



Philadelphia Suburban Corporation Announces Pennsylvania Acquisition and Ohio O&M Contract

BRYN MAWR, Pa., Nov 15, 2001 (BUSINESS WIRE) -- Philadelphia Suburban Corporation (NYSE:PSC) today announced that its Philadelphia Suburban Water Company (PSW) subsidiary has purchased another private water system and its Consumers Ohio Water Company subsidiary has landed an operations and maintenance (O&M) contract.

PSW has completed a merger with the Paupack Water Company, which serves approximately 2,150 residents in Palmyra and Blooming Grove townships, in Pike County, for \$250,000 in cash and 70,000 shares of stock in its parent company (Philadelphia Suburban Corporation).

The merger with Paupack Water Company is significant because it is a major expansion of the company's operations in Pike County, one of the fastest growing counties in Pennsylvania.

Consumers Ohio Water Company (Consumers) entered into an operations agreement with the Muskingum Water Conservancy District (MWCD) to operate the 350-resident Sites Lake Cottage area in Richland County, Ohio.

Under the agreement, Consumers will design and construct a new \$900,000 water system that will include 14,000 feet of water main, two 25,000-gallon water storage facilities, service lines and radio frequency water meters.

Project design is underway and construction is expected to begin by year-end 2001 with a May 2002 anticipated completion date. Under the terms of the agreement, Consumers will collect and keep the rates paid by Sites Lake Cottage customers, and will also be paid \$182,000 in engineering, design and construction fees.

In addition, Consumers will operate and manage the system for 20 years at which time it will assume ownership of the system according to the terms of the agreement.

These transactions are the 18th and 19th growth ventures PSC has announced since the beginning of the year.

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.

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