

As Filed with the Securities and Exchange Commission on June 29, 1999

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
For the fiscal year ended December 31, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
For the transition period from to _____ to _____

Commission file number 1-6659

CONSUMERS WATER COMPANY
EMPLOYEES' 401(k)
SAVINGS PLAN AND TRUST

PHILADELPHIA SUBURBAN CORPORATION
762 W. LANCASTER AVENUE
BRYN MAWR, PA 19010

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CONSUMERS WATER COMPANY
EMPLOYEES' 401(k) SAVINGS PLAN AND TRUST

The following audited financial statements are enclosed with this report:

Financial Statements and Supplemental Schedules as of December 31, 1998 and 1997

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23.1	Consent of KPMG LLP	4
23.2	Consent of Arthur Andersen LLP	5
99.1	Financial Statements and Supplemental Schedules as of December 31, 1998 and 1997	6

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Trustees of the Consumers Water Company Employees' 401(k) Savings Plan and Trust, have duly caused this annual report to be signed by the undersigned thereunto duly authorized.

Consumers Water Company
Employees' 401(k) Savings Plan And Trust

Trustees:

Date

/s/ Roy H. Stahl

6-25-99

Roy H. Stahl

/s/ David P. Smeltzer

6-25-99

David P. Smeltzer

/s/ Robert G. Liptak

6-25-99

Robert G. Liptak

The Board of Directors
Philadelphia Suburban Corporation

We consent to incorporation by reference in the registration statement (No. 333-81085) on Form S-8 of Philadelphia Suburban Corporation of our report dated June 25, 1999, relating to the statement of net assets available for plan benefits of Consumers Water Company Employees' 401(k) Savings Plan and Trust as of December 31, 1998, and the related statement of changes in net assets available for plan benefits for the year then ended, and all related supplemental schedules, which report appears in the December 31, 1998, annual report on Form 11-K of Philadelphia Suburban Corporation.

/s/ KPMG LLP
Philadelphia, Pennsylvania
June 29, 1999

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANT

As independent public accountants, we hereby consent to the incorporation by reference in this Form 11-K of our report dated June 18, 1998 on Consumers Water Company Employees' 401(k) Savings Plan. It should be noted that we have not audited any financial statements of the company's 401(k) Savings Plan and Trust subsequent to December 31, 1997 or performed any audit procedures subsequent to the date of our report.

/s/ Arthur Andersen LLP
Boston, Massachusetts
June 28, 1999

CONSUMERS WATER COMPANY
EMPLOYEES' 401(k) SAVINGS PLAN AND TRUST

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
DECEMBER 31, 1998 AND 1997

(WITH INDEPENDENT AUDITORS' REPORTS THEREON)

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CONSUMERS WATER COMPANY
EMPLOYEES' 401(k) SAVINGS PLAN AND TRUST

Indexed Financial Statements and Supplemental Schedules
December 31, 1998 and 1997

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All other schedules required to be filed with the Department of Labor in accordance with the Employee Retirement Income Security Act of 1974 are inapplicable and have been omitted.

INDEPENDENT AUDITORS' REPORT

The Pension Committee
Consumers Water Company

We have audited the accompanying statements of net assets available for plan benefits of Consumers Water Company Employees' 401(k) Savings Plan and Trust (the Plan) as of December 31, 1998, and the related statements of changes in net assets available for plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes

assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 1998, and the changes in net assets available for plan benefits for the year then ended in conformity with generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes and reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The Fund Information in the statement of changes in net assets available for plan benefits is presented for purposes of additional analysis rather than to present the changes in net assets available for plan benefits of each fund. The supplemental schedules and Fund Information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP
Philadelphia, Pennsylvania
June 25, 1999

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Governance Committee of
Consumers Water Company:

We have audited the accompanying statements of net assets available for plan benefits of the Consumers Water Company Employees' 401K Savings Plan and Trust (the Plan) as of December 31, 1997 and 1996, and the related statement of changes in net assets available for plan benefits, with fund information, for the year ended December 31, 1997. These financial statements and supplemental schedules, as listed in the accompanying index, are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements and supplemental schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 1997 and 1996, and the changes in its net assets available for plan benefits, with fund information, for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of assets held for investment purposes and schedule of reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The fund information in the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the changes in net assets available for plan benefits of each fund. These supplemental schedules and fund

information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ Arthur Andersen LLP
 Boston Massachusetts
 June 18, 1998

CONSUMERS WATER COMPANY
 EMPLOYEES' 401(k) SAVINGS PLAN AND TRUST

Statements of Net Assets Available for Plan Benefits
 December 31, 1998 and 1997

	1998	1997
	----	----
Investments at fair value-		
Mutual Funds		
Select Investors Fund	\$8,878,513	\$6,384,655
Balanced Investors Fund	2,999,616	2,589,119
Vista Investors Fund	315,012	519,264
Value Fund	507,185	420,560
Equity Index Fund	947,081	670,791
Income Trust		
Benham Preservation Fund	2,140,910	2,331,448
Employer Common Stock	7,652,110	4,874,120
Loans due from participants	989,354	987,500
	-----	-----
Total Investments	24,429,781	18,777,457
Cash and cash equivalents	14,534	3,376
Receivables-		
Employer contributions	328,959	370,828
Participants' contributions	116,314	114,506
Loans repayment receivable	35,917	80,691
Accrued dividend income	78,796	74,329
	-----	-----
Net assets available for plan benefits	\$25,004,301	\$19,421,187
	=====	=====

See accompanying notes to financial statements.

CONSUMERS WATER COMPANY
 EMPLOYEES' 401(k) SAVINGS PLAN AND TRUST

Statement of Changes in Net Assets Available for Plan Benefits
 Year Ended December 31, 1998

	Fund Information				
	Benham Preservation Fund	Select Investors Fund	Balanced Investors Fund	Employer Common Stock	Vista Investors Fund
Additions:					
Investment Income					
Interest and dividends	\$ 123,112	\$1,544,034	\$ 359,253	\$ 309,101	\$ 119
Appreciation (depreciation) of investments	--	774,863	62,218	2,831,129	(33,032)

Total investment income	123,112	2,318,897	421,471	3,140,230	(32,913)
Contributions					
Employer	--	--	--	328,959	--
Participants	215,259	552,296	273,410	86,612	79,965
Total contributions	215,259	552,296	273,410	415,571	79,965
Total additions	338,371	2,871,193	694,881	3,555,801	47,052
Deductions					
Benefits paid to participants	555,112	461,329	243,875	951,801	61,182
Management fee	400	1,251	866	516	100
Net increase (decrease) prior to interfund transfers	(217,141)	2,408,613	450,140	2,603,484	(14,230)
Interfund transfers	51,621	147,396	(11,847)	603,763	(183,549)
Net increase (decrease)	(165,520)	2,556,009	438,293	3,207,247	(197,779)
Net assets available for plan benefits:					
Beginning of year	2,331,448	6,384,655	2,589,119	4,877,496	519,264
End of year	\$2,165,928	\$8,940,664	\$3,027,412	\$8,084,743	\$ 321,485

Fund Information

	Value Fund	Equity Index Fund	Loan Account	Other	Total
Additions:					
Investment Income					
Interest and dividends	\$ 85,110	\$ 293	\$ 46,099	\$ --	\$ 2,467,121
Appreciation (depreciation) of investments	(48,599)	214,404	--	--	3,800,983
Total investment income	36,511	214,697	46,099	--	6,268,104
Contributions					
Employer	--	--	--	--	328,959
Participants	80,455	118,697	--	--	1,406,694
Total contributions	80,455	118,697	--	--	1,735,653
Total additions	116,966	333,394	46,099	--	8,003,757
Deductions					
Benefits paid to participants	45,870	32,092	66,068	--	2,417,329
Management fee	50	131	--	--	3,314
Net increase (decrease) prior to interfund transfers	71,046	301,171	(19,969)	--	5,583,114
Interfund transfers	23,788	(12,641)	21,823	(640,354)	--
Net increase (decrease)	94,834	288,530	1,854	(640,354)	5,583,114
Net assets available for plan benefits:					
Beginning of year	420,560	670,791	987,500	640,354	19,421,187
End of year	\$515,394	\$ 959,321	\$989,354	\$ --	\$25,004,301

See accompanying notes to financial statements.

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CONSUMER'S WATER COMPANY
EMPLOYEES' 401(k) SAVINGS PLAN AND TRUST

Statement of Changes in Net Assets Available for Plan Benefits
Year Ended December 31, 1997

	Fund Information				
	Benham Preservation Fund	Select Investors Fund	Balanced Investors Fund	Employer Common Stock	Vista Investors Fund
Additions:					
Investment Income					
Interest and dividends	\$ 128,241	\$1,020,731	\$ 259,771	\$ 227,357	\$ 31,680
Appreciation (depreciation) of investments	--	537,409	112,798	411,729	(80,022)

Total investment income	128,241	1,558,140	372,569	639,086	(48,342)
Contributions					
Employer	--	--	--	--	--
Participants	237,368	436,419	259,968	109,167	103,267

Total contributions	237,368	436,419	259,968	109,167	103,267

Total additions	365,609	1,994,559	632,537	748,253	54,925
Deductions					
Benefits paid to participants	379,407	542,483	306,649	421,602	36,281
Management fee	864	1,812	1,166	400	200

Net increase (decrease) prior to interfund transfers	(14,662)	1,450,264	324,722	326,251	18,444
Interfund transfers	(40,256)	151,340	(203,147)	443,006	(143,943)

Net increase (decrease)	(54,918)	1,601,604	121,575	769,257	(125,499)
Net assets available for plan benefits:					
Beginning of year	2,386,366	4,783,051	2,467,544	4,108,239	644,763

End of year	\$2,331,448	\$6,384,655	\$2,589,119	\$4,877,496	\$ 519,264
=====					

Fund Information

	Value Fund	Equity Index Fund	Loan Account	Other	Total
Additions:					
Investment Income					
Interest and dividends	\$ 67,346	\$ --	\$ 48,412	\$ 74,329	\$ 1,857,867
Appreciation (depreciation) of investments	12,596	129,980	--	--	1,124,490

Total investment income	79,942	129,980	48,412	74,329	2,982,357
Contributions					
Employer	--	--	--	370,828	370,828
Participants	54,148	72,644	--	195,197	1,468,178

Total contributions	54,148	72,644	--	566,025	1,839,006

Total additions	134,090	202,624	48,412	640,354	4,821,363
Deductions					
Benefits paid to participants	41,867	33,229	48,995	--	1,810,513
Management fee	--	150	--	--	4,592

Net increase (decrease) prior to interfund transfers	92,223	169,245	(583)	640,354	3,006,258
Interfund transfers	100,958	200,351	105,889	(614,198)	--

Net increase (decrease)	193,181	369,596	105,306	26,156	3,006,258
Net assets available for plan benefits:					
Beginning of year	227,379	301,195	882,194	614,198	16,414,929

End of year	\$420,560	\$ 670,791	\$987,500	\$640,354	\$19,421,187
=====					

See accompanying notes to financial statements.

CONSUMERS WATER COMPANY
EMPLOYEES' 401(k) SAVINGS PLAN AND TRUST

Notes to Financial Statements
December 31, 1998 and 1997

(1) MERGER WITH PHILADELPHIA SUBURBAN CORPORATION

On March 10, 1999, Consumers Water Company ("the Company") completed a merger ("the Merger") with Philadelphia Suburban Corporation ("PSC"). The Merger was effected pursuant to a June 27, 1998 merger agreement, as amended and restated by the parties effective as of August 5, 1998. Pursuant to the merger agreement, PSC issued 13,014,015 shares of common stock to the shareholders of the Company, in exchange for all of the outstanding stock of the Company, including those shares held in the

Consumers Water Company Employees' 401(k) Savings Plan and Trust ("the Plan"). Each Consumers Water Company Shareholder received 1.432 shares of PSC's Common Stock for each of the Company's Common shares. As a result of the Merger, the Company became a wholly-owned subsidiary of PSC. Subsequent to the conversion to PSC Common Stock, all employee and employer contributions previously invested in the Company's Common Stock will be invested in PSC's Common Stock.

DESCRIPTION OF PLAN

The following description of the Plan is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General

The Plan is a defined contribution plan covering substantially all employees of the Company and its subsidiaries. An employee becomes eligible to participate on January 1 of the year following the date on which his or her employment commenced. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

An employee may not participate in the Plan if the employee is a participant of a union with which the Employer has a collective bargaining agreement directly or through an employee association, unless the collective bargaining agreement between the Company and the union involved specifically makes the Plan applicable to employees covered under such collective bargaining agreements, provided that benefits have been a subject of good faith bargaining between the Company and its employees.

Contributions

Participants may elect to contribute from 1% to 15% of their pretax compensation pursuant to a salary deferral election, up to a maximum of \$10,000 and \$9,500 in 1998 and 1997 respectively, as determined by Internal Revenue Code ss.402(g)(1). Participants may change the rate of their contribution or their investment elections. They may also make transfers or suspend their contributions at any time. Under the Plan, participants may contribute 1% to 9% of their compensation on an after-tax basis to their voluntary accounts. In any Plan year, a participant's aggregate contributions to the Plan (salary deferral amounts plus after-tax voluntary contributions) may not exceed 15% of such participant's compensation for the applicable Plan year.

The Plan provides for the Company to contribute an amount equal to 40% of the pretax employee contribution, plus 20% of the after-tax employee contribution, or combination thereof, up to \$1,040 for each participant. The Company's contributions consisted of stock in Consumers Water Company and subsequent to March 10, 1998 consist of PSC Common Stock.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings. Allocations are based on participant contributions or account balances, as defined by the Plan document.

Each participant will always be 100% vested in all employee and Company contributions.

Payment of Benefits

In the event a participant's employment is terminated by reason of death, disability or termination of service, a participant's interest will be distributed in a lump-sum payment. Withdrawals will be made in cash or shares of Company stock, to the extent permitted by law. Under certain circumstances, a participant may withdraw all or a portion of the employee contributions while employed.

Loans Due from Participants

Participants may borrow funds from their account balance equal to the lesser of \$50,000 or half of their vested account balance for a period not to exceed five years. Repayment is made by payroll deduction. During the period covered by the report, all new and outstanding loans were issued at 5.5%.

Investment Options

Participants can direct, at the time they enroll in the Plan, that their salary deferral and voluntary contributions be invested entirely in one of the funds described below or divided among the funds. Subject to compliance with applicable state and federal securities laws, the Plan also permits participants to acquire an interest in the Company's Common Stock (PSC Common Stock, subsequent to March 10, 1999). Participants may change their investment instructions and reinvest their contributions in a different fund or funds. A description of each investment option is provided below:

The Benham Preservation Fund

This fund is invested in the Benham Preservation Fund, which is managed by SEI Trust Co. The Fund is a stable value income trust in which principal is protected from market volatility. The fund invests primarily in guaranteed investment contracts issued by major financial institutions, including banks and life insurance companies. The contracts are only guaranteed with respect to the interest rate, not the principal.

The Select Investors Fund

This fund invests in the Select Investors Fund offered by American Century. The fund's objective is primarily to provide capital growth with some income. Stocks purchased by the fund are required to pay dividends, but are chosen primarily for growth potential.

The Balanced Investors Fund

This fund invests in the Balanced Investors Fund offered by American Century. The fund's objective is to provide for capital growth and current income. The fund invests approximately 60% in common stock and 40% in fixed-income securities.

Employer Common Stock

This fund invests in the common shares of the Company (PSC Common Stock subsequent to March 10, 1999). The Plan purchases the shares in the open market or directly from the Company (from PSC, subsequent to March 10, 1999).

The Vista Investors Fund

This fund invests in the Vista Investors Fund offered by American Century. The fund's objective is capital growth over time by investing in common stocks considered to have better-than-average prospects for appreciation. The Vista Investors Fund remains essentially fully invested in stocks at all times.

The Value Fund

This fund invests in the Value Fund offered by American Century. The fund's objective is long-term capital growth through investment in equity securities of well-established companies believed to be undervalued at the time of purchase. The fund invests primarily in domestic equity securities, but also invests in other types of domestic or foreign securities that help achieve the fund's objective.

The Equity Index Fund

This fund invests in the Barclays Global Investors Equity Index Fund. The fund's objective is long-term capital appreciation through investment in stocks to closely replicate the composition of the S&P 500 Index.

Termination of the Plan

Although the Company does not intend to terminate the Plan, it may do so at its discretion, subject to the provisions of ERISA. All interests of the participants would be distributed to them as determined by the Committee (as hereinafter defined) and in accordance with applicable provisions of the Internal Revenue Code.

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Plan's management to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from these estimates.

Administration

The Plan is administered by a committee ("the Committee") consisting of three individuals selected by, and who may be removed at any time by, the Board of Directors of the Company. The Committee members may be employees of the Company and may be participants in the Plan. The Committee members receive no compensation from the Plan for their services in such capacity. The Committee has extensive administrative powers in connection with the Plan, including authority to interpret the provisions of the Plan, to adopt rules for its administration and to make other decisions with respect to the Plan.

The custodian for the Plan's funds invests the funds as directed by the participants. The principal duties of the trustees are to receive all contributions paid to the Plan and to make investments and pay benefits as directed by the Committee. The assets of the Plan are held in the name of the Trustees.

Substantially all of the administrative expenses of the Plan are paid by the Company.

Cash Equivalents

All highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

Investment Valuation

Each investment fund is valued as of each valuation date on the basis of the investment fund's fair market value. The employer stock is valued at market value. The Benham Preservation Fund is valued at contract value, which approximates market value. Dividend income is recognized on the date dividends are declared. Interest income is recorded on the accrual basis. Purchases and sales of securities are recorded on a trade-date basis. The accounts of all participants are adjusted as of each valuation date to reflect the effects of income, realized and unrealized gains and losses and expenses applicable to the investment funds where such accounts are invested.

Reclassifications

Certain reclassifications were made to the 1997 financial statements to conform with the 1998 presentation.

(4) INVESTMENTS

The fair market values of individual assets that represent 5% or more of the Plan's net assets as of December 31, 1998 and 1997 are as follows:

1998	
Selected Investors Fund	\$8,878,513
Balanced Investors Fund	2,999,616
Benham Preservation Fund	2,140,910
Employer Common Stock	7,652,110
1997	
Selected Investors Fund	\$6,384,655
Balanced Investors Fund	2,589,119
Benham Preservation Fund	2,331,448
Employer Common Stock	4,874,120

CONSUMERS WATER COMPANY
EMPLOYEES' 401(k) SAVINGS PLAN AND TRUST

Notes to Financial Statements
December 31, 1998 and 1997
(Continued)

(5) FEDERAL INCOME TAX CONSEQUENCES

The Internal Revenue Service issued its latest determination letter dated May 3, 1995, which stated that the Plan and related trust, as amended, qualified under applicable provisions of the Internal Revenue Code (IRC) and, therefore are exempt from federal income taxes. The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

(6) RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for plan benefits per the financial statements to Form 5500 at December 31, 1998 and 1997:

	1998 ----	1997 ----
Net assets available for plan benefits per the financial statements	\$25,004,301	\$19,421,187
Amounts allocated to withdrawing participants	-- -----	119,011 -----
Net assets available for plan benefits per Form 5500	\$25,004,302 =====	\$19,302,176 =====

The following is a reconciliation of benefits paid to participants per the financial statements to Form 5500 for the year ended December 31, 1998 and 1997:

	1998 ----	1997 ----
Benefits paid to participants per the financial statements	\$2,417,329	\$ 1,180,513
Amounts allocated to withdrawing participants	-- -----	119,011 -----
Benefits paid to participants per Form 5500	\$2,417,329 =====	\$ 1,929,524 =====

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CONSUMERS WATER COMPANY
EMPLOYEES' 401(k) SAVINGS PLAN AND TRUST

Notes to Financial Statements
December 31, 1998 and 1997
(Continued)

(7) YEAR 2000 (unaudited)

The Company is aware of the Year 2000 issue, related to the ability of information technology to accurately process date and time data from, into and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap years. The Company has tested its internal Payroll and Human Resources computer systems and believes these systems to be Year 2000 compliant. The Company has also contacted the firms providing investment, administration and recordkeeping services for the Plan and, based on the responses from these firms, believes that their systems with respect to the Plan will be Year 2000 compliant.

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SCHEDULE 1

CONSUMERS WATER COMPANY
EMPLOYEES' 401(k) SAVINGS PLAN AND TRUST

Line 27a - Schedule of Assets Held for Investments Purposes
December 31, 1998

Issue	Description of Investment	Share/Units	Cost	Fair Value
American Century	Benham Preservation Fund	2,140,910	\$ 2,140,910	\$ 2,140,910
American Century	Select Investors Fund	187,350	7,828,977	8,878,513
American Century	Balanced Investors Fund	162,405	2,792,990	2,999,616
Consumers Water Company	Common Stock*	243,407	4,481,780	7,652,110
American Century	Vista Investors Fund	29,579	383,416	315,012
American Century	Value Fund	83,832	561,093	507,185
Barclays	Equity Index Fund	32,355	653,624	947,081
	Loans due from participants*	--	989,354	989,354
Total assets held for investment purposes			\$19,832,144	24,429,891

* Represents a party-in-interest to the Plan.

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SCHEDULE 2

CONSUMERS WATER COMPANY
EMPLOYEES' 401(k) SAVINGS PLAN AND TRUST

Line 27d -Schedule of Reportable Transactions

Year Ended December 31, 1998

	Purchase Price	Selling Price	Cost	Net Gain
American Century				
Benham Preservation Fund				
Purchases	\$ 911,195	\$ --	\$ --	\$ --
Sales	--	1,101,735	1,101,735	--
Select Investors Fund				
Purchases	2,872,754	--	--	--
Sales	--	1,153,760	1,001,471	152,289
Balanced Investors Fund				
Purchases	913,781	--	--	--
Sales	--	565,502	504,197	61,305
Consumers Water Company				
Common Stock*				
Purchases	2,067,827	--	--	--
Sales	--	2,109,810	1,833,102	276,708

*Represents a party-in-interest to the Plan

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