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Aqua America to Transition Fleet to Compressed Natural Gas

CEO: Natural gas is Pennsylvania's biggest economic driver since coal and steel

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE: WTR) Chairman and CEO Nicholas DeBenedictis announced today that the company is going to transition portions of its larger vehicle fleet to compressed natural gas (CNG). The comment was made today before the Pennsylvania Public Utility Commission's Alternative Fuel Vehicles forum held at Drexel University in Philadelphia.

"As both a former DEP and Economic Development Secretary for the Commonwealth, I believe that the natural gas industry in Pennsylvania will become the biggest economic driver in the state since days of coal and steel. Pennsylvania has always been an energy-rich state with natural gas being its latest form," said Aqua America Chairman and CEO Nicholas DeBenedictis. "CNG makes sense economically because of it is less expensive than fossil fuels and environmentally because it is a clean-burning fuel and thereby reduces carbon emissions."

Aqua Pennsylvania, Inc., the company's largest subsidiary, has been piloting CNG vehicles for more than a year and has already planned for a slow-fill station at its Springfield Operations Center in Delaware County. Slow-fill stations fuel vehicles over a longer time period, which the company can accommodate because many vehicles are housed at the facility overnight and have longer periods of inactivity during which they can be refueled.

"I also see this as an opportunity to create demand for this clean burning fuel, which is currently priced right because of the current surplus," said DeBenedictis. "The relatively small, required up-front investment has a quick payback, which accrues to benefit ratepayers through reduced expenses. With anticipated cost of about \$2 per gallon, it can be nearly half the cost of fossil fuel with gasoline currently priced at about \$3.65 per gallon and diesel fuel being about \$4 per gallon. Further, the operating costs are 30-to-50 percent less expensive."

Aqua Pennsylvania plans to begin the transition with its 20 dump trucks and 60 vans initially, as there are not many passenger vehicle opportunities available currently. However, as it begins to turn over its vehicles, those that have original equipment manufacturer (OEM) CNG alternatives, will be transitioned to CNG vehicles.

Aqua America is one of the largest U.S.-based, publicly-traded water utilities and serves almost 3 million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana, Florida, Virginia, and Georgia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR.

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