



## **Philadelphia Suburban Purchases National Utilities, Inc.**

BRYN MAWR, Pa., Jun 28, 2002 (BUSINESS WIRE) -- Philadelphia Suburban Corporation (NYSE:PSC) has expanded its utility operations in Northeastern Pennsylvania with the acquisition of National Utilities, Inc., a private utility serving nearly 9,000 residents in Lackawanna, Luzerne, Monroe, Susquehanna and Wyoming counties. The acquisition is valued at \$3.7 million.

PSC acquired the troubled water system at the encouragement of the Pennsylvania Public Utility Commission and received low-interest PENNVEST funding to aid in making immediate improvements to the system. The company plans to invest approximately \$1.8 million in system upgrades to ensure that customers have a quality water supply and reliable service.

The system will be operated out of PSC's Consumers Pennsylvania offices in White Haven, Luzerne County.

As part of the transaction, PSC's Suburban Wastewater subsidiary also purchased the wastewater system assets of the Rivercrest Public Service Corporation, serving nearly 500 residents in Wyoming County.

"We were pleased to work with the state regulators to buy this system and look forward to working with the customers to bring the system's quality of water up to PSC's standards of excellence," said PSC's Chairman Nicholas DeBenedictis. "More than half of the growth ventures PSC has announced this year have been in this area of the state, which is experiencing growth due, in part, to individuals relocating from New York and New Jersey."

The NUI acquisition is the tenth growth venture announced by PSC this year. The others are listed below.

1. January 2002 - Philadelphia Suburban Water Company (PSW) agreed to provide water service to the Pennsylvania State Correctional Institute (SCI Forest) that is under construction near Marienville in Jenks Township, Forest County. The prison will house up to 2,000 inmates.
2. February 2002 - PSW purchased the water system assets of Citizens Water Company of Wapwallopen, which serves approximately 180 residents in Conygham Township, Luzerne County.
3. February 2002 - Consumers New Jersey Water Company completed the purchased of the water system assets of the Bunnvale Mutual Water Association, which serves approximately 300 residents in Lebanon Township, Hunterdon County
4. March 2002 - PSC's Consumers Pennsylvania Water Company subsidiary purchased the water and wastewater system assets of the White Haven Municipal Authority, serving nearly 3,000 residents in Luzerne and Carbon counties.
5. April 2002 - PSC's Suburban Environmental Services (SES) subsidiary entered into a one-year contract with Foster Township, Luzerne County, to provide operations and maintenance services for the Hickory Hills wastewater collection and treatment facilities (approximately 850 residents) the Ag-Mar Village Estates wastewater collection and treatment facilities (approximately 300 residents).
6. April 2002 - Hydraulics Ltd., PSC's North Carolina subsidiary acquired by merger Piedmont Water Company, Inc., a private utility serving more than 10,000 residents in Iredell and Catawba counties in North Carolina. The acquisition is valued at \$1.36 million.
7. April 2002 - PSC and Pennichuck Corporation (NASDAQ: PNNW) of Nashua, NH announced they have entered a definitive agreement to merge in a stock transaction which, including the

assumption of \$27 million of debt, has a total enterprise value of approximately \$106 million. Pennichuck currently serves approximately 30,000 customers (120,000 residents) in 23 communities throughout southern New Hampshire.

8. May 2002 - Hydraulics Ltd., PSC's North Carolina subsidiary acquired the Goss water system, a private utility with six water systems in eastern North Carolina that serve 850 residents in Durham, Chatham, and Person counties.
9. May 2002 - Consumers Pennsylvania Water Company purchased the water system assets of the Schickshinny Lake Property Owner's Association, which serves 350 residents in Union Township, Luzerne County. CWC had been operating the system since September 2001 under an operations and management agreement.

PSC is the holding company for regulated public utilities that provide water and wastewater services to approximately two million residents in Pennsylvania, Ohio, Illinois, New Jersey, Maine, and North Carolina. PSC's common shares are traded on both the New York and Philadelphia Stock Exchanges under the ticker symbol "PSC".

The company has been committed to the preservation and improvement of the environment throughout its history, which spans more than 100 years.

This press release contains forward-looking statements. These forward-looking statements are found in various places throughout this press release and include, without limitation, statements regarding the expected benefits of the acquisition and future growth.

While these forward-looking statements represent our judgments and future expectations concerning the development of our business and the benefits of the acquisition, a number of risks, uncertainties, and other important factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, the risk that anticipated benefits from the acquisition will not be obtained or not obtained within the time anticipated, our projections for continued growth and other key factors that could adversely affect our business and financial performance contained in our past and future filings and reports, including those filed with the Securities and Exchange Commission.

PSC is not under any obligation (and each expressly disclaims any such obligation) to update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

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