UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended June 30, 2003

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from ____________________ to _____________________

Commission File Number 1-6659

PHILADELPHIA SUBURBAN CORPORATION
(Exact name of registrant as specified in its charter)

Pennsylvania	23-1702594
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
762 W. Lancaster Avenue, Bryn Mawr, Pennsylvania	19010 -3489
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (610)-527-8000

(Former Name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes X No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of July 28, 2003.

69,802,692.

Part I - Financial Information
Item 1. Financial Statements

PHILADELPHIA SUBURBAN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In thousands of dollars, except per share amounts)

	June 30, 2003	December 31, 2002
Assets	(Unaudited)	
Property, plant and equipment, at cost	$ 1,882,886	$ 1,836,892
Less accumulated depreciation	353,795	346,051
Net property, plant and equipment	1,529,091	1,490,841
Current assets:		
Cash and cash equivalents	6,600	5,915
Accounts receivable and unbilled revenues, net	59,766	57,680
Inventory, materials and supplies	5,004	4,555
Prepayments and other current assets	2,011	2,758
Total current assets	73,381	70,908
Regulatory assets	87,265	88,175
Deferred charges and other assets, net	27,678	23,391
Funds restricted for construction activity	36,230	43,754
	$ 1,753,645	$ 1,717,069
Liabilities and Stockholders' Equity		
Stockholders' equity:		
Common stock at $.50 par value, authorized 100,000,000 shares, issued 70,467,153 and 70,067,784 in 2003 and 2002	$ 35,234	$ 35,034
Capital in excess of par value	328,807	317,871
Retained earnings	189,556	180,047
Minority interest	503	503
Treasury stock, 674,039 and 2,151,350 shares in 2003 and 2002	(12,539)	(40,421)
Accumulated other comprehensive income	201	63
Total stockholders' equity	541,762	493,097
6.05% Series B cumulative preferred stock	172	172
Long-term debt, excluding current portion	584,118	582,910
Commitments	-	-
Current liabilities:		
Current portion of long-term debt	21,803	34,265
Loans payable	109,309	115,113
Accounts payable	20,783	31,058
Accrued interest	10,068	9,269
Accrued taxes	12,580	14,500
Other accrued liabilities	22,475	22,326
Total current liabilities	197,018	226,531
Deferred credits and other liabilities:		
Deferred income taxes and investment tax credits	191,481	187,300
Customers' advances for construction	71,009	69,790
Other	16,297	13,330
Total deferred credits and other liabilities	278,787	270,420
Contributions in aid of construction	151,788	143,939
	$ 1,753,645	$ 1,717,069

See notes to consolidated financial statements on page 6 of this report.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(In thousands, except per share amounts)

(UNAUDITED)

	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
Operating revenues	$163,868	$ 148,284
Costs and expenses:		
Operations and maintenance	61,693	56,200
Depreciation	22,811	20,200
Amortization	1,362	1,209
Taxes other than income taxes	10,266	9,935
	96,132	87,544
Operating income	67,736	60,740
Other expense (income):		
Interest expense, net	21,263	19,671
Allowance for funds used during construction	(876)	(932)
Gain on sale of other assets	(220)	(1,758)
Income before income taxes	47,569	43,759
Provision for income taxes	19,005	17,039
Net income	28,564	26,720
Dividends on preferred stock	5	27
Net income available to common stock	$ 28,559	$ 26,693
Net income	$ 28,564	$ 26,720
Other comprehensive income (loss), net of tax:		
Unrealized gain on securities	149	345
Reclassification adjustment for gains reported in net income	(11)	(693)
Comprehensive income	$ 28,702	$ 26,372
Net income per common share:		
Basic	$ 0.42	$ 0.39
Diluted	$ 0.41	$ 0.38
Average common shares outstanding during the period:		
Basic	68,395	68,576
Diluted	69,123	69,408

See notes to consolidated financial statements on page 6 of this report.

PHILADELPHIA SUBURBAN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(In thousands, except per share amounts)

(UNAUDITED)

	Three Months Ended June 30, 2003	2002
Operating revenues	$ 83,379	$ 76,615
Costs and expenses:		
Operations and maintenance	31,029	28,915
Depreciation	11,464	10,307
Amortization	650	669
Taxes other than income taxes	4,946	4,621
	48,089	44,512
Operating income	35,290	32,103
Other expense (income):		
Interest expense, net	10,651	9,891
Allowance for funds used during construction	(500)	(546)
Gain on sale of other assets	(165)	(1,409)
Income before income taxes	25,304	24,167
Provision for income taxes	10,067	9,337
Net income	15,237	14,830
Dividends on preferred stock	2	12
Net income available to common stock	$ 15,235	$ 14,818
Net income	$ 15,237	$ 14,830
Other comprehensive income (loss), net of tax:		
Unrealized gain on securities	102	217
Reclassification adjustment for gains reported in net income	(11)	(466)
Comprehensive income	$ 15,328	$ 14,581
Net income per common share:		
Basic	$ 0.22	$ 0.22
Diluted	$ 0.22	$ 0.21
Average common shares outstanding during the period:		
Basic	68,843	68,701
Diluted	69,615	69,461

See notes to consolidated financial statements on page 6 of this report.

PHILADELPHIA SUBURBAN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CAPITALIZATION
(In thousands of dollars, except per share amounts)

	June 30, 2003	December 31, 2002
	(Unaudited)	
Stockholders' equity:		
Common stock, $.50 par value	$ 35,234	$ 35,034
Capital in excess of par value	328,807	317,871
Retained earnings	189,556	180,047
Minority interest	503	503
Treasury stock	(12,539)	(40,421)

Accumulated other comprehensive income	201	63
Total stockholders' equity	541,762	493,097
6.05% Series B cumulative preferred stock	172	172
Long-term debt:		
First Mortgage Bonds secured by utility plant:		
Interest Rate Range		
0.00% to 2.49%	16,527	18,009
2.50% to 2.99%	16,812	14,052
3.00% to 3.49%	5,475	4,733
3.50% to 3.99%	2,800	3,200
4.00% to 4.99%	8,135	8,135
5.00% to 5.49%	97,875	90,955
5.50% to 5.99%	76,260	86,260
6.00% to 6.49%	129,360	126,360
6.50% to 6.99%	42,000	52,000
7.00% to 7.49%	56,000	58,000
7.50% to 7.99%	23,000	23,000
8.00% to 8.49%	17,500	17,497
8.50% to 8.99%	9,000	9,000
9.00% to 9.49%	52,942	53,054
9.50% to 9.99%	44,142	44,637
10.00% to 10.50%	6,000	6,000
Total First Mortgage Bonds	603,828	614,892
Notes payable, 6.05%, due 2006	788	978
Installment note payable, 9%, due in equal annual payments through 2013	1,305	1,305
	605,921	617,175
Current portion of long-term debt	21,803	34,265
Long-term debt, excluding current portion	584,118	582,910
Total capitalization	$ 1,126,052	$ 1,076,179

See notes to consolidated financial statements on page 6 of this report.

PHILADELPHIA SUBURBAN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOW
(In thousands of dollars)

(UNAUDITED)

	Six Months Ended June 30,	
	2003	2002
Cash flows from operating activities:		
Net income	$ 28,564	$ 26,720
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	24,173	21,409
Deferred income taxes	4,106	2,949
Gain on sale of other assets	(204)	(1,758)
Net decrease (increase) in receivables, inventory and prepayments	(594)	6,108
Net decrease in payables, accrued interest, accrued taxes and other accrued liabilities	(8,655)	(13,151)
Other	(2,067)	488
Net cash flows from operating activities	45,323	42,765
Cash flows from investing activities:		
Property, plant and equipment additions, including allowance		

(In thousands of dollars, except per share amounts) (continued)

for funds used during construction of $876 and $932	(58,562)	(56,470)
Acquisitions of water and wastewater systems	(114)	(7,865)
Proceeds from the sale of other assets	164	5,561
Net decrease (increase) in funds restricted for construction activity	7,523	(10,364)
Other	(302)	(331)
Net cash flows used in investing activities	(51,291)	(69,469)
Cash flows from financing activities:		
Customers' advances and contributions in aid of construction	4,401	4,976
Repayments of customers' advances	(972)	(1,705)
Net proceeds (repayments) of short-term debt	(5,804)	(11,932)
Proceeds from long-term debt	10,566	53,353
Repayments of long-term debt	(21,147)	(3,612)
Redemption of preferred stock	(1)	(300)
Proceeds from issuing common stock	39,353	6,486
Repurchase of common stock	(687)	(1,472)
Dividends paid on preferred stock	(5)	(27)
Dividends paid on common stock	(19,051)	(18,163)
Other	-	(1,034)
Net cash flows from financing activities	6,653	26,570
Net increase in cash and cash equivalents	685	(134)
Cash and cash equivalents at beginning of period	5,915	1,010
Cash and cash equivalents at end of period	$ 6,600	$ 876

See notes to consolidated financial statements on page 6 of this report.

Note 1 Basis of Presentation

The accompanying consolidated balance sheet and statement of capitalization of Philadelphia Suburban Corporation ("PSC") at June 30, 2003, the consolidated statements of income and comprehensive income for the six months and quarter ended June 30, 2003 and 2002, and the consolidated statements of cash flow for the six months ended June 30, 2003 and 2002, are unaudited, but reflect all adjustments, consisting of only normal recurring accruals, which are, in the opinion of management, necessary to present fairly the consolidated financial position, the consolidated results of operations, and the consolidated cash flow for the periods presented. Because they cover interim periods, the statements and related notes to the financial statements do not include all disclosures and notes normally provided in annual financial statements and, therefore, should be read in conjunction with the PSC Annual Report on Form 10-K for the year ended December 31, 2002 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2003. The results of operations for interim periods may not be indicative of the results that may be expected for the entire year.

Note 2 Acquisition

On July 31, 2003, PSC completed its acquisition of four operating water and wastewater subsidiaries of AquaSource, Inc. (a subsidiary of DQE, Inc.), including selected, integrated operating and maintenance contracts and related assets (individually and collectively the acquisition is referred to as "AquaSource") for $195,533 in cash. Pursuant to the purchase agreement, the amount paid at closing is subject to adjustment upon completion of a closing balance sheet and the finalization of other adjustments that may occur over approximately a six month period. The acquired operations of AquaSource serve over 130,000 water and wastewater customer accounts in eleven states. For the fiscal year ended December 31, 2002, the acquired operations had revenues of $69,541. In May 2003, PSC announced an agreement for the sale of the AquaSource regulated and nonregulated operations located in Connecticut and New York to a New England-based water company for an aggregate purchase price of $5,000 and the assumption of approximately $800 of debt. The sale of the Connecticut and New York regulated operations is subject to state regulatory approvals and represents approximately 2% of the acquired operations. Closing on the sale of the Connecticut and New York operations is expected to occur by early 2004.

Note 3 Long-term Debt and Loans Payable

At various times during the first half of 2003, our operating subsidiaries issued notes payable in aggregate of $11,232 at various rates ranging from 1% to 5.1% due at various times in 2022, 2023, and 2032.

In July 2003, PSC issued $135,000 of unsecured notes due 2023 and with an interest rate of 4.87%. In July 2003, an unsecured note of $90,000 was issued by PSC. Interest under this note is based, at the borrower's option, on either a defined base rate or an adjusted London Interbank Offered Rate corresponding to the interest period selected. The proceeds of these financings were used to fund the AquaSource acquisition and to refinance existing debt.

Note 4 Water Rates

During the first six months of 2003, operating subsidiaries located in Pennsylvania, Illinois, Ohio and Maine were granted rate increases, representing eight rate adjustments, intended to increase total revenues by approximately $7,730 on an annual basis. Revenues from the rate increases realized in the first half of 2003 were approximately $2,960.

Note 5 Stockholders' Equity

On August 5, 2003, PSC's Board of Directors declared a 5-for-4 common stock split effected in the form of a 25% stock distribution for shareholders of record on November 14, 2003. The new shares will be distributed on December 1, 2003. PSC's par value of $.50 per share will not change as a result of the common stock distribution, and as a result, on the distribution date an amount will be transferred from Capital in Excess of Par Value to Common Stock to record the common stock split. The share and per share data contained in this Quarterly Report on Form 10-Q have not been restated to give effect to this stock dividend.

On May 19, 2003, PSC issued 1,495,000 shares of common stock through a shelf registration, providing proceeds of approximately $33,100, net of expenses. The net proceeds were used to repay short-term debt, including the repayment of $22,000 of indebtedness incurred in connection with our repurchase of 1.2 million shares of our common stock from affiliates of Veolia Environnement, S.A. (formerly Vivendi Environnement, S.A.) in October 2002.

PSC reports other comprehensive income in accordance with Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income." The following table summarizes the activity of accumulated other comprehensive income:

	2003	2002
Balance at January 1,	$ 63	$ 726
Unrealized holding gain arising during the period, net of tax of $79 in 2003 and $185 in 2002	149	345
Less: reclassification adjustment for gains included in net income, net of tax of $5 in 2003 and $372 in 2002	(11)	(693)
Other comprehensive income (loss), net of tax	138	(348)
Balance at June 30,	$ 201	$ 378

Note 6 Net Income per Common Share

Basic net income per common share is based on the weighted average number of common shares outstanding. Diluted net income per common share is based on the weighted average number of common shares outstanding and potentially dilutive shares. The dilutive effect of employee stock options is included in the computation of Diluted net income per common share. The following table summarizes the shares, in thousands, used in computing Basic and Diluted net income per common share:

	Six Months Ended June 30,		Three Months Ended June 30,	
	2003	2002	2003	2002
Average common shares outstanding during the period for Basic computation	68,395	68,576	68,843	68,701
Dilutive effect of employee stock options	728	832	771	760
Average common shares outstanding during the period for Diluted computation	69,123	69,408	69,614	69,461

Note 7 Stock-Based Compensation

PSC accounts for stock-based compensation using the intrinsic value method in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, no compensation expense related to granting of stock options has been recognized in the financial statements for stock options that have been granted. Pursuant to the disclosure requirements of SFAS No. 123, "Accounting for Stock-Based Compensation," as amended by SFAS No. 148, pro forma net income available to common stock and earnings per share are presented in the following table as if compensation cost for stock options was determined as of the grant date under the fair value method:

	Six Months Ended June 30,	Three Months Ended June 30,

(In thousands of dollars, except per share amounts) (continued)

	2003	2002	2003	2002
Net income available to common stock:				
As reported	$ 28,559	$ 26,693	$ 15,235	$ 14,818
Less: pro forma expense related to stock options granted, net of tax effects	(810)	(634)	(405)	(317)
Pro forma	$ 27,749	$ 26,059	$ 14,830	$ 14,501
Basic net income per share:				
As reported	$ 0.42	$ 0.39	$ 0.22	$ 0.22
Pro forma	0.41	0.38	0.22	0.21
Diluted net income per share:				
As reported	$ 0.41	$ 0.38	$ 0.22	$ 0.21
Pro forma	0.40	0.38	0.21	0.21

The fair value of options at the date of grant was estimated using the Black-Scholes option-pricing model.

Note 8 Recent Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board ("FASB") approved Statement of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations." SFAS No. 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred. When the liability is initially recognized, the carrying amount of the related long-lived asset is increased by the same amount. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, PSC may settle the obligation for its recorded amount, or an alternative amount, thereby incurring a gain or loss upon settlement. The adoption of this statement as required on January 1, 2003 did not have a material impact on PSC's results of operations or financial position.

In April 2002, the FASB approved SFAS No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections." SFAS No. 145, among other things, rescinds SFAS No. 4, which required all gains and losses from the extinguishment of debt to be classified as an extraordinary item and amends SFAS No. 13 to require that certain lease modifications that have economic effects similar to sale-leaseback transactions be accounted for in the same manner as sale-leaseback transactions. PSC adopted this statement in the first quarter of 2003 and it did not have a material impact on PSC's results of operations or financial position.

In June 2002, the FASB approved SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 requires the recognition of costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. This statement replaces the previous accounting guidance provided in Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 is effective for exit or disposal activities that are initiated after December 31, 2002. PSC adopted this standard in the first quarter of 2003 and it did not have a material impact on PSC's results of operations or financial position.

In November 2002, the FASB issued FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," an interpretation of SFAS No. 5, 57 and 107 and rescission of SFAS No. 34. This interpretation clarifies the requirements of FASB Statement No. 5, "Accounting for Contingencies" relating to the guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. The disclosure provisions of the interpretation are effective for financial statements of periods ending after December 15, 2002. The provisions for initial recognition and measurement are effective on a prospective basis for guarantees that are issued or modified after December 31, 2002. PSC adopted the accounting provisions of this standard in the first quarter of 2003 and it did not have a material impact on PSC's results of operations or financial position.

In April 2003, the FASB approved SFAS No. 149, "Amendment of Statement No. 133 on Derivative Instruments and Hedging Activities." SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. PSC believes the adoption of this standard will have no effect on its results of operations or financial position. As of June 30, 2003, PSC had no derivative instruments or hedging activities.

In May 2003, the FASB approved SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 establishes standards for classifying and measuring as liabilities certain financial instruments with characteristics of both liabilities and equity. The standard is effective for financial instruments entered into or modified after May 31, 2003, and is otherwise effective July 1, 2003. This statement is not expected to have an impact on PSC's results of operations or financial position.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

PHILADELPHIA SUBURBAN CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(In thousands of dollars, except per share amounts)

Forward-looking Statements

This Management's Discussion and Analysis of Financial Condition and Results of Operations and other sections of this Quarterly Report contain, in addition to historical information, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements address, among other things: our use of cash; projected capital expenditures; liquidity; possible acquisitions and other growth ventures; the completion of various construction projects; the projected effects of recent accounting pronouncements; the final purchase price for AquaSource; the completion of the sale of the Connecticut and New York AquaSource operations; the projected annual value of rate increases, as well as information contained elsewhere in this report where statements are preceded by, followed by or include the words "believes," "expects," "anticipates," "plans" or similar expressions. These statements are based on a number of assumptions concerning future events, and are subject to a number of uncertainties and other factors, many of which are outside our control. Actual results may differ materially from such statements for a number of reasons, including the effects of regulation, abnormal weather, changes in capital requirements and funding, acquisitions, and our ability to assimilate acquired operations. We undertake no obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

General Information

Philadelphia Suburban Corporation ("we" or "us"), a Pennsylvania corporation, is the holding company for regulated utilities providing water or wastewater services to approximately 2.5 million people in 15 states, principally in Pennsylvania, Ohio, Illinois, Texas, New Jersey and Indiana. One of our operating subsidiaries provides water or wastewater services to approximately 1.3 million people in the suburban areas north and west of the City of Philadelphia and in 18 other counties in Pennsylvania. In addition we provide water and wastewater service through operating and maintenance contracts with municipal authorities and other parties close to our operating companies' service territories. We are the largest U.S.-based investor-owned water utility based on number of people served.

The description of our business above reflects the effect of our July 31, 2003 acquisition of AquaSource as described in the Financial Condition section.

Financial Condition

During the first half of 2003, we had $58,562 of capital expenditures, repaid $972 of customer advances for construction and repaid debt and made sinking fund contributions and other loan repayments of $21,147. The capital expenditures were related to improvements to treatment plants, new water mains and customer service lines, the rehabilitation of existing water mains, hydrants and customer service lines, in addition to well and booster improvements.

During the first six months of 2003, the proceeds from our short-term credit facilities, proceeds from the issuance of common stock, internally generated funds and available working capital were used to fund the cash requirements discussed above and to pay dividends. At various times during the first half of 2003, our operating subsidiaries issued notes payable in aggregate of $11,232 at various rates ranging from 1% to 5.1% due at various times in 2022, 2023, and 2032. On May 19, 2003, PSC issued 1,495,000 shares of common stock through a shelf registration, providing proceeds of approximately $33,100, net of expenses. The net proceeds were used to repay short-term debt, including the repayment of $22,000 of indebtedness incurred in connection with our repurchase of 1.2 million shares of our common stock from affiliates of Veolia

Environnement, S.A. (formerly Vivendi Environnement, S.A.) in October 2002. At June 30, 2003, we had short-term lines of credit of $179,000, of which $69,691 was available. Effective with the December 1, 2003 payment, PSC has increased the quarterly cash dividend on common stock from $.14 per share to $.15 per share.

On July 31, 2003, we completed the acquisition of four operating water and wastewater subsidiaries of AquaSource, Inc. (a subsidiary of DQE, Inc.), including selected, integrated operating and maintenance contracts and related assets (individually and collectively the acquisition is referred to as "AquaSource") for $195,533 in cash. Pursuant to the purchase agreement, the amount paid at closing is subject to adjustment upon completion of a closing balance sheet and the finalization of other adjustments that may occur over approximately a six month period. The acquired operations of AquaSource serve approximately 130,000 water and wastewater customer accounts in eleven states. For the fiscal year ended December 31, 2002, the acquired operations had revenues of $69,451. In May 2003, we announced an agreement for the sale of the AquaSource regulated and nonregulated operations located in Connecticut and New York to a New England-based water company for an aggregate purchase price of $5,000 and the assumption of approximately $800 of debt. The sale of the Connecticut and New York regulated operations is subject to state regulatory approvals and represents approximately 2% of the acquired operations. Closing on the sale of the Connecticut and New York operations is expected to occur by early 2004. In July 2003, PSC issued $135,000 of unsecured notes due 2023 and with an interest rate of 4.87%. In July 2003, an unsecured note of $90,000 was issued by PSC. Interest under this facility is based, at the borrower's option, on either a defined base rate or an adjusted London Interbank Offered Rate corresponding to the interest period selected. The proceeds of these financings were used to fund the AquaSource acquisition, and to refinance existing debt.

Management believes that internally generated funds along with existing credit facilities and the proceeds from the issuance of long-term debt and common stock will be adequate to meet our financing requirements for the balance of the year and beyond.

Results of Operations

Analysis of First Six Months of 2003 Compared to First Six Months of 2002

Revenues for the first six months increased $15,584 or 10.5% primarily due to increased water rates granted to our Pennsylvania, New Jersey, Ohio and Maine operating subsidiaries and additional water revenues associated with the larger customer base due to acquisitions, offset partially by the revenues associated with a water system sold in 2002 of $841. Higher water consumption in the first quarter of 2003 was largely offset by the impact of lower water consumption in the second quarter of 2003 due to unfavorable weather conditions in many of the states where we operate. The unfavorable weather conditions, particularly the above-average rainfall, have continued in July 2003 in our primary service territories, and water consumption by our customers has been reduced in these areas which may have a similar effect on our operating results.

Operations and maintenance expenses increased by $5,493 or 9.8% primarily due to increased postretirement benefits expenses, higher maintenance expenses, increased insurance expense, and additional operating costs associated with acquisitions. The postretirement benefits expense increase resulted principally from higher pension costs and increased retiree medical costs. The increased maintenance expenses are primarily a result of additional main break repairs resulting from the relatively harsh winter weather that was experienced in 2003.

Depreciation expense increased $2,611 or 12.9% reflecting the utility plant placed in service since the second quarter of 2002, including the assets acquired through system acquisitions.

Amortization increased $153 primarily due to the amortization of the costs associated with, and other costs being recovered in, various rate filings.

Taxes other than income taxes increased by $331 or 3.3% as a result of an increase in capital stock tax due to an increase in the base on which the tax is applied, and an increase in state regulatory taxes.

Interest expense increased by $1,592 or 8.1% primarily due to additional borrowings to finance on-going capital projects and acquisitions, offset partially by decreased interest rates on borrowings.

Allowance for funds used during construction ("AFUDC") decreased by $56 primarily due to a decrease in the average balance of utility plant construction work in progress, to which AFUDC is applied; offset partially by an increase in the AFUDC rate as a result of tax-exempt borrowings for our multi-year infrastructure rehabilitation plan.

Gain on sale of other assets totaled $220 in the first half of 2003 and $1,758 in the first half of 2002. The change is due to a decrease in the gain on sale of marketable securities of $1,049 and a decrease in the gain on the sale of land realized of $489 as compared to the same period in 2002.

Our effective income tax rate was 40.0% in the first half of 2003 and 38.9% in the first half of 2002. The change was due to a decrease in our tax-deductible expenses.

Net income available to common stock for the first six months increased by $1,866 or 7.0%, in comparison to the same period in 2002 primarily as a result of the factors described above. On a diluted per share basis, earnings increased $.03 or 7.9% reflecting the change in net income and a 0.4% decrease in the average number of common shares outstanding. The decrease in the number of shares outstanding is primarily a result of shares repurchased in the fourth quarter of 2002, offset partially by the shares sold or issued through the shelf registration, dividend reinvestment plan, and employee stock purchase plan and equity compensation plan and shares issued in connection with acquisitions.

Analysis of Second Quarter of 2003 Compared to Second Quarter of 2002

Revenues for the quarter increased $6,764 or 8.8% primarily due to increased water rates granted to our Pennsylvania, New Jersey, Ohio and Maine operating subsidiaries and additional water revenues associated with the larger customer base due to acquisitions, offset partially by reduced water consumption associated with the wet weather experienced in a significant portion of our service territory during the second quarter of 2003 and the revenues associated with a water system sold in 2002 of $456. While water usage was unfavorably impacted in the second quarter of 2002 by the effects of the drought restrictions in Pennsylvania and New Jersey, water consumption was impacted by an even greater degree in the second quarter of 2003 by the effects of frequent rainfall in most of the states where we operate. The unfavorable weather conditions, particularly the above-average rainfall, have continued in July 2003 in our primary service territories, and water consumption by our customers has been reduced in these areas which may have a similar effect on our operating results.

Operations and maintenance expenses increased by $2,114 or 7.3% primarily due to increased postretirement benefits expenses, higher maintenance expenses and increased insurance expense. The postretirement benefits expense increase resulted principally from higher pension costs.

Depreciation expense increased $1,157 or 11.2% reflecting the utility plant placed in service since the second quarter of 2002, including the assets acquired through system acquisitions.

Amortization decreased $19 primarily due to the amortization of the costs associated with, and other costs being recovered in, various rate filings.

Taxes other than income taxes increased by $325 or 7.0% as a result of an increase in state regulatory taxes and an increase in capital stock tax due to an increase in the base on which the tax is applied.

Interest expense increased by $760 or 7.7% primarily due to additional borrowings to finance on-going capital projects and acquisitions, offset partially by decreased interest rates on borrowings due to refinancing of certain existing debt issues.

Allowance for funds used during construction ("AFUDC") decreased by $46 primarily due to a decrease in the average balance of utility plant construction work in progress, to which AFUDC is applied; offset partially by an increase in the AFUDC rate as a result of tax-exempt borrowings for our multi-year infrastructure rehabilitation plan.

Gain on sale of other assets totaled $165 in the second quarter of 2003 and $1,409 in the second quarter of 2002. The change is due to a decrease in the gain on sale of marketable securities of $700 and a decrease in the gain on the sale of land realized of $544 as compared to the second quarter of 2002.

Our effective income tax rate was 39.8% in the second quarter of 2003 and 38.6% in the second quarter of 2002. The change was due to a decrease in our tax-deductible expenses.

Net income available to common stock for the quarter increased by $417 or 2.8%, in comparison to the same period in 2002 primarily as a result of the factors described above. On a diluted per share basis, earnings increased $.01 or 4.8% reflecting the change in net income and a 0.2% increase in the average number of common shares outstanding.

Recent Events

Environmental Regulation - Provision of water and wastewater services is subject to regulation under the federal Safe Drinking Water Act, the Clean Water Act and related state laws, and under state and federal regulations issued under these laws. These laws and regulations establish criteria and standards for drinking water and for discharges to surface waters. In addition, we are subject to federal and state laws and other regulations relating to solid waste disposal, dam safety and other operations.

There are some environmental compliance issues at various water and wastewater facilities associated with the AquaSource acquisition that was completed on July 31, 2003. We estimate that the capital expenditures required to address these compliance issues will be approximately $65,000 over the next several years. Various operating subsidiaries that were acquired in the AquaSource acquisition are parties to agreements with regulatory agencies regarding environmental compliance. These agreements are intended to provide the regulators assurance that problems will be addressed, and they generally provide some protection from fines, penalties and other actions while corrective measures are being implemented. The agreements were negotiated by AquaSource prior to the acquisition being completed, and we have assumed AquaSource's obligations under these agreements. We expect to work directly with state environmental officials to implement or amend these agreements as necessary. We are aware of one instance, despite the presence of a compliance agreement, where the compliance action plan has not resolved the compliance issue. The regulatory agency may impose fines and penalties which are not expected to be material and for which we would make an indemnity claim against DQE, Inc. and AquaSource, Inc. under the purchase agreement.

Safe Drinking Water Act - The Safe Drinking Water Act establishes criteria and procedures for the Environmental Protection Agency to develop national quality standards for drinking water. Regulations issued pursuant to the Safe Drinking Water Act and its amendments set standards on the amount of certain microbial and chemical contaminants and radionuclides allowable in drinking water. Current requirements under the Safe Drinking Water Act are not expected to have a material impact on our operations or financial condition as we have already made investments to meet existing water quality standards. We may, in the future, be required to change our method of treating drinking water at certain sources of supply if additional regulations become effective.

Issuance by the EPA of a rule regulating radon in tap water has been postponed repeatedly since 1991. Limits for radon would probably become effective 4 or 5 years after issuance of any such rule. We anticipate this rule may establish a radon level that would require treatment at a number of our wells. If the states in which we operate elect not to implement general radon reduction programs (Multi-Media Mitigation), then a lower limit for radon may apply and a larger number of wells would be affected. We anticipate that states will adopt Multi-Media Mitigation programs. The capital costs to comply with the anticipated limit are expected to total approximately $1,000 or less than 1% of our typical annual capital expenditures.

The Safe Drinking Water Act provides for the regulation of radionuclides other than radon, such as radium and uranium. In December 2000, the EPA issued a final rule regulating certain radionuclides other than radon. The rule will become effective in December 2003, may require additional testing, and may require additional treatment at a limited number of wells. The cost of compliance is expected to be less than $1,000. The impact of the new rulemaking is not expected to have a material impact on our results from operations or financial condition.

In order to eliminate or inactivate microbial organisms, the Surface Water Treatment Rule and the Interim Enhanced Surface Water Treatment Rule were issued by the EPA to improve disinfection or filtration of potable water. The EPA developed the Disinfectants-Disinfection By-products Rule to reduce consumers' exposure to disinfectants and by-products of the disinfection process. In 1998, the EPA issued new rules on disinfection and on surface water treatment. Groundwater and smaller surface water systems have until December 2003 to comply with the rules on disinfection and on surface water treatment. In the future we may be required to install filtration or other treatment for one surface water supply. The cost of this treatment, should it be required, is not expected to exceed $5,000. Certain small groundwater systems could be reclassified as being influenced by surface water. This may require additional treatment or the development of replacement sources of supply over time, and is not expected to exceed $5,000.

In January 2001, the EPA issued a final rule for arsenic that lowers the limit on arsenic in potable water to a more stringent level effective by 2006, with a provision for further time extensions for small systems. Currently, several small well systems slightly exceed the new arsenic levels and may require additional treatment. The cost of maintaining compliance with this new rulemaking is not expected to exceed $1,000 and will not have a material impact on our results from operations or financial condition.

In April 2000, the gasoline additive Methyl tert-Butyl Ether ("MtBE") was discovered in one production well of our New Jersey operating subsidiary at levels exceeding the New Jersey drinking water standard. The well was immediately taken out of service and alternate water supplies were obtained. The company responsible for the contamination has reimbursed us for a substantial portion of the expenses incurred to-date. We continue to pursue developing a long-term replacement supply and based on various studies we believe an alternate water system will be needed. We have taken legal action seeking reimbursement for the costs associated with obtaining an alternate long-term water supply, and we expect to recover these costs from the responsible party.

Clean Water Act - The Clean Water Act regulates discharges from drinking water and wastewater treatment facilities into lakes, rivers, streams, and groundwater. We operate numerous water and wastewater facilities in a number of states. It is our policy to obtain and maintain all required permits and approvals for the discharge from these water and wastewater facilities, and to comply with all conditions of those permits and other regulatory requirements. A program is in place to monitor facilities for compliance with permitting, monitoring and reporting for wastewater discharges. From time to time, violations may occur which may result in fines. As described previously, various operating subsidiaries that were acquired in the AquaSource acquisition had entered into agreements, prior to the acquisition being completed, to address compliance issues. Penalties or fines are not expected to have a material impact on our results of operations or financial condition, and the required costs to comply with the agreements previously cited are expected to be recoverable in rates.

Solid Waste Disposal - The handling and disposal of residuals and solids from water and wastewater treatment facilities are governed by state and federal laws and regulations. A program is in place to monitor our facilities for compliance with regulatory requirements, and we do not currently anticipate any major expenditures and costs in connection with the management and disposal of residuals and solids from our water and wastewater facilities in the future.

Economic Regulation - The City of Fort Wayne, Indiana is considering the acquisition, by eminent domain or otherwise, of a portion of the utility assets of one of the operating subsidiaries that we acquired in connection with the AquaSource acquisition in July 2003. The system represents approximately 7,500 customers or approximately 1% of our total customer base. We intend to discuss this matter with the City of Fort Wayne officials now that we have completed the AquaSource acquisition. We believe that our Indiana operating subsidiary is entitled to fair value market value for its assets.

Name Change - We will change our name to Aqua America, Inc. to reflect our position as the largest U.S.-based investor-owned water utility. The name change will become effective on October 10, 2003. Effective October 13, 2003, our ticker symbol on the New York Stock Exchange and the Philadelphia Stock Exchange will change to "WTR."

Disclosure regarding other recent events (AquaSource acquisition and July 2003 financings) is contained in the "Financial Condition" section of this Management's Discussion and Analysis of Financial Condition and Results of Operations section.

Impact of Recent Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board ("FASB") approved Statement of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations." SFAS No. 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred. When the liability is initially recognized, the carrying amount of the related long-lived asset is increased by the same amount. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, we may settle the obligation for its recorded amount, or an alternative amount, thereby incurring a gain or loss upon settlement. The adoption of this statement as required on January 1, 2003 did not have a material impact on our results of operations or financial position.

In April 2002, the FASB approved SFAS No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections." SFAS No. 145, among other things, rescinds SFAS No. 4, which required all gains and losses from the extinguishment of debt to be classified as an extraordinary item and amends SFAS No. 13 to require that certain lease modifications that have economic effects similar to sale-leaseback transactions be accounted for in the same manner as sale-leaseback transactions. We adopted this statement in the first quarter of 2003 and it did not have a material impact on our results of operations or financial position.

In June 2002, the FASB approved SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 requires the recognition of costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. This statement replaces the previous accounting guidance provided in Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 is effective for exit or disposal activities that are initiated after December 31, 2002. We adopted this standard in the first quarter of 2003 and it did not have a material impact on our results of operations or financial position.

In November 2002, the FASB issued FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," an interpretation of SFAS No. 5, 57 and 107 and rescission of SFAS No. 34. This interpretation clarifies the requirements of FASB Statement No. 5, "Accounting for Contingencies" relating to the guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. The disclosure provisions of the interpretation are effective for financial statements of periods ending after December 15, 2002. The provisions for initial recognition and measurement are effective on a prospective basis for guarantees that are issued or modified after December 31, 2002. We adopted the accounting provisions of this standard in the first quarter of 2003 and it did not have a material impact on our results of operations or financial position.

In April 2003, the FASB approved SFAS No. 149, "Amendment of Statement No. 133 on Derivative Instruments and Hedging Activities." SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. We believe the adoption of this standard will have no effect on our results of operations or financial position. As of June 30, 2003, we had no derivative instruments or hedging activities.

In May 2003, the FASB approved SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 establishes standards for classifying and measuring as liabilities certain financial instruments with characteristics of both liabilities and equity. The standard is effective for financial instruments entered into or modified after May 31, 2003, and is otherwise effective July 1, 2003. This statement is not expected to have an impact on our results of operations or financial position.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to market risks in the normal course of business, including changes in interest and equity prices. There have been no significant changes in our exposure to market risks since December 31, 2002. Refer to Item 7A of the Company's Annual Report on Form 10-K for the year ended December 31, 2002 for additional information.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report are functioning effectively to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. A controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

(b) Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

There are no pending legal proceedings to which we or any of our subsidiaries is a party or to which any of their properties is the subject that are expected to have a material effect on our financial position, results of operations or cash flows.

Item 4. Results of Vote of Security Holders

The Annual Meeting of Shareholders of Philadelphia Suburban Corporation was held on May 15, 2003 at the Springfield Country Club, 400 West Sproul Road, Springfield, Pennsylvania, pursuant to the Notice sent on or about April 9, 2003 to all shareholders of record at the close of business on March 21, 2003. At that meeting, the following nominees were elected as directors of Philadelphia Suburban Corporation for terms expiring in the year 2006 and received the votes set forth after their names below:

Name of Nominee	For	Withheld
John F. McCaughan	53,091,020	3,680,220
Richard H. Glanton, Esq.	45,455,138	11,316,102
Nicholas DeBenedictis	53,259,071	3,512,169

Since the Board of Directors is divided into three classes with one class elected each year to hold office for a three-year term, the term of office for the following directors continued after the Annual Meeting; Mary C. Carroll, G. Fred DiBona, Jr., Alan R. Hirsig, John E. Menario and Richard L. Smoot.

Proposal II (to approve an amendment to Philadelphia Suburban Corporation's 1994 Equity Compensation Plan) received the following votes:

For	Against	Abstain	No Vote
31,989,608	9,253,325	901,346	14,626,961

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.	Description
31.1	Certification of Chief Executive Officer, pursuant to Rule 13a-14(a) under the Securities and Exchange Act of 1934.
31.2	Certification of Chief Financial Officer, pursuant to Rule 13a-14(a) under the Securities and Exchange Act of 1934.
32.1	Certification of Chief Executive Officer, pursuant 18 U.S.C. Section 1350.
32.2	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350.

(b) Reports on Form 8-K

Current Report on Form 8-K furnished on May 1, 2003, responding to Item 12, Disclosure of Results of Operations and Financial Condition. (Related to the Company's issuance of a press release on April 28, 2003 announcing that it expected first quarter 2003 diluted net income per share to be significantly higher than 2002 levels and also expected to meet the Thomson First Call consensus estimate).

Current Report on Form 8-K furnished on May 7, 2003, responding to Item 12, Disclosure of Results of Operations and Financial Condition. (Related to the Company's issuance of a press release on May 7, 2003 announcing its first quarter 2003 earnings).

Current Report on Form 8-K filed on May 14, 2003, responding to Item 5, Other Events. (Related to the Company entering into an underwriting agreement on May 13, 2003 relating to the issuance of up to 1,495,000 shares of PSC common stock and the opinion regarding the legality of the securities registered by a shelf registration statement filed on April 3, 2003).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be executed on its behalf by the undersigned thereunto duly authorized.

August 8, 2003

PHILADELPHIA SUBURBAN CORPORATION

Registrant

NICHOLAS DEBENEDICTIS

Nicholas DeBenedictis
Chairman and President

DAVID P. SMELTZER

David P. Smeltzer
Senior Vice President - Finance
and Chief Financial Officer

Exhibit 31.1

Certification

I, Nicholas DeBenedictis, Chairman, President and Chief Executive Officer of Philadelphia Suburban Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Philadelphia Suburban Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   b. [Paragraph omitted in accordance with SEC transition instructions contained in SEC Release 34-47986.]
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting, and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2003

NICHOLAS DEBENEDICTIS

Nicholas DeBenedictis
Chairman, President and Chief Executive Officer

Exhibit 31.2

Certification

I, David P. Smeltzer, Senior Vice President - Finance and Chief Financial Officer of Philadelphia Suburban Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Philadelphia Suburban Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   b. [Paragraph omitted in accordance with SEC transition instructions contained in SEC Release 34-47986.]
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting, and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2003

DAVID P. SMELTZER

David P. Smeltzer
Senior Vice President - Finance
and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2003 of Philadelphia Suburban Corporation (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nicholas DeBenedictis, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78m(a) or Section 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

NICHOLAS DEBENEDICTIS

Nicholas DeBenedictis
Chairman, President and Chief Executive Officer
August 8, 2003

The foregoing certification shall not be deemed to be filed for purposes of Section 18 of the Securities and Exchange Act of 1934 or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent this Exhibit 32.1 is expressly and specifically incorporated by reference in any such filing.

A signed original of this written statement required by 18 U.S.C. Section 1350 has been provided to Philadelphia Suburban Corporation and will be retained by Philadelphia Suburban Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2003 of Philadelphia Suburban Corporation (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David P. Smeltzer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78m(a) or Section 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

DAVID P. SMELTZER

David P. Smeltzer
Senior Vice President - Finance and Chief Financial Officer
August 8, 2003

The foregoing certification shall not be deemed to be filed for purposes of Section 18 of the Securities and Exchange Act of 1934 or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent this Exhibit 32.2 is expressly and specifically incorporated by reference in any such filing.

A signed original of this written statement required by 18 U.S.C. Section 1350 has been provided to Philadelphia Suburban Corporation and will be retained by Philadelphia Suburban Corporation and furnished to the Securities and Exchange Commission or its staff upon request.