



Philadelphia Suburban Water Reports Lower Water Usage Due to Drought Restrictions and Heavy June Rain

PSW reservoirs at 85 percent capacity, company requests waiver on drought restrictions

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Philadelphia Suburban Water Company (PSW)--the largest operating division of Philadelphia Suburban Corporation (NYSE:PSC)--reported 10 percent lower water usage in June as compared to a normal year, due to mandatory drought restrictions and rainy weather.

"It is ironic that in the midst of a government-declared drought, in June, we had rainfall 15 percent above average throughout our service territory, including rainfall more than 30 percent above average at our largest water facility," said PSW President Morrison Coulter.

The government-imposed restrictions forbid "non-essential" water use such as lawn watering and car washing. Wet weather, like that which southeastern Pennsylvania experienced in June, also dampens discretionary water usage.

"We took a double hit in June," said Coulter. "When it was hot and dry, our customers were limited in the amount of water they could use due to the mandatory restrictions. Because it rained an average of every third day in our service territory last month, there was no need to water lawns or wash cars, even in the areas of our service territory where drought restrictions have been relaxed."

On June 14, Governor Schweiker relaxed drought restrictions in Montgomery and Bucks counties, a large part of PSW's service territory.

On June 27, PSW applied for a waiver of restrictions for portions of its service territory in Chester and Delaware counties due to the fact that the company's nine billion gallon reservoir system is at approximately 85 percent capacity overall--nearly normal for this time of year.

"I am very comfortable that, with our reservoirs at the current levels, we can provide the expected demands from our customers for the remainder of the summer and peak usage periods," said Coulter.

PSW serves approximately 1.3 million residents throughout Pennsylvania and is the largest subsidiary of PSC--a publicly-traded company listed on both the New York and Philadelphia Stock Exchanges under the ticker symbol "PSC," with independent operating subsidiaries in Pennsylvania, Illinois, Ohio, New Jersey, Maine, and North Carolina.

PSC subsidiaries provide water and wastewater services to approximately two million residents. The company has been committed to the preservation and improvement of the environment throughout its history, which spans more than 100 years.

CONTACT: Philadelphia Suburban Water Company, Bryn Mawr
Donna Alston, 610/645-1095
alstond@suburbanwater.com
or
Randi Polanich, 610/645-1175
polanichr@suburbanwater.com