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STATE, LOCAL OFFICIALS JOIN PENNSYLVANIA AMERICAN WATER TO DEDICATE NEW WATER SERVICE FOR COLLIER TOWNSHIP RESIDENTS

MCMURRAY, Pa. (August 15, 2008) – Representatives of Pennsylvania American Water gathered with state and local officials today to dedicate the extension of three miles of pipe, which the company is currently installing to provide public water service and improved fire protection to 40 customers in Collier Township, Allegheny County.

Pennsylvania Public Utility Commissioner Tyrone J. Christy was among the dignitaries participating in the ceremony in Collier Township, along with Pennsylvania American Water President Kathy L. Pape. “Viable water systems are essential to strong Pennsylvania communities and we, at the Commission, regulate the rates and service of about 193 water and wastewater companies to ensure safe and reliable service,” said Christy. “The PENNVEST projects in Allegheny and Washington counties will provide more reliable water service. This extension of clean water to residents is one example of a successful public-private partnership.”

Pennsylvania American Water secured approximately \$2.4 million in low-interest financing from the Pennsylvania Infrastructure Investment Authority (PENNVEST) to install the Collier Township pipeline and another water main extension in Hanover Township, Washington County. Both projects will enable the company to bring public water service to families who currently depend on unreliable private wells, springs and cisterns for water.

“The Office of Consumer Advocate has been assisting the people of Collier and Hanover Township since 2001 in their efforts to obtain safe and reliable water service,” said Pennsylvania Consumer Advocate Sonny Popowsky. “I am thrilled that these residents’ efforts have finally produced a positive result, and that the people of Collier/Hanover Township will now be able to receive this essential service at a reasonable cost.”

In addition to the new pipe, the Collier Township project includes the installation of more than 25 fire hydrants. Crews recently began construction of the main extension, which is expected to be completed in October.

“This project reflects the partnership among Pennsylvania American Water, the PUC, Office of Consumer Advocate, PENNVEST and local officials, who have pulled together to improve the quality of life for residents now living without adequate access to public water service,” said Pape. “The PENNVEST loans not only help water companies like ours reduce interest expense, but they also make it possible to provide more families with reliable service, better water quality and improved fire protection.”

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Pennsylvania American Water is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to more than 2.1 million people. In addition to its subsidiaries' regulated operations, American Water provides operation and maintenance services to an additional 112,000 people in Pennsylvania. Pennsylvania American Water is a wholly owned subsidiary of American Water (NYSE: AWK). Founded in 1886, American Water is the largest investor-owned U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs nearly 7,000 dedicated professionals who provide drinking water, wastewater and other related services to approximately 15.6 million people in 32 states and Ontario, Canada. More information can be found by visiting www.amwater.com.

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