

FOR IMMEDIATE RELEASE

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PENNSYLVANIA AMERICAN WATER COMPLETES FIRST PORTION OF \$101 MILLION PITTSBURGH SYSTEM UPGRADE

Event also commemorates new neighborhood flower garden

MCMURRAY, Pa. (May 11, 2012) – Pennsylvania American Water officials, along Pittsburgh City Councilman Bruce Kraus and members of the Hilltop Alliance and Allentown Community Development Corporation, today marked the completion of upgrades at the Arlington Booster Station by planting a new neighborhood flower garden.

The booster station project is a part of the company's approximately \$101 million investment to improve service and safety at its Pittsburgh area water treatment facilities, which includes renovations to the E. H. Aldrich Station in Elrama, Washington County.

"Today's event marks the first of three special ceremonies we will be hosting this year as we complete major improvements to the drinking water facilities that serve our Pittsburgh area customers," said Pennsylvania American Water Senior Engineer Jay Lucas. "We also want to celebrate our partnership with Councilman Kraus and our project neighbors, who worked closely with us to minimize the inconveniences associated with the reconstruction of this vital piece of infrastructure."

"We applaud Pennsylvania American Water for investing in upgrades that will help to protect the health and safety of our communities," said Pittsburgh City Councilman Bruce Kraus. "Furthermore, the flower garden will help beautify one of Arlington's busiest intersections and assist us in reaching our goal of regenerating one of Pittsburgh's most historic and treasured neighborhoods."

Located in the Arlington section of the City of Pittsburgh, the booster station helps pump water to key service areas. It also ensures fire protection in the event that the Hays Mine Plant is unavailable during maintenance and times of emergency.

The approximately \$1 million investment included the installation of new chemical storage and feed facilities, which will improve public safety by replacing gas chlorine with liquid chlorine to address concerns associated with chlorine gas storage.

The project also included beautification and landscaping of the facility. Pennsylvania American Water employees joined neighbors in planting various flowers in the new garden located on the facility's property at the intersection of Knox and Arlington Avenues and along the entrance's fence line.

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Pennsylvania American Water, a wholly owned subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.2 million people. Founded in 1886, American Water is the largest publicly traded U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs approximately 7,000 dedicated professionals who provide drinking water, wastewater and other related services to an estimated 15 million people in more than 30 states and parts of Canada. More information can be found by visiting www.amwater.com.

This release contains forward looking statements, including, among others, our plan to continue our long-term strategy of capital investment in our systems. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions, unfavorable weather conditions, changes in regulations or regulatory treatment and availability and the cost of capital. We undertake no obligation to publicly update or revise any forward-looking statement.

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