



Philadelphia Suburban to Purchase White Horse Village Water System

Bryn Mawr, PA, January 31, 2000 - Philadelphia Suburban Water Company (PSW), the primary subsidiary of Philadelphia Suburban Corporation (NYSE:PSC) announced today that it has reached an agreement of sale to purchase the water system of the 500-unit Whitehorse Village retirement community in Edgmont Township, Delaware County, for a consideration of \$500,000.

PSW will acquire all of the village's 11,000-foot distribution system (which was installed in 1988) and its well system in return for a high quality public water supply and \$500,000 worth of capital improvements to provide supplemental public water to the retirement development.

PSW will connect Whitehorse Village to its 16-inch main on nearby West Chester Pike. The PSW transmission main was installed five years ago to provide needed water supply to the growing Route 3 corridor that connects Delaware and Chester Counties. Later this year, the retirement community, which has always relied solely on its well supply, will be expanded to include 28 additional carriage homes and add 30 beds to the existing 100-bed health care center.

Whitehorse Village President and CEO Bob Allen said he is pleased that PSW was able to purchase the water system. We are looking forward to having PSW professionals own our system, said Allen. With our planned growth, we had concerns about the capacity of our existing wells to serve our customers. Our connection with PSW's main system will lay those concerns to rest. We have the added benefit of knowing a professional water utility like PSW will also be responsible for water quality and maintaining the distribution and hydrant systems.

PSW is the largest subsidiary of Philadelphia Suburban Corporation, which has water utility operations that serve nearly two million residents in Pennsylvania, Ohio, Illinois, New Jersey and Maine.

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