

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 10, 1999

PHILADELPHIA SUBURBAN CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania 1-6659 23-1702594

(State or other jurisdiction of incorporation) (Commission File Number) (IRS Employer Identification Number)

762 W. Lancaster Avenue, Bryn Mawr, Pennsylvania 19010

(Address of principal executive offices) (Zip Code)

(610) 527-8000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report.)

Item 2. Acquisition or Disposition of Assets

The previously announced agreement to merge Consumers Water Company ("Consumers") with and into Consumers Acquisition Company ("Acquisition"), a wholly-owned subsidiary of Philadelphia Suburban Corporation ("Registrant") was consummated as of the close of business on March 10, 1999. The transaction was completed pursuant to the Amended and Restated Agreement and Plan of Merger dated August 5, 1998 (the "Agreement") among Consumers, Acquisition and Registrant, which was approved by the shareholders of each company on November 16, 1998. Pursuant to the terms of the Agreement, each shareholder of Consumers will receive 1.432 shares of Registrant's Common Stock for each share of Consumers Common Stock and 5.649 shares of Registrant's Common Stock for each share of Consumers Preferred Stock. The exchange ratio for the Consumers Common Stock was calculated in accordance with the Agreement and is equal to the quotient determined by dividing \$32.00 by the Calculation Price, rounded to the nearest one-thousandth of a dollar. The Calculation Price is the volume weighted average, rounded to the nearest one-thousandth of a dollar of the trading prices for Registrant's Common Stock for each of the ten consecutive trading days ending five business days before the Determination Date of March 9, 1999. As provided in the Agreement, the exchange ratio for the Consumers Preferred Stock is the product of 3.945 times the exchange ratio for the Consumers Common Stock. Thus, the 9,046,823 shares of Consumers Common Stock outstanding on March 10, 1999 will be exchanged

for 12,955,051 shares of Registrant's Common Stock and the 10,438 shares of Consumers Preferred Stock outstanding on March 10, 1999 will be exchanged for 58,964 shares of Registrant's Common Stock.

In the transaction, the subsidiaries of Consumers will become subsidiaries of Acquisition, which will change its name to Consumers Water Company. These subsidiaries operate water and wastewater systems in five states (Ohio, Illinois, Pennsylvania, New Jersey and Maine), serving approximately 800,000 residents in those states. Registrant intends to continue the operations of these subsidiaries.

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Item 5. Other Events.

The disclosure contained in the Press Release attached hereto as Exhibit 99.1 is incorporated by reference herein.

Item 7. Financial Statements and Exhibits

(a) Financial Statements

As of the date of filing of this Current Report on Form 8-K, it is impracticable for the Registrant to provide the financial statements required by this Item 7(a). In accordance with Item 7(a)(4) of Form 8-K, such financial statements shall be filed by amendment to this Form 8-K no later than 60 days after March 12, 1999.

(b) Pro Forma Financial Information

As of the date of filing of this Current Report on Form 8-K, it is impracticable for the Registrant to provide the pro forma financial information required by this Item 7(b). In accordance with Item 7(b) of Form 8-K, such financial information shall be filed by amendment to this Form 8-K no later than 60 days after March 12, 1999.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PHILADELPHIA SUBURBAN CORPORATION

Date:March 12, 1999

/s/ Roy H. Stahl

Name: Roy H. Stahl
Title: Senior Vice President and
General Counsel

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EXHIBIT INDEX

Exhibit	Page
2.1 Amended and Restated Agreement and of Merger, dated as of August 5, 1998, by and among Philadelphia Suburban Corporation, Consumers Water Company and Consumers Acquisition Company. (Incorporated by reference from Registration Statement on Form S-4, filed with the Securities and Exchange Commission on September 11, 1998.)	-
99.1 Press release dated March 11, 1999	6-7

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FOR RELEASE: March 11, 1999

PHILADELPHIA SUBURBAN CORPORATION COMPLETES MERGER
WITH CONSUMERS WATER COMPANY
Merger creates nation's second largest investor-owned water company

BRYN MAWR, PA, March 11 - Philadelphia Suburban Corporation (NYSE:PSC) and Consumers Water Company (formerly NASDAQ:CONW) completed their previously announced merger (June 29), creating the second largest water company in the United States based on market capitalization. Regulatory approvals from the five states needed to close the merger were completed in six months, which is believed to be a record for a multi-state, major utility transaction.

Under the terms of the merger agreement, PSC acquired Consumers for approximately \$463 million in stock and assumed debt. Each holder of Consumers common stock will receive 1.432 shares of PSC common stock for each share of Consumers common stock, which was worth a total of \$32 per share at yesterday's closing price.

"We are pleased that this merger should be more accretive to future earnings than when we announced the merger last June because the originally proposed exchange ratio was 1.459," said PSC Chairman Nicholas DeBenedictis. "Also, immediate steps are being taken to close the former Consumers' corporate headquarters office in Portland, Maine by the end of this month and we will begin cutting duplicative overhead costs immediately."

Consumers will operate as a wholly-owned subsidiary of PSC, the parent company of Philadelphia Suburban Water Company (PSW). The combined company will serve approximately 1.8 million residents with operating subsidiaries in Pennsylvania, Ohio, Illinois, New Jersey, and Maine. "We will hit the ground running, having worked closely with the Consumers' state presidents during the transition to establish cost containment measures and customer growth strategies," DeBenedictis said.

"The combination of these two companies will make PSC one of the premier water suppliers in the nation," added DeBenedictis. "This merger is taking place at a very dynamic time in the water utility industry-when there is significant opportunity for consolidation of the existing 50,000 water companies in the United States. PSC has been one of the top 'acquirers' to date with more

than 30 acquisitions since 1992."

PSC intends to continue its successful regional-growth-through-acquisition strategy and to expand the Company in the growing southeastern Pennsylvania region. The critical mass, economies of scale and new geographic locations resulting from this merger should provide the combined companies with new opportunities for growth and additional cost savings.