqua's 'Southwest' service area in Wayne, Lafayette, Lake and Aboite townships in Allen County (a portion of which is located within the City), and Jefferson Township in Whitley County," said Etzler. "Indiana remains one of Aqua America's, our parent company's, fastest-growing states. We remain committed to our Southwest customers and will continue to make the prudent investments necessary to maintain environmental compliance and provide them with quality water and service."

"This settlement is in everyone's best interest," said Director of City Utilities Kumar Menon in announcing the agreement with Aqua. "Our agreement on an acquisition date should help to relieve concerns of many of the Aqua north system customers. The City can now focus on providing Aqua north customers with the benefits of City services collaboratively with Aqua to ensure the transition is smooth, service is uninterrupted and that system integrity is maintained. This is good for the north system customers and good for the City."

WTRF

SOURCE: Aqua Indiana, Inc.

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