



## **Philadelphia Suburban Selected to Serve New Prison Complex; Facility in Forest County, Pennsylvania to House 2,000 Inmates**

BRYN MAWR, Pa., Jan 25, 2002 (BUSINESS WIRE) -- Philadelphia Suburban Corporation (NYSE:PSC) announced today that its Pennsylvania Suburban Water (PSW) subsidiary has agreed to provide water service to the Pennsylvania State Correctional Institute (SCI Forest) that is under construction near Marienville in Jenks Township, Forest County. PSW will begin supplying approximately 50,000 gallons of water per day this September as construction is finished, and will increase that amount to as much as 300,000 gallons in 2003 as the prison becomes fully occupied.

PSW also plans to serve a small additional portion of the township, which will be occupied by a new mini-market and forest ranger station, across from the prison. The prison is located in proximity to the Allegheny National Forest.

"We are pleased to be able to provide a reliable and cost-effective water system to supply the new State Correctional Institute in Forest County," said PSC Chairman Nicholas DeBenedictis. "This project was an engineering challenge and it is very fulfilling to be able to support the needed infrastructure that will bring great economic benefits to Forest County."

PSW has drilled five, 800-foot-deep wells and discovered more than 700,000 gallons per day of water to serve the area. After approval by the Pennsylvania Public Utility Commission, the company will invest approximately \$1 million to construct a well water collection field, iron removal plant, pump station, and storage tank.

The total cost for the project is \$3 million, with nearly \$2 million being contributed by the Pennsylvania Department of Corrections.

Forest County Commissioner Basil Huffman said, "We are pleased to have one of the nation's largest water utilities as an investor in our county and a provider of quality water to the new prison facility."

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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