

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULE 13D-1(A) AND AMENDMENTS THERETO FILED PURSUANT TO  
RULE 13D-2(A)

Under the Securities Exchange Act of 1934  
(Amendment No. Seventeen)/1/

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PHILADELPHIA SUBURBAN CORPORATION  
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(Name of Issuer)

-----  
Common Stock, Par Value \$0.50 Per Share  
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(Title of Class of Securities)

-----  
718009-6-08  
-----

(CUSIP Number)

Francois Jobard	Michel Avenas
Vivendi	c/o Anjou International
42 Avenue de Friedland 75380	Management Services, Inc.
Paris, Cedex 08, France	800 Third Avenue
3314-924-4924	New York, New York 10022
	212-753-2000

Roger H. Kimmel, Esq.  
Latham & Watkins  
885 Third Avenue  
New York, New York 10022  
(212) 906-1200

-----  
(Name, Address and Telephone Number of Person Authorized to Receive Notices and  
Communications)

June 27, 1998

-----  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

(Continued on following pages)

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/1/ The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.



\*SEE INSTRUCTIONS BEFORE FILLING OUT!  
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7  
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

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1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Anjou International Company

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*  
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT  
TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

7 SOLE VOTING POWER  
NUMBER OF  
SHARES None

8 SHARED VOTING POWER  
BENEFICIALLY OWNED BY  
EACH

9 SOLE DISPOSITIVE POWER  
REPORTING PERSON None

10 SHARED DISPOSITIVE POWER  
WITH 664,666

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
664,666

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
Approximately 2.4% (based upon 27,448,974 shares outstanding as of March  
31, 1998 according to Philadelphia Suburban Corporation's Report on Form  
10-Q for the Quarter Ended March 31, 1998)

14 TYPE OF REPORTING PERSON\*  
CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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This Amendment No. 17, which amends and restates in its entirety the Statement on Schedule 13D, dated September 7, 1983, as amended, of Compagnie Generale des Eaux ("CGE"), whose name has been subsequently changed to Vivendi, is filed to reflect information required pursuant to Rule 13d-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, relating to the shares of Common Stock, par value \$.50 per share, of Philadelphia Suburban Corporation, a Pennsylvania corporation (the "Issuer").

ITEM 1. SECURITY AND ISSUER.

The Issuer's principal executive offices are located at 762 Lancaster Avenue, Bryn Mawr, Pennsylvania 19010. This statement relates to the shares of common stock, par value \$.50 per share, of the Issuer (the "Shares").

ITEM 2. IDENTITY AND BACKGROUND.

(a) This statement is filed by Vivendi, a French corporation ("Vivendi"), and Anjou International Company ("Anjou"), a wholly owned subsidiary of Vivendi. Vivendi is the new corporate name of CGE, the original reporting person from the previous Schedule 13D and amendments.

(b) The business address of Vivendi is 42 Avenue de Friedland, 75380 Paris, Cedex 08, France. The business address of Anjou is c/o Anjou International Management Services, Inc., 800 Third Avenue, New York, New York 10022.

(c) Vivendi and its subsidiaries are involved in three major sectors: utilities (water, transport, waste management and energy), communications (telecommunications, publishing, multimedia and audiovisual) and construction and real estate.

Anjou is a holding company for certain of Vivendi's interests in the United States.

The names, residence or business addresses and present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted, of the executive officers and directors of Vivendi and Anjou are set forth in Exhibit 1 hereto and incorporated herein by reference.

(d) During the last five years, neither Vivendi nor, to the best of Vivendi's knowledge, any of the directors or executive officers of Vivendi have been convicted in criminal proceedings (excluding traffic violations or similar misdemeanors).

During the last five years, neither Anjou nor, to the best of Anjou's knowledge, any of the directors or executive officers of Anjou have been convicted in criminal proceedings (excluding traffic violations or similar misdemeanors).

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(e) During the last five years, neither Vivendi nor, to the best of Vivendi's knowledge, any of the directors or executive officers of Vivendi was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

During the last five years, neither Anjou nor, to the best of Anjou's knowledge, any of the directors or executive officers of Anjou was a

party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) The citizenship of the executive officers and the directors of Vivendi and Anjou is set forth in Exhibit 1 hereto and incorporated herein by reference.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

The source of the funds used to finance the acquisitions reported by this Amendment No. 17 was working capital. The total amount of such funds was \$25,600,000, exclusive of brokerage commissions.

ITEM 4. PURPOSE OF TRANSACTION.

The Shares purchased by Vivendi and Anjou to the date hereof were acquired, and are being held, as an investment. Except as described in clauses (a) and (c) below, neither Vivendi nor Anjou has any present plans or proposals which may be related to or would result in:

(a) An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries, except that, in a letter dated June 29, 1998 from Vivendi to the Issuer, a copy of which is attached as Exhibit 2 hereto and incorporated by reference herein (the "June Letter"), Vivendi stated that it intended to vote, and cause Anjou to vote, their respective Shares in favor of a proposed merger of the Issuer and Consumers Water Company, a Maine corporation ("Consumers"), on the terms described in the press release attached as Exhibit 3 hereto and incorporated by reference herein (the "Press Release");

(b) A sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries;

(c) Any change in the present board of directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board. However, Vivendi intends to request that the Issuer nominate an executive of Vivendi or one of its affiliates to fill the board seat traditionally held by an executive of Vivendi (or one of its affiliates) which was held by Claudio Elia until his death;

(d) Any material change in the present capitalization or dividend policy of the issuer;

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(e) Any other material change in the Issuer's business or corporate structure;

(f) Changes in the Issuer's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Issuer by any person;

(g) A class of securities of the Issuer being delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;

(h) A class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act; or

(i) Any action similar to any of those enumerated above.

Vivendi presently intends to review its investment position in the Issuer periodically and, depending on such review, market conditions and share prices, the Issuer's business, prospects and future developments and applicable legal requirements, Vivendi may seek to acquire (either directly or through a subsidiary, including Anjou) additional Shares from time to time in the open

market or in negotiated transactions or both as would result in Vivendi and its subsidiaries holding up to 19.99% of the outstanding Shares or may sell its Shares. Vivendi has advised the Issuer that any additional purchases of Shares will be solely for investment purposes.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

(a) As of June 29, 1998, Vivendi was the beneficial owner of 2,987,200 Shares constituting approximately 10.9% of the outstanding Shares (based upon 27,448,974 Shares outstanding as calculated above). To the best knowledge of Vivendi, no director or executive officer owns or has any right to acquire, directly or indirectly, any Shares.

As of June 29, 1998, Anjou was the beneficial owner of 664,666 Shares constituting approximately 2.4% of the outstanding Shares (based upon 27,448,974 Shares outstanding as calculated above). To the best knowledge of Anjou, no director or executive officer owns or has any right to acquire, directly or indirectly, any Shares.

As of June 29, 1998, Vivendi and Anjou were the beneficial owners of 3,651,866 Shares constituting approximately 13.3% of the outstanding Shares (based upon 27,448,974 Shares outstanding as calculated above).

(b) Vivendi has the sole power to vote or direct the disposition of 3,651,866 Shares. Vivendi has the shared power to vote or direct the disposition of 664,666 Shares. Anjou has the shared power to vote or direct the disposition of 664,666 Shares.

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(c) Neither Vivendi nor, to the best of Vivendi's knowledge, any executive officer or director of Vivendi: (a) owns, or has any right to acquire, directly or indirectly, any Shares or (b) has, in the past sixty (60) days, effected any transactions in the Shares.

Neither Anjou nor, to the best of Anjou's knowledge, any executive officer or director of Anjou: (a) owns, or has any right to acquire, directly or indirectly, any Shares or (b) has, in the past sixty (60) days, effected any transactions in the Shares.

(d) Not applicable.

(e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS, OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

Anjou is a wholly owned subsidiary of Vivendi. Pursuant to the June Letter, Vivendi has informed the Issuer that it intends to vote, and cause Anjou to vote, their respective Shares of the Issuer and of Consumers in favor of the merger and surrender their Shares upon consummation of the merger. The foregoing summary is qualified in its entirety by the full text of the June Letter and the Press Release. Other than the June Letter, neither Vivendi nor Anjou nor, to the best of Vivendi's and Anjou's knowledge, any person named in Item 2 hereof, has any contract, arrangement, understanding, or relationship (legal or otherwise) with any person with respect to any securities of the Issuer, including but not limited to any contract, arrangement, understanding, or relationship concerning the transfer or the voting of any such securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

1. List of Directors and Executive Officers of Vivendi and Anjou.
2. Letter dated June 29, 1998 from Vivendi to the Issuer.
3. Press Release, dated June 29, 1998.

SIGNATURE  
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After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

VIVENDI

By /s/ Guillaume Hannezo  
-----  
Name: Guillaume Hannezo  
Title: Chief Financial Officer

Dated: June 29, 1998

SIGNATURE  
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After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

ANJOU INTERNATIONAL COMPANY

By: /s/ Michel Avenas  
-----  
Name: Michel Avenas  
Title: President

Dated: June 29, 1998

## EXHIBIT 1

DIRECTORS AND EXECUTIVE OFFICERS OF  
VIVENDI

POSITION WITH VIVENDI	NAME AND BUSINESS ADDRESS	CITIZENSHIP	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, INCLUDING THE NAME (PRINCIPAL BUSINESS) AND ADDRESS (IF DIFFERENT THAN BUSINESS ADDRESS) OF EMPLOYER
I. Directors			
Chairman of the Board and Chief Executive Officer	Jean-Marie Messier c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	Chairman of the Board and Chief Executive Officer of Vivendi and Cegetel
Vice Chairman and Director	Jean-Louis Beffa c/o Compagnie Saint Gobain les Miroirs 18, Avenue d'Alsace 92400 Courbevoie, France	French	Chairman and Chief Executive Officer of Compagnie de Saint Gobain
Vice Chairman and Director	Ambroise Roux 8 Bis, Rue Marguerite 75017 Paris, France	French	Honorary Chairman and Director of Alcatel Alsthom
Director	Bernard Arnault c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	Chairman and Chief Executive Officer of Louis Vuitton Moet Hennessy, Christian Dior, Montaigne Participations et Gestion and Compagnie Financiere du Nord
Director	Jacques Calvet	French	Chairman of the Consultative Council of Morgan France
Honorary			
Chairman and Director	Guy Dejouany c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	Honorary Chairman of Compagnie des Eaux et de l'Ozone
Director	Jacques Friedmann c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	Chairman of the Supervisory Board of AXA-UAP
Director	Philippe Foriel-Destezet c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	Chairman and Chief Executive Officer of Adecco, Finecco, Ecco and Idem
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POSITION WITH VIVENDI	NAME AND BUSINESS ADDRESS	CITIZENSHIP	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, INCLUDING THE NAME (PRINCIPAL BUSINESS) AND ADDRESS (IF DIFFERENT THAN BUSINESS ADDRESS) OF EMPLOYER
Director	Paul-Louis Girardot c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	Managing Director of Vivendi; Chairman and Chief Executive Officer of Compagnie Financiere pour le Radiotelephone - Cofira
Director	Serge Tchuruk c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	Chairman and Chief Executive Officer of Alcatel Alsthom
Director	Rene Thomas	French	Chairman of the



	c/o Banexi 16 Blvd. des Italiens 75009 Paris, France		Supervisory Board of Banque pour l'Expansion Industrielle - BANEXI
Director	Marc Vienot c/o Societe Generale 29 Boulevard Haussman 75009 Paris, France	French	Honorary Chairman of Societe Generale
Director	Henri Lachmann c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	Former Chairman and Chief Executive Officer of Strafor Facom
Director	Simon Murray c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	British	Managing Director of Deutsche Bank Southeast Pacific Region

POSITION WITH VIVENDI	NAME AND BUSINESS ADDRESS	CITIZENSHIP	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, INCLUDING THE NAME (PRINCIPAL BUSINESS) AND ADDRESS (IF DIFFERENT THAN BUSINESS ADDRESS) OF EMPLOYER
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II. Executive Officers  
(other than those who  
are also Directors)

Executive Committee Member-Water	Daniel Caille c/o Vivendi 42 Avenue de Friedland 75385 Paris, France	French	
Director of Human Resources	Jean-Francois Colin c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	
Director of Communication and External Relations	Christine Delavennat c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	
Company Secretary and Secretary to the Board	Jean-Francois Dubos c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	
Executive Committee Member-Telecommunications	Philippe Germond c/o Vivendi 42 Avenue de Friedland 75385 Paris, France	French	
Executive Committee Member-Finance Director	Guillaume Hannezo c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	
Director of Legal Affairs	Gilbert Klajnman c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	
Executive Committee Member-Waste Management and Transport	Henri Progllo c/o Vivendi 42 Avenue de Friedland 75384, Paris, France	French	
Management Committee Member	Agnes Audier c/o Vivendi 42 Avenue de Friedland 75384, Paris, France	French	
Executive Committee Member-Property	Stephane Richard c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French	

POSITION WITH VIVENDI	NAME AND BUSINESS ADDRESS	CITIZENSHIP	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, INCLUDING THE NAME (PRINCIPAL BUSINESS) AND ADDRESS (IF DIFFERENT THAN BUSINESS ADDRESS) OF EMPLOYER
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Executive Committee	Antoine Zacharias	French	
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Member--Construction	c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	
Executive Committee Member-Publishing and Multimedia	Eric Licoys c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French
Management Committee Member	Thierry de Beauce c/o Vivendi 42 Avenue de Friedland 75380 Paris, Cedex 08, France	French

DIRECTORS AND EXECUTIVE OFFICERS OF  
ANJOU INTERNATIONAL COMPANY

POSITION WITH ANJOU INTERNATIONAL COMPANY	NAME AND BUSINESS ADDRESS	CITIZENSHIP	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, INCLUDING THE NAME (PRINCIPAL BUSINESS) AND ADDRESS (IF DIFFERENT THAN BUSINESS ADDRESS) OF EMPLOYER
I. Directors			
Chairman of the Board and Chief Executive Officer	William Kriegel c/o Anjou International Management Services, Inc. 800 Third Avenue New York, New York 10022	USA	Chairman of the Board and Chief Executive Officer of Sithe Energies, Inc.; Chairman of the Board of Air & Water Technologies Corporation
President and Director	Michel Avenas (1) c/o Anjou International Management Services, Inc. 800 Third Avenue New York, New York 10022	French	
Director	Thierry M. Mallet c/o Air & Water Technologies Corporation 800 Third Avenue New York, New York 10022	French	President and CEO of Air & Water Technologies Corporation
Director	Michel Gourvennec 3225 Aviation Avenue Miami, Florida 33133	French	President and Chief Executive Officer of Montenay International Corporation
Director	W. Harrison Wellford, Esq. Latham & Watkins 1001 Pennsylvania Avenue, NW Suite 1300 Washington, DC 20004	USA	Partner at Latham & Watkins; Vice Chairman of Sithe Energies, Inc.
II. Executive Officers (other than those who are also Directors)			
Senior Vice President	John T. Kelly c/o Anjou International Management Services, Inc. 800 Third Avenue New York, New York 10022	USA	
Vice President and Chief Financial Officer	Christian G. Farman c/o Anjou International Management Services, Inc. 800 Third Avenue New York, New York 10022	USA	
Vice President and General Counsel	Neil Lawrence Lane c/o Anjou International Management Services, Inc. 800 Third Avenue New York, New York 10022	USA	

(1) Michel Avenas is the beneficial owner of 100 Shares of Consumers Water Company.

VIVENDI  
42 Ave de Friedland  
Paris 08  
France

June 29, 1998

Mr. Nicholas DeBenedictis  
Chairman, President and  
Chief Executive Officer  
Philadelphia Suburban Corporation  
762 Lancaster Avenue  
Bryn Mawr, Pennsylvania

Re: Consumers Water Company

Dear Mr. DeBenedictis:

It is Vivendi's understanding that Philadelphia Suburban Corporation ("PSC") and Consumers Water Company ("Consumers") are entering into an Agreement and Plan of Merger, dated as of June 27, 1998 (the "Merger Agreement") which Merger Agreement generally provides for the merger (the "Merger") of Consumers into Consumers Acquisition Company, a Pennsylvania corporation and wholly owned subsidiary of PSC, and the conversion of the issued and outstanding common shares of Consumers into common shares of PSC, as described in the draft press release attached hereto ("Press Release").

As you are aware, Vivendi and its affiliates hold 2,040,659 shares of common stock in Consumers (the "Consumers Common Stock") and 3,651,866 shares of common stock in PSC (the "PSC Common Stock").

The purpose of this letter is to inform PSC that Vivendi intends to vote (or cause to be voted) all of the Consumers Common Stock over which Vivendi or its affiliates have voting authority in favor of (i) the Merger Agreement and (ii) the Merger, on the terms described in the Press Release, at any meeting of the shareholders of Consumers called to vote on such matters or

in any other circumstance upon which a vote, consent, or other approval with respect to the Merger is sought.

In addition, Vivendi intends to surrender the certificate or certificates representing the Consumers Common Stock over which Vivendi has authority to PSC upon consummation of the Merger as described in the Merger Agreement.

Finally, Vivendi intends to vote (or cause to be voted) all of the PSC Common Stock over which Vivendi or its affiliates has voting authority in favor of (i) the Merger Agreement, (ii) the Merger, and (iii) the authorization or issuance of shares of PSC Common Stock in connection with the Merger, at any meeting of shareholders of PSC called to vote on such matters or any adjournment thereof or in any other circumstance upon which a vote, consent, or other approval with respect to the Merger is sought.

As you are aware, pursuant to a letter agreement dated February 7, 1987, Vivendi has granted a right of first refusal in respect of its Consumers Common Stock in favor of Consumers, which is exercisable in certain circumstances. Vivendi's intentions described above are subject to any rights of Consumers under that letter agreement.

Sincerely,

/s/ Guillaume Hannezo  
-----  
Guillaume Hannezo

Chief Financial Officer

PHILADELPHIA SUBURBAN CORPORATION TO MERGE

WITH CONSUMERS WATER COMPANY

Merger to Create Nation's Second Largest Investor-Owned Water Utility  
in Consolidating Industry

Bryn Mawr, PA and Portland, ME, June 29, 1998-PSC (NYSE: PSC), the nation's third largest investor-owned water utility holding company, and Consumers Water Company (NASDAQ: CONW) today announced that their respective boards of directors have approved a definitive agreement for approximately \$270 million in a stock merger agreement, creating the second largest investor-owned water utility in the U.S., serving over 1.6 million residents in Pennsylvania, Ohio, Illinois, New Jersey and Maine.

Under the terms of the agreement, which includes a collar, Consumers' shareholders will receive 1.459 share of PSC common stock for each Consumers' share. The merger will be tax-free to shareholders of both companies and will be accounted for as a pooling of interests. The merger, which is subject to Hart-Scott-Rodino clearance, shareholder approvals, state regulatory approvals and other customary conditions, is expected to close before the end of the year.

This transaction represents a premium for Consumers' shareholders of approximately 26 percent based on the closing prices of Consumers and PSC on Friday, June 26. The transaction is expected to be accretive to PSC earnings on an ongoing basis exclusive of one-time transaction costs. As a result of the transaction PSC will assume debt of approximately \$190 million.

Vivendi, a \$33 billion French company and largest water company in the world which owns 13 percent of PSC and 23 percent of Consumers, has stated its intent to support the combination.

Noting that the U.S. water utility industry is in the very early stages of consolidation with more than 50,000 separate water utility systems nationally, PSC Chairman Nicholas DeBenedictis said. "This is a compelling transaction for the shareholders of both companies as we will have a strong balance sheet and a dynamic new platform for growth through acquisitions. We also expect to achieve meaningful synergies, mainly through increased purchasing leverage in such areas as electricity, chemicals and equipment."

Consumers Water President Peter L. Haynes said, "This transaction makes eminent sense for our shareholders, giving them an immediate premium for their shares plus the upside of participating in an early-stage consolidation story. PSC has a strong management team and, especially with its close relationship with Vivendi, will be in an excellent position to accelerate growth and earnings."

Said Daniel Caille, Chairman of General des Eaux, the water division of Vivendi (formerly Compagnie Generale des Eaux) "We are excited by the combination of PSC and Consumers and believe this new enlarged entity will be a meaningful participant in the consolidating U.S. water industry in which we have been participating through PSC for the last 20 years."

DeBenedictis continued: "Over the next several years, we expect a wave of consolidation in the water industry as the costs of meeting increasingly stringent water standards rise. Small private or investor-owned water systems-- as well as many thousands of municipal systems facing budgetary constraints and considering privatization--are increasingly turning to professional operators such as

ourselves. We expect the combined company to be an aggressive acquirer of attractive assets. And, through our relationship with Vivendi, the largest water company in the world, we will also be well positioned to support Vivendi on privatized services and management contracts." He added that, eventually, the Company's increased size could also give it the mass needed to market other utility services in conjunction with gas and electric companies.

"Consumers Water has a 70 year tradition of quality service in the industry and has recently focused their strategy on growth in the water utility industry. We are looking forward to joining with the professionals at Consumers to make this merger a win-win," said DeBenedictis.

Since 1992, PSC has pursued a growth-through-acquisition strategy that

has resulted in more than 25 water company acquisitions and two wastewater system acquisitions. "With our corporate strategy focused on growth and today's announcement, we have stepped up the pace dramatically," said DeBenedictis who will continue as PSC chairman and CEO.

Under the agreement, Consumers will become a wholly owned subsidiary of PSC, the parent company of Philadelphia Suburban Water Company (PSW). Current PSC management will continue to manage their existing operation and overall corporate activities while the Consumers' state subsidiaries will continue to be managed by the current subsidiary presidents.

Caille added that Vivendi, through its U.S. subsidiary Air & Water Technology--the country's largest contractor for the privatization of water and wastewater services--"is interested in the development of a close relationship between PSC and Air & Water Technology and plans to work with PSC on privatization projects in the five states in which we will operate after the merger closes." Vivendi also sees the benefit of using PSC's cost-effective services such as laboratory, customer service and billing activities and joint purchasing opportunities as supportive of our expanding U.S. privatization and operations and management contracts.

Salomon Smith Barney served as financial advisor to PSC, and SG Barr Devlin served as financial advisor to Consumers Water.

Consumers Water owns seven water utilities with operating subsidiaries located in Ohio, Illinois, Pennsylvania, New Jersey, and Maine. The company serves approximately 670,000 residents in a five-state area.

PSC is currently the third-largest, investor-owned water utility in the country, serving approximately one million residents in 97 municipalities in Delaware, Montgomery, Chester, Bucks and Berks Counties in Pennsylvania.