



Philadelphia Suburban Illinois Subsidiary to Purchase Aroma Park Municipal Water System for \$1 Million Today

BRYN MAWR, Pa.--(BUSINESS WIRE)--May 25, 2001--Philadelphia Suburban Corporation (NYSE:PSC) has announced that its Consumers Illinois Water Company (CIWC) subsidiary will complete the purchase of the Aroma Park municipal water system, which serves approximately 2,100 residents in Kankakee County (near Chicago), for \$1 million today.

Aroma Park is the ninth growth venture announced by PSC this year and was one of two upcoming acquisitions referenced by PSC Chairman Nicholas DeBenedictis earlier this week when he addressed the Philadelphia Association of Securities Analysts.

The second acquisition is Geigertown Water Company (a private water system serving approximately 250 residents in Berks County, PA), which was approved yesterday by the Pennsylvania Public Utilities Commission.

Aroma Park previously purchased bulk water from CIWC and had recently entered an agreement with the company to operate and maintain the water system.

PSC Chairman Nicholas DeBenedictis said, "During the past five years PSC has completed more than 70 growth ventures, allowing the company to become one of the fastest growing and largest investor-owned water utilities in the United States."

CIWC President Terry Rakocy said, "There are nearly two thousand community water systems in Illinois, many of which are small and facing increasingly stringent water quality regulations and costly capital needs.

"Many of these water systems, like Aroma Park, are finding that it is financially beneficial for them and environmentally and economically beneficial for their customers to sell their assets to larger utilities like Consumers Illinois, which have the environmental expertise and capital necessary to maintain good water quality, reliable service and reasonable rates."

Village Mayor Norm Grimsley said he and other village leaders are pleased with the sale. "Our relationship with Consumers Illinois has been a positive one," said Grimsley. "We feel very good about entrusting our assets to a professional water utility like Consumers because we know they have the technical expertise necessary to provide good water quality and responsible service to our residents."

Other growth venture announcements made by PSC this year were:

1. January 2001 - PSC's Consumers Pennsylvania subsidiary received approval from the Pennsylvania Public Utility Commission to provide service to more than 1,200 residents in an area of southern Mahoning Township, Lawrence County, Pennsylvania.
2. January 2001 - PSC's North Carolina subsidiary merged with Hydraulics, Ltd. of Greensboro, a public water utility that serves approximately 16,000 residents in 22 counties surrounding the towns of Greensboro, Hickory, Raleigh and Gastonia.
3. January 2001 - PSC's Consumers New Jersey subsidiary entered into a one-year professional services contract to operate and maintain the wastewater collection system and pumping station serving the first phase of the Greenwich Chase development that currently serves approximately 450 residents.
4. February 2001 - PSC's Consumers Illinois subsidiary purchased the assets of the Walnut Hill Well Association, a small groundwater system serving 40 residents in Vermilion County.

5. March 2001 - PSW purchased the water system assets of the Springton Court homeowner community, which serves approximately 100 residents in West Brandywine Township, Chester County.
6. April - PSW purchased the water system assets of the Dresher Woods Condominium community in Upper Dublin Township, Montgomery County that serves approximately 400 residents.
7. April - PSW wastewater subsidiary purchased the Media Borough wastewater system in Delaware County, Pennsylvania, which serves approximately 15,000 residents in Media Borough, and Upper Providence and Middletown Townships.
8. April - Consumers New Jersey Water Company (Consumers) announced today that it has renewed a two-year professional services agreement with the Borough of Allentown in Monmouth County, New Jersey for the town's water and wastewater systems.

Consumers Illinois Water Company is a subsidiary of PSC, one of the nation's largest investor-owned water utilities serving nearly two million residents in Illinois, Pennsylvania, Ohio, New Jersey, Maine and North Carolina.

PSC is a publicly-traded company listed on both the New York and Philadelphia Stock Exchanges under the ticker symbol "PSC" and has been committed to the preservation and improvement of the environment throughout its history, which spans more than 100 years.

Editors Note: This release contains certain forward-looking statements involving risks, uncertainties and other factors that may cause the actual results to be materially different from any future results expressed or implied by such forward-looking statements.

These factors include, among others, the following: general economic business conditions; the success of certain cost containment initiatives, changes in project schedules, project contingencies and variations in water purchases; changes in regulations or regulatory treatment; availability and cost of capital; and the success of growth initiatives.

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