

FOR IMMEDIATE RELEASE

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PENNSYLVANIA AMERICAN WATER PLANS \$8.6 MILLION IN WATER SYSTEM UPGRADES IN PITTSBURGH AREA

MCMURRAY, Pa. (February 29, 2012) – Pennsylvania American Water announced today the start of construction to replace approximately seven miles of aging water main in the Pittsburgh area to improve service reliability and improve fire protection for residents. The combined cost of these system improvements is approximately \$8.6 million.

“The replacement of aging mains – that are in some cases more than 100 years old – will improve reliability for our customers,” said Jasun Stanton, Pennsylvania American Water manager of field operations for Pittsburgh. “These projects also will improve pressure and fire flow.”

The latest pipeline improvements are in addition to the company’s approximately \$101 million upgrade taking place at its Pittsburgh area water treatment facilities, which includes renovations to the E. H. Aldrich Station in Elrama. Over the next several months, the company plans to replace aging water main in the following communities:

Baldwin Township

- Shutte Road

Bethel Park

- Donati Road
- Main and Oak Streets
- Main and Poplar Streets
- Highland Road
- Summit Drive
- Lightwood Avenue
- Windgate and Oldfield
- Woodford and Eastview Drive
- Sylvan Road

Brentwood Borough

- Newburn and Owendale
- Leola Avenue

Bridgeville Borough

- Prestley Road

Carnegie

- Margaretta and Church Street
- Cabbage Street
- Sarah Street
- Boyd Street
- 8th Avenue

City of Pittsburgh

- Aplaus Avenue (29th Ward)
- Castlegate Avenue (19th Ward)
- Gallupe Drive (19th Ward)
- Oakridge Street (19th Ward)
- Plaport Street and West Run Road (31st Ward)

Collier Township

- Thomas Street

Crafton

- Chartiers Street and Fountain Avenue

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Greentree Borough

- Reed Street
- Conroy Street

Mt. Lebanon

- Marlin Drive East
- Marlin Drive West
- Washington Road

Munhall

- Jefferson Avenue
- West Run Road

South Fayette Township

- Allegheny Avenue
- Penn and Campbell

South Park

- Shang Drive and Old Shange Avenue
- Grove Road and Boff Street

Upper St. Clair

- Phillips Way
- Thames Place

During construction, customers might experience temporary service interruptions, discolored water and/or lower than normal water pressure. Crews will work as quickly as possible to shorten the length of these temporary inconveniences. For more information, contact Pennsylvania American Water's customer service center at 1-800-565-7292.

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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