



Philadelphia Suburban Signs a 25-Year Water Sales Contract Valued At \$43 Million With Columbia Electric Corporation Subsidiary

BRYN MAWR, Pa - Aug. 3, 2000--Philadelphia Suburban Corporation (NYSE:PSC) announced today that its Philadelphia Suburban Water Company subsidiary (PSW) has entered into 25-year bulk water sales agreement with Liberty Electric Power, LLC (Liberty)--a subsidiary of Columbia Electric Corporation--valued at \$43 million.

PSW has agreed to sell up to 6.0 million gallons of water daily to the power company for use in the generation of electric power. The contract is estimated to yield PSW approximately \$1.4 million in annual revenue the first year, based on 2.2 million gallons of usage a day and a unit cost that will escalate annually with inflation.

Liberty, which recently began construction on the 568-megawatt gas-powered plant, is scheduled to begin startup operations at the plant in the fall of 2001.

PSC Chairman Nicholas DeBenedictis said, We're very pleased to have a large operation with a national connection like Liberty locate in our region and become a customer. I believe Liberty will have a positive impact on the economy by providing employment, but more importantly, by further strengthening our region's utility infrastructure, which is necessary to continue attract business to our area.

PSW will invest in a \$7 million, 5.7 mile, 30-inch pipeline to supply the new plant. PSW will serve the plant with water purchased from the City of Philadelphia.

The agreement with Liberty is the seventh growth venture announced by PSC this year. -- January 2000 - PSW reached an agreement of sale to purchase the Whitehorse Village retirement community water system that includes 500 residences and a 100-bed hospital in Edgmont Township, Delaware County.

-- 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.

-- April 2000 - PSW's wastewater division purchased the Twin Hills wastewater system that serves approximately 750 residents in West Pikeland Township, Chester County.

-- May 2000 - PSW purchased the Fulmor Heights water system that serves approximately 1,000 residents in Hatboro Borough, Montgomery County.

-- 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.

-- August 2000 - PSC's Consumers Ohio subsidiary purchased the Summit County water system, which serves 4,200 customers in the City of Green.

PSC is one of the nation's largest investor-owned water utilities and serves nearly two million residents in Pennsylvania, Ohio, Illinois, New Jersey and Maine. PSC is the holding company for Philadelphia Suburban Water Company and Consumers Water Company, regulated public utilities that provide water to nearly two million residents in Pennsylvania, Ohio, New Jersey, Illinois and Maine. Its largest subsidiary, PSW, serves approximately 1.2 million residents in 97 municipalities in southeastern Pennsylvania.

PSC's common shares are traded 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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CONTACT:

Philadelphia Suburban Corporation
Donna Alston, Manager, Communications
610/645-1095
alstond@suburbanwater.com

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