



Philadelphia Suburban Purchases Chatwood Water Company

BRYN MAWR, Pa. Oct. 23, 2000 - Philadelphia Suburban Corporation (NYSE:PSC) today announced that its Philadelphia Suburban Water Company (PSW) subsidiary has completed the purchase of the Chatwood water system, which serves approximately 250 residents in West Goshen Township, Chester County, for \$65,000.

Earlier, when the agreement was announced, Chatwood Water Company President John Mattia said he was happy to have a utility like PSW operate the system. With all of the increasing environmental regulations and the capital needed to run a water system, I'm happy to have a utility like PSW to run this system, said Mattia. By interconnecting our system with theirs, our customers will notice some immediate benefits, including increased fire protection.

PSC has announced a dozen growth ventures this year including the following:

1. January 2000 - Consumers New Jersey Water Company was awarded a three-year contract to provide meter reading, billing and cash remittance services to the Winslow Township municipal water system in Camden County which provides water and wastewater services to approximately 30,000 residents.
2. April 2000 - PSW's wastewater division purchased the Twin Hills wastewater system that serves approximately 750 residents in West Pikeland Township, Chester County.
3. May 2000 - PSW purchased the Fulmor Heights water system that serves approximately 1,000 residents in Hatboro Borough, Montgomery County.
4. May 2000 - PSC's Consumers Illinois subsidiary was awarded a 10-year contract with the city of Kankakee to provide billing for municipal services including wastewater and solid waste removal.
5. June 2000 - PSC's Consumers Ohio subsidiary merged with Applegrove Water Company, which serves approximately 2,600 residents in Plain Township and the City of North Canton, both in Stark County, Ohio.
6. August 2000 - PSW entered into 25-year bulk water sales agreement with Liberty Electric Power, LLC (Liberty)--a subsidiary of Columbia Electric Corporation--valued at \$43 million. Liberty, is scheduled to begin startup operations at the 568-megawatt gas-powered plant in the fall of 2001.
7. August 2000 - PSC's Consumers Ohio subsidiary acquired the Summit County water system, serving approximately 4,200 residents in the City of Green.
8. August 2000 - PSW purchased the White Horse Village retirement community water system that includes 500 residences and a 100-bed hospital in Edgmont Township, Delaware County.
9. August 2000 - PSC's Consumers Illinois subsidiary announced an agreement of sale to purchase the Ivanhoe water and wastewater systems, which provide water and wastewater service to approximately 400 residents in the gated golf community in Ivanhoe, Lake County.
10. August 2000 - PSW received approval from the Pennsylvania Public Utility Commission to serve Honeybrook Township, Chester County.
11. October 2000 - PSW's wastewater subsidiary--Little Washington Wastewater Company--purchased the Plumsock at Willistown wastewater system, which serves 120 residents.

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